

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 307** SLS 16RS 413

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 28, 2016 2:39 PM	Author: MORRISH
Dept./Agy.: Board of Regents	Analyst: Matthew LaBruyere
Subject: Board and Commission Consolidation	

POSTSECONDARY ED OR DECREASE FF EX See Note Page 1 of 1
Provides relative to the Louisiana Student Financial Assistance Commission and the Louisiana Tuition Trust Authority. (gov sig)

Present law creates of the Louisiana Student Financial Assistance Commission to supervise, control, direct, and administer state and federal programs to provide loans to assist persons in meeting the expenses of higher education, and state and federal scholarship programs for higher education in accordance with the provisions of present law. Proposed law abolishes the commission and transfers all of its powers and duties to the Board of Regents.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

The proposed legislation will result in a decrease in Federal Fund expenditures as a result of abolishing the LA Student Financial Assistance Commission (LASFAC) and the LA Tuition Trust Authority (LATTA). The LASFAC and LATTA historical average expenditures are approximately \$13,700 and include per diem, travel reimbursement and meeting facility rental.

There is a contract in place between the U.S. Department of Education (DOE) and LASFAC for the administration of the Federal Family Education Loan Program (FFELP). Through this program, the LA Office of Financial Student Assistance (LOSFA) receives Federal funding that is used for the administration of TOPS, GO Grants, Student Tuition Assistance and Revenue Trust (START) Program, outreach programs and for operating expenditures such as rent and utilities. These expenditures total \$4.1 M in FY 16 and are budgeted at \$4.1 M in FY 17. LOSFA has indicated that any substantial changes regarding the administration of this program must be approved by the U.S. DOE. To the extent the U.S. DOE approves the change from LASFAC to the Board of Regents, these operations would continue. The Board of Regents has contacted the U.S. DOE regarding this issue but has not received an answer at this time.

In addition, LASFAC contracts with companies for the administration of FFELP and a software support contract for the START Program. These contracts would need to be transferred to the Board of Regents to continue administration operations.

REVENUE EXPLANATION

The proposed legislation may result in an indeterminable impact on Federal Fund revenues as a result of abolishing the LA Student Financial Assistance Commission (LASFAC) and the LA Tuition Trust Authority (LATTA). To the extent the U.S. DOE agrees to the transfer of the administration of the FFELP from LASFAC to the Board of Regents, then Federal revenue will continue to be generated.

NOTE: If the U.S. DOE does not agree to the transfer, then Federal revenues will not be generated and additional resources (likely SGF) will be required to fund programs and expenditures within LOSFA.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}	<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {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
Staff Director