



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 327** HLS 23RS 177
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | | |
|---|---------|-----------------------------|
| Date: April 24, 2023 | 2:22 PM | Author: SEABAUGH |
| Dept./Agy.: Board of Regents | | |
| Subject: TOPS Residency Requirements | | Analyst: Chris Henry |

TOPS OR INCREASE GF EX See Note Page 1 of 1

Relative to the Taylor Opportunity Program for Students (TOPS), provides that dependent children of parents living overseas meet TOPS residency requirements if certain conditions are met

Proposed law amends the residency requirements for the Taylor Opportunity Program for Students (TOPS) to include a student whose parent or guardian who meets all of the following: 1. Lives outside the United States 2. Is not on active duty with the U.S. armed forces 3. Was a resident of Louisiana for 24 months prior to moving abroad 4. Has remained a resident of Louisiana through the date of the student's graduation from high school.

The effects of the proposed legislation are applied retroactively to August 1, 2015.

| EXPENDITURES | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 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 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 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 a minimal increase in costs for the Louisiana Office of Student Financial Assistance (LOSFA) resulting from any increase in the number of students receiving TOPS awards who otherwise would not have due to the proposed legislation. In addition, due to the retroactive effectiveness of the proposed legislation, students who were denied TOPS solely due to the residency requirement would now be eligible. LOSFA has identified 4 students that would have qualified for an award from 2015 to the present and would be reconsidered for their TOPS eligibility. For illustrative purposes, assuming each student has maintained TOPS eligibility throughout their postsecondary career and using the five year average award amount (\$5,676) along with the student's high school graduation year and estimated years enrolled, the resulting fiscal impact from the retroactive effectiveness is shown below:

| | <i>High School Grad Year</i> | <i>Years Enrolled</i> | <i>Award Amount</i> |
|--------------|----------------------------------|---------------------------|-------------------------|
| Student 1 | 2017 | 4 | \$22,704 |
| Student 2 | 2021 | 2 | \$11,352 |
| Student 3 | 2022 | 1 | \$5,676 |
| Student 4 | <u>2022</u> | <u>1</u> | <u>\$5,676</u> |
| Total | | | <u>\$45,408</u> |

Student 1 would have exhausted their TOPS benefits assuming they maintained eligibility during their four years, but students 2, 3, and 4 would be eligible for continued benefits starting in academic year 2023-24 and beyond, if they also have maintained eligibility. The institutions attended by these students would bill LOSFA for the TOPS award for each semester attended in sequential order. After verification of continuing eligibility of the student for each subsequent semester, LOSFA would make an award payment to the institution. Any excess funds would then be refunded to the student.

LOSFA reports it would be able to absorb these costs using existing resources within the TOPS funding projection model's margin of error.

REVENUE EXPLANATION

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

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| <p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}</p> <p><input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}</p> | <p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p> | |
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Evan Brasseaux
 Interim Deputy Fiscal Officer