

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 437** HLS 16RS 567
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 2, 2016 5:36 PM	Author: IVEY
Dept./Agy.: Office of Student Financial Assistance	Analyst: Matthew LaBruyere
Subject: TOPS Eligibility	

STUDENT/LOANS-SCHOLARSHIP OR DECREASE GF EX See Note Page 1 of 1
 Adjusts certain academic requirements for maintaining eligibility for certain Taylor Opportunity Program for Students (TOPS) awards

Present law provides academic requirements for maintaining TOPS eligibility once enrolled in college, including maintaining full-time status and a minimum cumulative GPA. For students qualifying for an Opportunity Award, present law requires a minimum cumulative GPA of 2.30 after 24 credit hours and 2.50 after 48 credit hours.

Proposed law increases these minimum GPA requirements from 2.30 to 2.50 and from 2.50 to 2.75, respectively. Proposed law is applicable to students graduating from high school during or after the 2019-2020 school year.

EXPENDITURES	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>5 -YEAR TOTAL</u>
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>5 -YEAR TOTAL</u>
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed legislation will result in a decrease in state general fund expenditures as a result of increasing the minimum grade point average (GPA) for maintaining Taylor Opportunity Program for Students (TOPS) awards after completion of 24 and 48 hours of credit. The exact decrease is indeterminable because it is unknown how many students will not meet the future GPA requirements. Since the proposed legislation will not apply to students until FY 21, a potential savings cannot be displayed in the time frame reflected above and Louisiana Office of Student Financial Assistance (LOSFA) projections do not forecast awards and amounts that far into the future.

Based on data provided by LOSFA, there were 23,809 TOPS Opportunity award recipients in 2014-2015 Academic Year that met the GPA requirements to maintain eligibility. Of these awards, 6,810 students have completed 24 or more hours, but less than 48 hours and 15,011 have completed 48 hours or more. Of the 6,810 that have completed between 24 and 47 hours, 978 have a GPA between 2.30 and 2.49. Of the 15,011 students that completed 48 hours or more, 3,810 have a GPA between 2.50 and 2.74.

To the extent these GPA changes were imposed on the students receiving TOPS Opportunity award in 2014-2015, 978 students with 24 hours and less than 48 hours would become ineligible and 3,810 students with 48 hours or more would become ineligible. For illustrative purposes, if the proposed legislation affected the 2014-2015 TOPS recipients, the savings would be \$25.1 M (4,788 students x \$5,254 FY 16 average award amount) based on the current average award amount since 4,788 students would lose eligibility for TOPS.

NOTE: The 2014-2015 Academic Year was used for this analysis since it contained students that had completed more than 48 hours of credit.

REVENUE EXPLANATION

The proposed legislation may result in a decrease in self-generated revenue for public institutions. As a result of increasing the GPA requirement for maintaining the TOPS Opportunity award, certain students would no longer qualify for TOPS Opportunity award. To the extent students cannot access other financial aid to replace TOPS and choose not to remain enrolled in public institutions, then the institutions could experience a decrease in enrollment. The potential impact of this is indeterminable.

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|---|--|--------------|
| <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
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