

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **SB 85** SLS 09RS 428
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 8, 2009 3:04 PM	Author: GAUTREAUX, B.
Dept./Agy.: OSFA	Analyst: Mark Antoon
Subject: TOPS Cap	

TOPS OR -\$3,800,000 GF EX See Note Page 1 of 1
 Establishes a cap on TOPS award amounts. (8/15/09)

Proposed law limits the Taylor Opportunity Plan for Students (TOPS) to \$1,600 per semester or \$3,200 annually. Present law limits the award to the maximum amount of tuition and eligible fees, plus certain stipend amounts charged by a Louisiana public post-secondary institution beginning in FY 11.

EXPENDITURES	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	(\$3,800,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	(\$15,800,000)
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	(\$3,800,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	(\$15,800,000)

REVENUES	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</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 Office of Student Financial Assistance (OSFA) estimates that passage of this bill would reduce TOPS costs to the state by approximately \$3.8 million beginning in FY 11 and increasing 5% to \$4 million in FY 12 because of tuition increases authorized by Act 915 of the 2008 Regular Session. In the future, this reductions in costs can be expected to increase because tuition tends to increase over time.

This bill achieves these reductions by capping tuition and fees paid by the Taylor Opportunity Program for Students (TOPS) by limiting such payments to \$1,600 per semester or \$3,200 per year. At the present time, the only institutions that charge tuition over the proposed cap are LSU A&M, UNO and the LSU Medical and Allied Health Schools. The (OSFA) calculates that 14,364 students (34% of the total number of students receiving TOPS) would be affected by the bill. LSU-BR students, at 12,401, represent the majority of students who will be affected and most of the TOPS cost savings which amount to \$3.6 million. This cap does not affect the TOPS Honors and Performance stipends of \$800 and \$400 respectively.

Below is a chart which lists the affected institutions' tuition and fees:

Institution	Number of TOPS Recips	% of all awards	Tuition and Fees	Difference	Reduction
LSU-BR	12,401	29.45%	\$3,494	\$294	\$3.65 million
LSUMC-NO	197	0.47%	\$3,700	\$500	\$98,500
LSUMC-S	10	0.02%	\$3,816	\$616	\$6,000
UNO	1,756	4.17%	\$3,228	\$28	\$49,000

REVENUE EXPLANATION

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

Senate
 13.5.1 >= \$500,000 Annual Fiscal Cost
 13.5.2 >= \$500,000 Annual Tax or Fee Change

House
 6.8(F) >= \$500,000 Annual Fiscal Cost
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

H. Gordon Monk
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Legislative Fiscal Officer