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## DIGEST

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Greene

HB No. 1009

**Abstract:** For students qualifying for a Taylor Opportunity Program for Students (TOPS) award for the first time on and after July 1, 2017, establishes a new payment schedule and amount for such awards.

Present law establishes the TOPS program and provides for different scholarship awards within the program. Proposed law retains present law.

Present law provides for payment at the beginning of the academic period directly to the educational institution on behalf of the student in the following amounts for the following awards within TOPS:

- (1) Opportunity Award recipients enrolled in a public institution or vocational program receive full tuition. Opportunity Award recipients enrolled in an independent institution or vocational program receive an amount equal to the weighted average of amounts paid by TOPS for students attending public institutional or vocational schools, as applicable.
- (2) Performance Award recipients enrolled in a public institution or vocational program receive full tuition paid plus \$200 per semester or \$400 per academic year. Performance Award recipients enrolled in an independent institution or vocational program receive an amount equal to the weighted average of amounts paid by TOPS for students attending public institutional or vocational schools, as applicable, plus \$200 per semester or \$400 per academic year.
- (3) Honors Award recipients enrolled in a public institution or vocational program receive full tuition plus \$400 per semester or \$800 per academic year. Honors Award recipients enrolled in an independent institution or vocational program receive amount equal to the weighted average of amounts paid by TOPS for students attending public institutional or vocational schools, as applicable, plus \$400 per semester or \$800 per academic year.

Proposed law retains present law for students who qualify for such an award prior to July 1, 2017.

Proposed law provides that for students who qualify for a TOPS award for the first time on and after July 1, 2017, instead of full tuition being paid on the student's behalf in the beginning of the academic period, amounts shall be paid as follows:

- (1) Opportunity Award recipients enrolled in a public institution or vocational program would be required to pay to the institution at the start of the academic period 75% of tuition costs remaining after application of any scholarships and other financial assistance for the payment of tuition received by the student. The TOPS program would pay the remaining 25% on behalf of the student. After completion of the academic period, and determination that the student maintained the qualifications necessary to keep the award, the TOPS administrator would send to the student (or parent who paid the tuition) an amount equal to the 75% paid at the commencement of the academic period.
- (2) Upon completion of an academic period and determination that the student maintained the qualifications necessary to keep the award, Opportunity Award recipients enrolled in an independent institution or vocational program (or the parent who paid the tuition for such program) would receive from the TOPS administrator an amount equal to 75% of the weighted average of amounts paid by TOPS for students attending public institutional or vocational schools.
- (3) Performance Award recipients enrolled in a public institution or vocational program would be required to pay to the institution at the start of the academic period 50% of tuition costs remaining after application of any scholarships and other financial assistance for the payment of tuition received by the student. The TOPS program would pay the remaining 50% on behalf of the student. After completion of the academic period, and determination that the student maintained the qualifications necessary to keep the award, the TOPS administrator would send to the student (or parent who paid the tuition) an amount equal to the 50% paid at the commencement of the academic period.
- (4) Upon completion of an academic period and determination that the student maintained the qualifications necessary to keep the award, Performance Award recipients enrolled in an independent institution or vocational program (or the parent who paid the tuition for such program) would receive from the TOPS administrator an amount equal to 50% of the weighted average of amounts paid by TOPS for students attending public institutional or vocational schools.
- (5) For Honors Award recipients enrolled in a public institution or vocational program, the TOPS program would pay 100% of tuition on behalf of the student.
- (6) For Honors Award recipients enrolled in an independent institution or vocational program, the TOPS program would pay 100% of the weighted average of amounts paid by TOPS for students attending public institutional or vocational schools, as applicable, on behalf of the student.

Proposed law applies to all Opportunity, Performance, and Honors Award recipients qualifying for the first time for such an award on or after July 1, 2017. Proposed law further removes for such students the extra payments in addition to full tuition to recipients of Performance and Honors awards provided for in present law.

Present law provides for payment by the administering agency directly to the institution to which payment is due after notice to the institution that the state shall pay, on behalf of the qualifying student, the applicable amount and after notice from the institution that the student has actually enrolled. Proposed law retains present law.

Present law authorizes a student to defer receipt of a TOPS award until after the student or legal guardian files a federal income tax return. Proposed law retains present law.

Present law provides that if the student delays receipt of the TOPS award and the student or legal guardian claims a federal income tax credit for money expended on educational tuition for the student, the administering agency shall pay directly to the student the amount of the award that would have been paid to the educational institution, plus an amount equal to 25% of the tax credit claimed. Proposed law retains present law and further provides that for students first enrolled on or after July 1, 2017, the administering agency shall pay directly to the student or legal guardian the amount paid by such individual pursuant to proposed law plus an amount equal to 25% of the tax credit claimed.

Present law provides that if a tax credit is not claimed by the student or legal guardian, then the amount of the award that would have been paid to the eligible institution by TOPS on behalf of the student shall be paid directly to the student. Proposed law retains present law and further provides that for students first enrolled on or after July 1, 2017, the administering agency shall pay directly to the student or legal guardian the amount paid by such individual pursuant to proposed law.

Present law authorizes the administering agency to provide by rule adopted pursuant to the Administrative Procedures Act for implementation of provisions of the TOPS program. Proposed law retains present law.

Effective July 1, 2014.

(Amends R.S. 17:3048.1(A)(2), (3), (4)(introductory paragraph) and (d)(ii), and (5)(b), (E)(1), (H)(3)(c), and (K)(3)(a)(ii) and (iii); Adds R.S. 17:3048.1(Y))