

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 203** SLS 19RS 423
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 17, 2019 9:31 AM	Author: WALSWORTH
Dept./Agy.: Office of Student Financial Assistance (OSFA)	Analyst: Ryan Guidry
Subject: GO-Youth Challenge Program and TOPS Tech	

POSTSECONDARY ED OR INCREASE SD EX See Note Page 1 of 2
 Provides with respect to student financial assistance. (8/1/19)

Present law provides for eligibility requirements for GO-Youth Challenge program for students who graduate from the LA National Guard's Youth Challenge Program (YCP), including attainment of a general education diploma and enrollment in a post-secondary institution by a specific enrollment date.
Present law provides for the eligibility requirements for TOPS-Tech award including enrollment in a post-secondary institution by a specific enrollment date.
Proposed law extends GO-Youth Challenge program eligibility to graduates who earn a Board of Elementary and Secondary Education (BESE) issued diploma.
Proposed law permits OSFA, beginning with the 2020-2021 award year, to adopt by administrative rule an earlier or later enrollment date for both the GO-Youth Challenge program and the TOPS-Tech awards.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						
REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	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	\$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

Proposed law would increase expenditures for the Office of Student Financial Assistance (OSFA) from the statutorily dedicated Higher Education Initiatives Fund by an indeterminable amount related to expanded eligibility for the GO-Youth Challenge program and result in one-time implementation costs of \$3,312 SGF for OSFA related to rule promulgation. Additionally, proposed law could have an unknown impact on the number of awards granted for both the Go-Youth Challenge program and TOPS Tech related to the permissive authority allowing OSFA to change the enrollment date by administrative rule.

Present law provides for the GO-Youth Challenge program, administered by OSFA, to award a grant amount to equal the amount of tuition for qualified students enrolled on a full-time basis in a Louisiana post-secondary institute to pursue a skill or occupational training. Qualifications include graduation from the LA National Guard Youth Challenge Program (YCP), attainment of a general education diploma, and enrollment in an eligible post-secondary institution no later than the semester, excluding the summer semester, following the first anniversary of the student's YCP graduation date. In FY 19, the GO-Youth Challenge program received its first funding since FY 06 in the amount of \$200,000 from the Higher Education Initiatives Fund via a transfer from SGF. Under present law, eight (8) students have received grants in FY 19 totaling \$12,605. The unexpended balance will remain in the fund and will be available for payment of GO-Youth Challenge grants until all funding is depleted.

Proposed law would expand GO-Youth Challenge program eligibility to include attainment of a diploma issued by the Board of Elementary and Secondary Education (BESE) or its equivalent, resulting in an increase in the number of students who will become eligible for the GO-Youth Challenge grant award. YCP has recently become a BESE certified provider of Course Choice/Credit Recovery which provides cadets the opportunity to catch up with their original high school cohort in an effort to attain a high school diploma. Proposed law would expand eligibility to these cadets. The LA Department of Military Affairs (LMD) estimates proposed law would extend GO-Youth Challenge grant eligibility to approximately 30 additional students. However, whether or not these additional students will matriculate to a qualified post-secondary institution is unknown and since the amount of each grant award may vary, the total increase is indeterminable. To the extent that the number of GO-Youth Challenge grants awarded as a result of proposed law increases, expenditures will increase.

EXPENDITURE EXPLANATION CONTINUED ON PAGE 2

REVENUE EXPLANATION

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

<p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}</p> <p><input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}</p>	<p><u>Dual Referral Rules</u></p>	<p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p>
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Staff Director

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CONTINUED EXPLANATION from page one:

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EXPENDITURE EXPLANATION CONTINUED FROM PAGE 2

GO-Youth Challenge program awards are dependent upon the availability of funding and are subject to appropriation. The FY 19 appropriation of \$200,000 from the statutorily dedicated Higher Education Initiatives Fund was funded via a direct transfer from SGF. The Higher Education Initiatives Fund does not have a recurring revenue source. To the extent expenditures from the GO-Youth Challenge program exceed funding available from the Higher Education Initiatives Fund, additional funding (presumed to be SGF) will be required or OSFA will discontinue GO-Youth Challenge grant awards.

Furthermore, proposed law permits OSFA, beginning with the 2020-2021 award year, to adopt by administrative rule an earlier or later enrollment date for both the GO-Youth Challenge program and the TOPS-Tech awards. OSFA indicates promulgation of the required rules will require one-time SGF expenditures of \$3,312. Whether or not OSFA will adopt rules to provide for an earlier, later or an unchanged enrollment date is unknown; therefore a fiscal impact cannot be determined at this time. However, the permissive authority for the adoption of enrollment date by rule change could result in two potential issues.

First, adoption of a later enrollment date could increase the number of students eligible for both the GO-Youth Challenge grants and TOPS Tech award and result in increased annual costs for both programs. Present law prescribes that students must enroll in a qualified program not later than the semester, excluding summer, following the first anniversary of their graduation, and therefore students who enroll later than the prescribed date are not eligible for either program. Should OSFA adopt a later enrollment date, these students could become eligible and increase the number of awards and total expenditures of each program.

Second, as related to the TOPS Tech awards, changes to the enrollment date in relation to the academic year could affect the overall distribution of TOPS funding between award levels and semesters. Under present law, a student is only eligible for a TOPS Tech award if the student enrolls as a first-time student in the fall or spring semester as summer enrollment is excluded. The academic year has historically been defined as fall, spring, and summer, with funding of summer semester awards subject to the availability of funding. Should OSFA adopt rules to allow for TOPS Tech awards to a first-time student enrolling in the summer semester and change the academic year to summer, fall, and spring, the spring semester awards would be subject to availability of funding. This funding could be addressed in a supplemental appropriation during the legislative session.

Senate
Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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