



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 549** HLS 24RS 826
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 22, 2024	2:56 PM	Author: AMEDEE
Dept./Agy.: Higher Education/Student Financial Assistance		Analyst: Chris Henry
Subject: TOPS Requirements for Home Study Students		

TOPS OR INCREASE GF EX See Note Page 1 of 1

Provides relative to initial eligibility requirements for a Taylor Opportunity Program for Students Award for home school students

Present law provides Taylor Opportunity Program for Students (TOPS) awards to students graduating from a public school, approved non-public school, or approved home-study program. Proposed law would create new alternative eligibility requirements for all home study students regardless of approval status. Beginning with students who complete a home study program in the 2023-24 school year, proposed law would require these students to be U.S. citizens, Louisiana residents, have no major criminal convictions, and meet the admission criteria of the postsecondary institution they wish to enroll in order to qualify for a TOPS award.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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

EXPENDITURE EXPLANATION

The proposed measure is anticipated to increase expenditures from SGF and Dedications out of the TOPS Fund for the Taylor Opportunity Program for Students (TOPS) by an indeterminable, yet potentially significant amount resulting from the increase in students who might qualify for a TOPS award based on the new alternative initial eligibility requirements and expansion to all home study students regardless of approval status. The actual amount needed will vary from year-to-year based on the number of student awards and which institution the student enrolls.

The new pathway created in the proposed law does not take into account a composite score from the ACT test; however, this is one of the deciding factors that determines the award level received by a student. Without the consideration of an ACT score, it is assumed all home study students would only be eligible for a TOPS Opportunity award. To the extent this is the case, beginning with the 2024-25 academic year, there would be a corresponding nominal savings to the state resulting from students who would have received a Performance or Honors award, which provides a \$400 or \$800 annual stipend in addition to the Opportunity amount. In the academic year 2022-23, 64 home study students received an Honors award and 82 received a Performance award. This amounts to \$51,200 (\$800 x 64) in Honors stipends and \$32,800 (\$400 x 82) in Performance stipends, which would not have been paid in that year under the proposed scenario.

Additionally, in current law, a student who previously attended a public or approved nonpublic school must begin an approved home study program before the end of tenth grade in order to qualify for TOPS. The proposed legislation does not retain this requirement and opens up the potential for a student to begin a home study program at any point in their high school career. This could result in a student who might not meet standard TOPS eligibility to begin a home study program at the end of their senior year and subsequently qualify for an award. As an illustrative example of the potential impact, of the 2022-23 graduating class, 13,098 did not meet eligibility requirements for TOPS based on core curriculum, GPA, and/or ACT score. If 1,000 of these students pursued the path proposed and received an award, it would result in a \$5.4 M increase in costs to TOPS based on the average Opportunity award level (\$5,393 annually). The actual amount of students who would pursue this alternative path is unknown.

REVENUE EXPLANATION

There will likely be an increase in SGR revenues at postsecondary institutions due to the enrollment of additional students who now qualify for a TOPS award or a higher tier award 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}

Patrice Thomas
Deputy Fiscal Officer