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**HOUSE COMMITTEE AMENDMENTS**

2016 Regular Session

Substitute for Original House Bill No. 1050 by Representative Nancy Landry as proposed by the House Committee on Education

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**This document reflects the content of a substitute bill but is not in a bill form; page numbers in this document DO NOT correspond to page numbers in the substitute bill itself.**

To amend and reenact R.S. 17:5065(D), relative to the Taylor Opportunity Program for Students; to provide relative to reducing award amounts or the number of students deemed eligible for an award in the event of insufficient funding; to authorize public postsecondary education institutions to bill students for certain tuition amounts; to provide for tuition waivers; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 17:5065(D) is hereby amended and reenacted to read as follows:

§5065. Funding

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D.(†) If the legislature appropriates insufficient money to fully fund all awards made to students qualifying under the provisions of this Chapter, the administering agency shall either reduce award amounts or reduce the number of students to whom awards shall be made as follows:

(1)(a) Before reducing the number of students eligible to receive a program award, the administering agency, subject to approval by the Joint Legislative Committee on the Budget, shall equitably reduce the amount of the program award for each qualifying student by an equal percentage on a pro rata basis, so that every student receives the award for which he qualifies and the total amount of all awards in any award year does not exceed the funds available to the agency for this purpose, either from legislative appropriation or other sources of funding. Such reduction shall also apply, in like manner, to any additional amount awarded to a student as provided in R.S. 17:5002(C).

(b) If a student's award amount is less than the tuition established for the public postsecondary education institution in which he is enrolled, the institution

may bill the student for the difference between the student's award amount and the tuition established for the institution, unless the institution grants a tuition waiver to the student.

(2)(a) In the event the legislature appropriates insufficient money to fund all awards made to students qualifying under the provisions of this Chapter, If the Joint Legislative Committee on the Budget fails to approve a reduction in award amounts as provided in Paragraph (1) of this Subsection, the number of students to whom awards shall be made shall be reduced as necessary pursuant to a procedure set out by rule adopted by the administering agency. The procedure shall provide for such reduction to be based on the scores on the ACT and then on the ability of each student's family to pay the student's tuition as evidenced by the expected family contribution determined by using the standardized federal methodology for establishing student financial need. The procedure shall provide that reductions of awards made necessary by insufficient appropriations shall first eliminate the cohort of students who score lowest on the ACT. The procedures shall provide that within that cohort of students, those whose families are most able to pay the student's tuition shall be eliminated first. After insufficient appropriations require the elimination of all students in such cohort, the procedures shall require repeating the process with those students in the next highest score cohort.

~~(2)~~ (b) Among students denied their awards as provided in this Subsection, those students whose families have the least capacity to pay shall be the first to receive their awards if monies become available. Any student for whom the expected family contribution cannot be determined as provided for in ~~Paragraph (1) of this Subsection~~ Subparagraph (a) of this Paragraph shall be denied his award until the legislature appropriates sufficient monies to fund all awards made to students qualifying under the provisions of this Chapter.

(c) If a student who otherwise qualifies for an award pursuant to this Chapter is deemed ineligible to receive his award pursuant to this Paragraph, the public postsecondary education institution in which he is enrolled may bill the student for

the full amount of tuition established for the institution, unless the institution grants a tuition waiver to the student.

(3) A student whose award is reduced or eliminated pursuant to this Section shall not be required to accept payment of his award or to enroll or maintain continuous enrollment in an eligible college or university during the time period for which there is a funding shortfall and may defer acceptance of his award benefits. If a student defers acceptance of his award payment pursuant to this Paragraph, all of the following shall apply:

(a) The student, upon enrollment or reenrollment in an eligible college or university, shall be eligible to receive all applicable award benefits for any remaining semester or semesters, or the equivalent thereof, of his unused eligibility.

(b) The student shall meet all academic and other eligibility requirements provided by this Chapter and by rule of the administering agency, except as otherwise provided in this Subsection.

(c) The student shall exhaust all unused award eligibility within five years of the initial reduction or elimination of his award pursuant to this Section; however, if the student is granted an exception for cause to the requirement to enroll or to maintain continuous enrollment in an eligible college or university, the time period within which the student must exhaust his eligibility for his award shall be extended by the amount of time for which he was granted an exception.

Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB Draft

2016 Regular Session

**Abstract:** Provides relative to reduction of Taylor Opportunity Program for Students (TOPS) award amounts or the number of award recipients in the event of insufficient funding.

Present law provides for the Taylor Opportunity Program for Students (TOPS) as a program of merit scholarships for students attending certain postsecondary education institutions who meet specific requirements, including academic requirements, relative to initial eligibility and continuing eligibility. Requires the legislature annually to appropriate funds sufficient to cover the costs of TOPS awards.

Present law provides, if the legislature appropriates insufficient money to fund all awards, the number of students to whom awards shall be made shall be reduced pursuant to a procedure adopted by the administering agency (the La. Student Financial Assistance Commission). Requires this procedure to provide:

- (1) That such reduction be based on ACT scores and then on the ability of each student's family to pay the student's tuition.
- (2) That reductions of awards made necessary by insufficient appropriations shall first eliminate the cohort of students scoring lowest on the ACT and that within that cohort of students, those whose families are most able to pay the student's tuition shall be eliminated first; provides, after insufficient appropriations require the elimination of all students in such cohort, that procedures require repeating the process with those students in the next highest score cohort.
- (3) That among students denied their awards, those students whose families have the least capacity to pay shall be the first to receive their awards if monies become available.
- (4) That any student for whom the expected family contribution cannot be determined shall be denied his award until the legislature appropriates sufficient monies to fund all awards.

Proposed law requires the administering agency, if insufficient funds are appropriated, to either reduce award amounts or reduce the number of students to whom awards shall be made, as follows:

- (1) Requires the administering agency, before reducing the number of students eligible to receive a TOPS award as provided in present law and subject to approval by the Jt. Legislative Committee on the Budget (JLCB), to equitably reduce the amount of all program awards, including the stipends for the Performance and Honors awards, by an equal percentage on a pro rata basis. Provides that the total amount of all awards in any award year shall not exceed available funds, either from legislative appropriation or another source.
- (2) Provides that if JLCB fails to approve a pro rata reduction in all award amounts, the provisions of present law providing for a reduction in the number of students to whom awards shall be made shall apply.

- (3) If TOPS award amounts are reduced, authorizes a public postsecondary education institution to bill a student for the difference between the student's TOPS award and the amount of tuition established for the institution in which he is enrolled, unless the student is granted a tuition waiver.
- (4) If the number of students eligible to receive a TOPS award is reduced, authorizes a public postsecondary education institution to bill a student for the full amount of tuition established for the institution in which he is enrolled, unless the student is granted a tuition waiver.
- (5) Provides that a student whose award is reduced or eliminated pursuant to proposed law shall not be required to accept payment of his award or to enroll or maintain continuous enrollment during the time period for which there is a funding shortfall and may defer acceptance of his award benefits. Further provides that if a student opts to defer acceptance of his award payment, all of the following apply:
  - (1) Upon enrollment or reenrollment, he shall be eligible to receive all applicable award benefits for any remaining semester or semesters, or the equivalent thereof, of his unused eligibility.
  - (2) He shall meet all academic and other eligibility requirements established by law or rule, except as otherwise provided in proposed law.
  - (3) He shall exhaust all unused award eligibility within five years of the initial reduction or elimination of his award; however, if he is granted an exception for cause to the requirement to enroll or to maintain continuous enrollment, the time period within which he shall exhaust his award eligibility shall be extended by the amount of time for which he was granted an exception.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 17:5065(D))