

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 318** SLS 20RS 577
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 9, 2020 11:38 AM	Author: CATHEY
Dept./Agy.: Office of Student Financial Assistance (OSFA)	Analyst: Jodi Mauroner
Subject: TOPS Tech Awards	

TOPS OR INCREASE GF EX See Note Page 1 of 1
 Provides for TOPS-Tech award eligibility for certain military veterans. (gov sig)

Students who are eligible to receive a TOPS Opportunity or TOPS Tech awards must enroll in an eligible college or university as a first time full time freshman not later than the semester, (excluding summer semesters), immediately following the first anniversary of the date that the student graduated from high school. The proposed legislation would allow an individual who has been honorably discharged from a branch of the U.S. Armed Forces to be eligible to receive the award provided he meets the specified criteria. Requires a repayment of award amount if he fails to maintain eligibility or fails to complete the academic degree or occupational training he is pursuing within the two year period. Requires OSFA to promulgate rules for implementation of the proposed legislation. Effective August 1, 2020

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	2020-21	2021-22	2022-23	2023-24	2024-25	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

There will be an increase in the expenditures of OSFA to establish a mechanism to extend TOPS Tech awards to eligible veterans and for payment of awards. The LA Department of Veterans Affairs (LDVA) does not maintain data on the number of individuals who process out of the service and move to or remain in Louisiana, thus the LFO is unable to ascertain the number of veterans who would be affected by this legislation. There may be an indeterminable impact to the Office of Debt Recovery.

Legislation requires those students who fail to complete their program of study repay any award amount received. As such, OSFA would require upgrades to their information system to track students to ensure that they complete the academic degree or skill/training pursued and to establish and maintain a process for ensuring notification and compliance of repayment obligations. OSFA estimates approximately 145 hours of programming at a minimum of \$100 per hour in year one (\$14,500); and administrative costs for rule making, equipment, and informational publications (\$8,192). Staff increases in the Scholarship/Grants, the Fiscal and Legal divisions would be required to support this program (\$133K in year one for 2 positions; increasing to a total of 5 positions by year three (\$399K); future staff increases may be required dependent upon the number of applicants. Total estimated operating costs for OSFA over the next five years are \$155,742 in FY 21; \$274,981 for FY 22; \$414,602 for FY 23; \$411,360 for FY 24 and \$411,360 for FY 25.

The LFO cannot project potential costs of these TOPS Tech awards. The award amount averages \$2,666 per year for a maximum of two (2) years. If ten veterans qualify each year, the impact would be \$26,600 in year one and \$53,320 for subsequent years. However, it is possible that there would be little impact to the current program in light of the availability of education benefits granted to service members and veterans under the GI Bill. While actual benefits vary depending upon years of service, for those members serving since 9/1/2001 benefits could range from 50% to 100% of actual tuition and fees at any public college or university, a monthly housing allowance and a stipend for textbooks and supplies. LDVA indicated there are approximately 8,300 veterans currently using the GI Bill on Louisiana campuses.

REVENUE EXPLANATION

There could be increased revenue to OSFA to the extent recipients are required to repay awards for failure to meet the award criteria. Such increase is indeterminable at this time.

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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