

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 454** SLS 18RS 404
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 26, 2018 10:15 AM	Author: MORRISH
Dept./Agy.: LOSFA	
Subject: Provides additional TOPS awards for students	Analyst: Willis Brewer

TOPS OR SEE FISC NOTE GF EX Page 1 of 1
 Provides additional TOPS awards for students who are successful in postsecondary education. (gov sig)

Proposed law provides for two new awards called the TOPS-Tech 2Plus2 Award and the TOPS Second Chance award. TOPS-Tech 2Plus2 Award recipients meet all requirements for the TOPS-Tech award and must have graduated from high school during or after FY 22, accepted his TOPS-Tech Award, earned an academic associate's degree in an eligible TOPS-Tech program within two academic years, maintained a cumulative grade point average of 3.20 each academic year, enrolled in a baccalaureate program at a TOPS eligible four-year institution within one year. TOPS Second Chance Award recipient must have a 2.50 GPA based on the TOPS high school core curriculum, at least a 17 on the ACT test, graduated from high school during or after the FY 22 school year, remained continuously enrolled in an eligible four-year institution and earned at least sixty hours of academic credit within two consecutive academic years, maintained a cumulative grade point average of 3.00 each academic year, and remain enrolled in a baccalaureate program at a TOPS eligible four-year institution. Proposed law provides that to maintain eligibility for the award, a student must make steady academic progress toward a degree, maintain a cumulative GPA of 2.50, have continuous enrollment, have no criminal conviction, except for misdemeanor traffic violations, and have received an honorable discharge.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed legislation will have a significant impact on state expenditures beginning in FY 25, which is outside the fiscal note's five-year projection. This measure is applicable to high school graduates during or after FY 22 that meet specific criteria.

TOPS-Tech 2Plus2 award is applicable to students that received an associate's degree in a TOPS-Tech program within two years with a cumulative grade point average (GPA) of 3.20 and are enrolled in a baccalaureate program at TOPS eligible four-year institution within one year from the student's associate degree receipt. Based on the number of high school graduates from FY 12 - FY 15, there have been approximately 4,861 TOPS Tech recipients; 79 of these students (1.6%) earned an Associate's degree within 2 years with a 3.2 GPA. For this time period, the average annual number of eligible students for the TOPS-Tech 2Plus2 award is 20. Using the FY 18 TOPS opportunity award amount (\$5,399), the estimated annual cost in FY 25 is **approximately \$108,000**. Beginning in FY 26, there will be two sets of students (the second year of FY 25 and a new group) for a total of 40 eligible students and an **estimated annual cost of \$216,000**.

TOPS Second Chance award is applicable to students with an ACT score between 17-20 and a 2.5 GPA that enrolled at a four-year institution and earned at least sixty (60) credit hours within two academic years while maintaining a 3.0 GPA. Based on the number high school graduates from FY 11 - FY 15, there have been approximately 19,941 eligible for TOPS Tech (GPA 2.5/ACT 17) who completed the TOPS Core Curriculum that did not accept the TOPS Tech award. Of these, 6,620 (39%) enrolled within one year of graduation at a 4-year institution, and 412 of these students (6%) earned 60 hours within 2 years with a 3.0 GPA. For this time period, the average annual number of eligible students for the TOPS Second Chance award is 82. Using the FY 18 TOPS opportunity award amount (\$5,399), the estimated annual cost in FY 25 is **approximately \$445,000**. Beginning in FY 26, there will be two sets of students (the second year of FY 25 and a new group) for a total of 164 eligible students and an **estimated annual cost of \$890,000**.

Total: The estimated annual cost in FY 25 is \$553,000 and \$1.1 M thereafter.

It is reasonable to assume that student behavior is likely to change over the course of the next several years and the number of eligible students may increase, but it cannot be estimated at this time.

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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