

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 1009** HLS 14RS 1356

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 25, 2014 5:28 PM	Author: GREENE
Dept./Agy.: Office of Student Financial Assistance	Analyst: Charley Rome
Subject: Eliminates Stipends and Provides for Partial TOPS Awards	

STUDENT/LOANS-SCHOLARSHIP OR -\$7,662,000 GF EX See Note Page 1 of 2
Provides relative to Taylor Opportunity Program for Students award payments for first-time recipients qualifying on or after 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. **(Bill Summary Continued on Page Two)**

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	(\$7,662,000)	(\$7,874,000)	(\$8,101,000)	(\$16,639,000)	(\$20,562,000)	(\$60,838,000)
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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	(\$7,662,000)	(\$7,874,000)	(\$8,101,000)	(\$16,639,000)	(\$20,562,000)	(\$60,838,000)
REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed legislation will decrease TOPS awards by the following amounts by fiscal year: \$7,662,000 in FY15, \$7,874,000 in FY16, \$8,101,000 in FY17, \$16,639,000 in FY18, and \$20,562,000 in FY19. The decreases in the first three years are solely due to bill's provisions eliminating the \$800 annual stipends for Honors students. Decreases in FY17 and FY18 are due to the following:

	FY17	FY18
Elimination of Honors Stipends (\$800 per year)	\$8,194,000	\$8,306,000
Elimination of Performance Stipends (\$400 per year)	\$1,930,000	\$3,070,000
Nonpayment of 50% of Performance Awards	\$1,121,000	\$1,653,000
<u>Nonpayment of 75% of Opportunity Awards</u>	<u>\$5,394,000</u>	<u>\$7,533,000</u>
Total for HB 1009 Original	\$16,639,000	\$20,562,000

REVENUE EXPLANATION

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

- | | | | |
|---|--|--------------------------------|--|
| <input type="checkbox"/> Senate | <input type="checkbox"/> Dual Referral Rules | <input type="checkbox"/> House | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & 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} |

Evan Brasseaux
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Staff Director

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CONTINUED EXPLANATION from page one:
(Bill Summary Continued from Page One)

(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 eliminates Honors stipends (\$800 per year) beginning in FY15 and eliminates Performance stipends (\$400 per year) beginning in FY17. Effective July 1, 2014.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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