

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 431** SLS 18RS 122
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 12, 2018 7:44 AM	Author: WALSWORTH
Dept./Agy.: Higher Education/BOR/LOSFA	Analyst: Willis Brewer
Subject: Transfers LOSFA outside of BOR authority	

POSTSECONDARY ED OR SEE FISC NOTE GF EX Page 1 of 1
 Provide relative to the Louisiana Office of Student and Financial Assistance. (gov sig)

Present law provides for the Louisiana Tuition Trust authority, provides for the membership of the authority, and places that authority under the governance of the Board of Regents. Proposed law clarifies the authority of administering state and federal programs is provided to the Office of Financial Assistance. Further provides for the office to be outside of the authority of the Board of Regents. Proposed law provides that the Louisiana Tuition Trust Authority is an appointed board that serves as an advisory board to the office of student financial assistance. Proposed law additionally provides for 17 members of the authority including chairman appointed by the Governor, superintendent of education (or designee), one from each management board, La Association of Independent Colleges and Univ., La Assoc. of Private Colleges and Schools, La Assoc. of Student Financial Aid Administrators, public school high school counselor appointed by the La Student Counselor Association, private/parochial high school counselor appointed by the La Student Counselor Association, La Association of School Superintendents, and non-voting student member appointed by Council of Student Presidents.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is an indeterminable impact to the Board of Regent's (BOR) as a result of removing the Louisiana Office of Student Financial Assistance (LOSFA) from under the Board of Regent's (BOR) governing authority. This measure partially reverses Act 314 of 2016 which transferred LOSFA and the Louisiana Universities Marine Consortium (LUMCON) under the BOR authority.

Per BOR's Act 314 report to the Legislature, after LOSFA (and LUMCON) were transferred under the BOR's authority, BOR began using LOSFA for back office functions including accounting and human resource functions. BOR previously contracted with the Office of Finance and Support Services (OFSS) and Human Capital Management (HCM) within the Division of Administration (DOA) at a total cost of \$157,329 in FY 16. To facilitate this additional workload, BOR added an additional position (\$83,588 salaries and benefits) and LOSFA converted a part-time employee to full-time (\$23,278) for a total annual personnel cost of \$106,866. The BOR did not indicate how the functions would be provided. LOSFA indicated it could continue providing services pursuant to a Memorandum of Understanding which would outline the scope of services and a cost reimbursement. LFO assumes the new position would remain with BOR and any remaining back-office services LOSFA provided could be addressed in several ways. BOR could absorb the remaining workload with existing staff; BOR and LUMCON could resume responsibility for its own accounting and HR functions; or BOR could resume out-sourcing the remaining functions to the DOA. Therefore, any costs are indeterminable at this time.

This measure is not anticipated to increase LOSFA expenditures. Currently, LOSFA has an advisory council consisting of 11 members that makes recommendations to LATTAs 21 member roster in regards to START and ABLE business. LOSFA's advisory council makes recommendations to the Board of Regents (BOR) 15 board members in regards to other business including the Taylor Opportunity Program for Students (TOPS). Neither the advisory council or LATTAs members receive a per diem, but in FY 17 there were approximately \$4,800 in travel reimbursements, meals, and supplies pertaining to the LOSFA advisory meetings. These costs are paid for with federal funds out of the Federal Family Educational Loan Program (FFELP). This legislation reduces the LATTAs member roster to 17 (by eliminating the Board of Regents members) while adding LOSFA advisory members to the LATTAs board. LOSFA has indicated it will not provide per diem to this board similar to the current practice. It is anticipated mileage reimbursements, meals, and supplies for this board will remain constant.

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}

Evan Brasseaux
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Staff Director