

**LEGISLATIVE FISCAL OFFICE**

**Fiscal Note**



Fiscal Note On: **SB 19** SLS 09RS 95  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 29, 2009	3:19 PM	<b>Author:</b> CROWE
<b>Dept./Agy.:</b> HIED		<b>Analyst:</b> Mark Antoon
<b>Subject:</b> TOPS Tech		

EDUCATION DEPARTMENT EG +\$251,000 GF EX See Note Page 1 of 1  
 Creates the TOPS-Tech Plus Award. (7/1/09)

Proposed law retains present law and adds a new level of TOPS award called the "TOPS Tech Plus Award" which would allow TOPS Tech Award recipients who earn a vocational or technical certificate, diploma or nonacademic degree and who subsequently enter a college or university to receive a four-semester tuition scholarship. Proposed law limits such award to four semesters or equivalent units in institutions that do not use a semester system such as Louisiana Tech which employs a quarter system. Presently, a student who earns a TOPS Tech Award is only entitled to a vocational or technical education tuition scholarship at a two-year institution. Requires recipients to earn an associate degree. Effective July 1, 2009. Limits the number of awards to 100 each year.

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.	\$251,000	\$774,249	\$1,013,444	\$1,185,389	\$1,355,539	<b>\$4,579,621</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Annual Total</b>	<b>\$251,000</b>	<b>\$774,249</b>	<b>\$1,013,444</b>	<b>\$1,185,389</b>	<b>\$1,355,539</b>	<b>\$4,579,621</b>
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>
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Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Provisions of the bill would allow 100 TOPS Tech Award recipients who graduate or earn a nonacademic degree from a vocational or technical school to be eligible for a four-semester tuition waiver to an academic two or four-year institution and will have two fiscal effects. First, more students are likely to accept a tech award, and secondly, 100 students annually will earn Opportunity Award eligibility for two years. The LFO and the Office of Student Financial Assistance (OSFA) estimate this will result in an increased program expenditure of \$251,000 in FY 10 and increasing to \$1,355,539 in FY 14. Below is a chart of the projected increase in awards by year:

FY	Tech Awards	Opportunity Awards	Cost
FY 10	0	100	\$251,000
FY 11	421	140	\$774,249
FY 12	685	133	\$1,013,444
FY 13	776	165	\$1,185,389
FY 14	904	182	\$1,355,539

The numbers above reflect an aggregate retention rate of approximately 77%.

The bill is likely to make the TOPS Tech award more attractive to students who would not normally accept such scholarship. Over the last 10 years, approximately 10% of students eligible for a TOPS Tech award have actually accepted and used the award. Of the remainder of those eligible, 66% went to either a community college or 4-year university and 25% cannot be traced to a particular institution. Since the bill provides an additional two years of eligibility at an academic institution, students who did not choose to use the award may now elect to accept an award and earn a two-year associate degree to earn two additional years of eligibility at an academic institution.

The exact number of students who will take advantage of the bill is impossible to predict with accuracy because the number of students that will ultimately accept the award cannot be anticipated with certainty.

**REVENUE EXPLANATION**

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

Senate Dual Referral Rules

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**