

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 612** HLS 13RS 1138
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 7, 2013 4:58 PM	Author: GREENE
Dept./Agy.: Louisiana Office of Student Financial Assistance (LOSFA)	Analyst: Charley Rome
Subject: TOPS Awards for Post Graduate Study	

STUDENT/LOANS-SCHOLARSHP RE INCREASE GF EX See Note Page 1 of 1

Permits use of TOPS awards at eligible La. institutions by otherwise qualified students who graduated from out-of-state colleges or universities

Proposed law allows a student who enrolls as a full-time student in an out-of-state college/university and graduates from the out-of-state college/university to use a TOPS program award to pursue a postgraduate academic degree at an eligible institution in Louisiana if the student meets all TOPS continuation requirements while in graduate school and meets the following conditions: (1) The student meets the initial eligibility requirements for a TOPS award. (2) The student graduated from an accredited out-of-state college/university. (3) While enrolled in an out-of-state college/university, the student met all requirements applicable to TOPS students in Louisiana. (4) The student graduated from high school in 2008-2009 thereafter. (5) Pursues a degree that is in a field that qualifies the student for employment after graduation in a four or five star job as defined by the La. Workforce Commission. The amount of the tuition award shall be the lesser of the tuition charged for the postgraduate study or the tuition charged by the highest cost public college/university in the state. Permits student to receive the award for 8 semesters as authorized by present law. Effective upon governor's signature.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	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	2013-14	2014-15	2015-16	2016-17	2017-18	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

State general fund expenditures for TOPS awards will increase by indeterminable, but likely significant amounts. The Louisiana Student Financial Assistance Commission (LOSFA) estimated that TOPS expenditures will increase by the following amounts per year due to the proposed legislation: FY14 \$798,000, FY15 \$1,596,000, FY16 \$1,995,000, FY17 and thereafter \$2,394,000. The amounts increase each year through the first four years as a new cohort of students receives TOPS awards. These additional TOPS expenditures are based on the following assumptions developed by LOSFA: 1) 1,540 students not accepting a TOPS award each year, 2) 10% of the 1,540 students (154 students) each year will return to Louisiana and pursue graduate study funded with a TOPS award, 3) Half of returning students (77 students) each year will pursue a two year graduate study program and the remaining half of returning students (77 students) each year will pursue a four year graduate study program, 4) \$5,183 in TOPS awards per year per student, 5) There will be no attrition of students participating in the TOPS program, and 6) No tuition increases.

The bill requires that students pursue a postgraduate academic degree in a field of study that qualifies the student for employment after graduation in a four or five star job as defined by the Louisiana Workforce Commission. According to information provided by the Louisiana Workforce Commission, there are 16 occupations with a four or five star ranking that require a Master's degree, and 26 occupations with a four or five star ranking that require a doctoral or professional degree. The number of students who will seek a TOPS postgraduate award for degrees leading to these occupations is indeterminable.

Note: These estimated TOPS expenditure increases are based on the assumptions stated above developed by LOSFA. The actual impact on TOPS expenditures could be significantly less than or greater than the estimates provided above.

REVENUE EXPLANATION

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

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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