

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



Fiscal Note On: **HB 546** HLS 15RS 1195

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 28, 2015 9:09 AM	<b>Author:</b> PRICE
<b>Dept./Agy.:</b> Office of Student Financial Assistance	<b>Analyst:</b> Charley Rome
<b>Subject:</b> Allows TOPS-Tech for Academic Programs	

STUDENT/LOANS-SCHOLARSHP OR INCREASE GF EX See Note Page 1 of 1  
Provides relative to courses of study or programs eligible for TOPS-Tech awards for certain students

Proposed law deletes the pursuit of a nonacademic undergraduate degree from the list of programs or courses of study eligible for TOPS-Tech awards. Also, requires that programs or courses of study for skill or occupational training be aligned to state workforce priorities as determined by the La. Workforce Investment Council rather than as defined by the Bd. of Regents.

<b>EXPENDITURES</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></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**

State general fund expenditures for TOPS awards will increase by significant and indeterminable amounts in FY16 and thereafter. The bill would allow students to use their TOPS-Tech awards towards academic programs of study aligned to state workforce priorities as defined by the Louisiana Workforce Investment Council. As such, state general fund expenditures for TOPS awards will increase because many students who are eligible for a TOPS-Tech award (but did not accept the award) may instead use their award for academic programs of study. There is no way to estimate the number of TOPS-Tech students who might pursue academic study funded through TOPS-Tech awards as allowed by the bill. However, the Louisiana Office of Student Financial Assistance (LOSFA) estimates the bill's costs range from \$1.8M to \$19.8M per year. The cost estimates from LOSFA assume that students currently accepting TOPS-Tech awards for vocational/certificate programs will continue to do so after passage of the bill. All of the additional costs identified by LOSFA are related to students who are eligible for TOPS-Tech awards under current and proposed law, but would not have accepted their awards under current law. LOSFA's low estimate of \$1.8M per year assumes that 25% of TOPS-Tech students identified in Board of Regents' enrollment records would utilize their awards solely at 2-year schools per the new law. LOSFA's high estimate of \$19.8M per year assumes that 100% of TOPS-Tech students rejecting their awards under current law would utilize their awards solely at 4-year schools per the new law.

**REVENUE EXPLANATION**

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

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