

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 380** SLS 18RS 656
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ HSE COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 15, 2018 6:38 PM	Author: BISHOP
Dept./Agy.: Higher Education/LOSFA	Analyst: Willis Brewer
Subject: TOPS Second Chance Award	

TOPS RE1 SEE FISC NOTE GF EX See Note Page 1 of 1
 Creates the TOPS Second Chance Award. (gov sig)

Proposed law creates a new award, the TOPS Second Chance Award, and provides that a 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 2021-2022 school year, enrolled in an eligible four-year institution no later than immediately following the first anniversary of the date that the student graduated from high school, 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 3.20 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 grade point average of 2.50 on a 4.0 scale, have continuous enrollment, have no criminal conviction, except for misdemeanor traffic violations, and have received an honorable discharge or general discharge under honorable conditions (if in the United States Armed Forces).

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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$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	<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

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 with an ACT score between 17-20 and a 2.5 GPA to enroll at a four-year institution and earn at least sixty (60) credit hours within two academic years while maintaining a 3.2 GPA. It is possible students could achieve 60 credit hours as early as spring 2024 (FY 24) assuming the student takes 18 credit hours per semester and nine in the summer (18+18+18+9=63), or the student attained college credit hours while still in high school. Therefore, there could be additional costs as early as FY 24 for the students that are able to achieve sixty credit hours within two years. However, it is anticipated the majority of the costs will be incurred beginning in FY 25.

Based on the number high school graduates from FY 11 - FY 15, there have been approximately 16,941 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 (41%) enrolled within one year of graduation at a 4-year institution, and 237 of these students (3%) earned 60 hours within 2 years with a 3.2 GPA.

For this time period, the average annual number of eligible students for the TOPS Second Chance award is 47. Using the FY 18 TOPS opportunity award amount (\$5,399), the **estimated annual cost in FY 25 is approximately \$254,000**. 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 94 eligible students and an **estimated annual cost of \$508,000**. 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
 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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