LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 340** SLS 14RS 285
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 30, 2014 3:25 PM
Author: DONAHUE
Dept./Agy.: Office of Student Financial Assistance
Subject: Limits TOPS Increases to the Consumer Price Index
Analyst: Charley Rome

TOPS OR -$24,600,000 GF EX See Note
Provides relative to TOPS award amounts. (gov sig)

Proposed law provides that, beginning with the 2015-2016 award year: (1) The amount awarded by the state to a student who is the recipient of any TOPS award shall not exceed the award amount established for each respective award for the 2014-2015 award year. (2) Retains payment of the supplemental amounts (stipends) established in present law for a recipient of a Performance ($400 per year) or Honors award ($800 per year). Proposed law provides that, beginning with the 2016-2017 award year, the Louisiana Office of Student Financial Assistance (LOSFA) may consider any adjustments necessary to align TOPS award amounts with changes in the Consumer Price Index and recommend any such adjustments to the legislature for approval during legislative sessions held in odd-numbered years. Provides that proposed law shall be implemented only at such time as the Constitution of Louisiana is amended to grant postsecondary education management boards the authority to establish the tuition and mandatory fee amounts charged by institutions under their supervision and management, without legislative approval. Effective upon governor's signature.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	$0	($24,600,000)	($48,200,000)	($74,800,000)	($105,200,000)	**($252,800,000)**
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	$0	$0	$0	$0	$0	**$0**
Annual Total	**$0**	**($24,600,000)**	**($48,200,000)**	**($74,800,000)**	**($105,200,000)**	**($252,800,000)**

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	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

State general fund expenditures for TOPS awards will decrease by the following estimated amounts per fiscal year: FY16 ($24.6M), FY17 ($48.2M), FY18 ($74.8M), and FY19 ($105.2M). These cost savings assume that institutions will increase tuition and mandatory fees by 10% each year per authority authorized by the Louisiana Granting Resources and Autonomy for Diplomas Act (Grad Act) and that LOSFA will authorize 1.5% CPI adjustments in award amounts in FYs 16 through 19. Savings amounts will be less than estimated if institutions increase tuition less than 10% annually and/or if LOSFA authorizes CPI adjustments that exceed the 1.5% annual assumption included in these calculations.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. However, the proposed law shall be implemented only at such time as the Constitution of Louisiana is amended to grant postsecondary education management boards the authority to establish the tuition and mandatory fee amounts charged by institutions under their supervision and management, without legislative approval. As such, the bill requires passage of a separate Constitutional amendment to become effective.

Senate Dual Referral Rules House

☐ 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}
☐ 13.5.2 >= $500,000 Annual Tax or Fee Change {S&H}
☐ 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}
☐ 6.8(F)(2) >= $500,000 State Rev. Reduc. {H & S}
☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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