

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 520** SLS 14RS 821

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 30, 2014	10:00 AM	<b>Author:</b> DONAHUE
<b>Dept./Agy.:</b> Office of Student Financial Assistance		<b>Analyst:</b> Charley Rome
<b>Subject:</b> Revises TOPS Requirements/Allocates Funding to Go Grants		

POSTSECONDARY ED OR -\$49,300,000 GF EX See Note Page 1 of 1  
Revises academic requirements for initial eligibility to receive certain TOPS awards and allocates additional funding to the La. GO Grant program. (gov sig)

Effective for students who graduate from high school during the 2017-18 school year and thereafter, the proposed legislation increases the G.P.A. and ACT score requirements for initial TOPS awards. Specifically, the bill raises initial TOPS eligibility requirements by the following amounts for students graduating in 2017-18 and thereafter: Opportunity Awards (raises G.P.A. from 2.5 to 3.0 and raises minimum ACT score from 20 to 24), Performance Award (raises G.P.A. from 3.0 to 3.25 and raises minimum ACT score from 23 to 27), and Honors Awards (raises G.P.A. from 3.0 to 3.50 and raises minimum ACT score from 27 to 29). Beginning in FY19, the proposed legislation requires the Legislature to appropriate ten percent of the savings from raising the initial TOPS eligibility requirements for the purpose of increasing the number of students participating in the Louisiana GO Grant program. The bill also prohibits the Legislature from displacing, replacing, or supplanting GO Grant funding with savings from raising the TOPS initial eligibility requirements for the three most recent fiscal years.

<b>EXPENDITURES</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	(\$49,300,000)	<b>(\$49,300,000)</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$49,300,000)</b>	<b>(\$49,300,000)</b>

  

<b>REVENUES</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The proposed legislation will decrease state general fund expenditures by an estimated \$49.3M in FY19. LOSFA estimates that approximately 5,353 students will not be eligible for TOPS awards in FY19 and that costs for TOPS awards will decline by approximately \$54.8M due to the higher G.P.A. and ACT score requirements. The bill requires the Legislature to appropriate ten percent of the savings from raising the initial TOPS eligibility requirements for the purpose of increasing the number of students participating in the Louisiana GO Grant program. As such, the net cost savings in FY19 is \$49.3M in FY19 (\$54.8 total TOPS savings less 10% (\$5.5M) for GO Grants = \$49.3M).

**REVENUE EXPLANATION**

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

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|---|----------------------------|--------------|--|
| <u>Senate</u>   | <u>Dual Referral Rules</u> | <u>House</u> | <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*  
**Evan Brasseaux**  
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