

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 71** SLS 17RS 140
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 26, 2017 7:50 AM	Author: DONAHUE
Dept./Agy.: Office of Student Financial Assistance	Analyst: Willis Brewer
Subject: Provides relative to TOPS award amounts	

TOPS EG SEE FISC NOTE GF EX See Note Page 1 of 1
 Provides relative to TOPS award amounts to resolve conflicting provisions.

Proposed law clarifies the amount of TOPS award paid to a student enrolled in a public postsecondary institution shall be equal to the tuition amount charged by the public college or university during the 2016-2017 academic year.

Proposed law clarifies the amount of TOPS award paid to a student enrolled in an approved nonpublic college or university, a school of Cosmetology, or an out-of-state college or university specifically designed to accommodate deaf and hard-of-hearing students shall be equal to the weighted average of the tuition amounts charged to students attending public colleges and universities during the 2016-2017 academic year.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will have no direct material effect on state general fund (SGF) expenditures in FY 18 or subsequent years.

The proposed law resolves conflicting provisions in RS 17:5002 as a result of Act 18 and Act 503 of 2016. As a result of Act 18, the present law provides that the TOPS award amounts will be equal to the TOPS award amount paid at the institution in FY 17 (RS 17:5002 A.(2)). In addition, the present law provides that the TOPS award amounts will be equal to the tuition charged at the institution in FY 17 (RS 17:5002 B.(1)). The original legislative intent of Act 18 of 2016 was to cap the TOPS award amount at the tuition amount in FY 17.

Act 503 of 2016 provides that in the event the legislature appropriates insufficient funds to fully fund the TOPS awards, the reduction of the award and stipend amounts will be on a pro rata basis. As a result of a TOPS funding shortfall in FY 17 and Act 503 of 2016, the TOPS award amounts were reduced on a pro rata basis resulting in an average TOPS award of 67% of the FY 17 max amount (FY 17 max award amount is equal to the FY 17 tuition at each institution).

The proposed law will resolve the differing interpretations and will set the projected need at the FY 17 tuition by institution. To the extent TOPS is fully funded, it will require an increase in SGF expenditures of \$81.9 M in FY 18.

FY	Existing Budget	TOPS Projection	Surplus/(Shortfall)
FY 18	\$209,378,062	\$291,240,917	(\$81,862,855)
FY 19	\$209,378,062	\$292,785,628	(\$83,407,566)
FY 20	\$209,378,062	\$294,281,858	(\$84,903,796)
FY 21	\$209,378,062	\$296,829,967	(\$87,451,905)
FY 22	\$209,378,062	\$299,261,126	(\$89,883,064)

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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