

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 86** SLS 10RS 440

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 21, 2010	8:35 AM	Author: GAUTREAUX, B.
Dept./Agy.: OSFA		Analyst: Kristy F. Gary
Subject: TOPS Cap		

TOPS OR -\$13,667,285 GF EX See Note Page 1 of 1
Establishes a cap on TOPS award amounts. (8/15/10)

Proposed legislation establishes a limit for the Taylor Opportunity Plan for Students (TOPS) beginning in FY 2010-11. Proposed law specifies:

- 1) For a student enrolled in any public college or university in the state, the maximum tuition award amount shall not exceed 90% of the amount determined by the administering agency to equal the tuition charged by the public college or university attended for the 2010- 2011 award year.
- 2) For a student enrolled in an eligible independent college or university, the maximum tuition award shall not exceed 90% of the amount determined by the administering agency to equal the weighted state average public institution tuition amount for students attending public colleges or universities in the state for the 2010- 2011 award year.

The proposed cap would not apply to the stipends paid to students who receive a TOPS Performance or Honors Award.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	(\$13,667,285)	(\$20,724,830)	(\$21,167,439)	(\$20,939,432)	(\$20,677,175)	(\$97,176,161)
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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	(\$13,667,285)	(\$20,724,830)	(\$21,167,439)	(\$20,939,432)	(\$20,677,175)	(\$97,176,161)

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	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	\$0	\$0	\$0	\$0	\$0	\$0
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 \$13.7 million beginning in FY 11, \$20.7 million in FY 12, \$21.2 million in FY 13, \$20.9 million in FY 14 and \$20.7 million in FY 15. This bill achieves these reductions by capping tuition and fees paid by the Taylor Opportunity Program for Students (TOPS) by limiting such payments to 90% of the scheduled maximum TOPS payment.

The reduced savings in FY 12 includes the additional tuition increases authorized by Act 915 of the 2008 Regular Session. Analysis assumes no further tuition increases beside one in 2012-13 for Louisiana Association of Independent Colleges and Universities (LAICU) schools. Also in future fiscal years, the reductions in costs fluctuate due to the current estimated TOPS student projections (mainly because of anticipated retention rates and number of high school graduates).

This cap does not affect the TOPS Honors and Performance Award stipends.

In FY 10-11 the savings will be offset by the minimal cost of \$3,312 for OSFA's administrative rules development and programming costs and publication of rules in Louisiana Register.

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