

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 655** SLS 14RS 1564

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ HSE COMM AMD**

Proposed Amd.:

Sub. Bill For.:

Date: May 29, 2014	2:46 PM	Author: BUFFINGTON
Dept./Agy.: Office of Student Financial Assistance		Analyst: Charley Rome
Subject: Authorizes Directed Donations for Go Grant/TOPS Students		

FUNDS/FUNDING

RE1 DECREASE GF EX See Note

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To authorize public or private entities to make certain donations to various educational institutions for recipients of TOPS Awards or GO Grants. (7/1/14)

Proposed legislation authorizes any public or private entity, including any non-profit organization to make a directed donation to any participating college or university for a student who is a recipient of a TOPS or Go Grant scholarship. Private businesses, industry, foundations, charities and other groups may request from the Division of Administration that they create privately funded scholarship programs to make payments to participating colleges/universities on behalf of individual students. Subject to DOA approval of these scholarship programs any funds received by participating colleges/universities on behalf of the students would be credited against the dollar amount of any award otherwise made to the participating institution. To the extent such payments are less than what the student would have received from the state, the college/university shall receive the difference from the state. Further provides that the annual appropriation for the TOPS and Go Grant programs shall be reduced by the amount of scholarship funds actually received. The amount of the reduction shall be deposited to the Program Participation Savings Account in the Overcollections Fund. Effective July 1, 2014.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	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	<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

There will be an indeterminable reduction in state general fund expenditures in an amount equal to directed donations for participants in the Go Grant and TOPS programs. For FY 14, there are approximately 25,619 students receiving Go Grants. Total FY14 funding for Go Grants is \$26.2 M SGF, with an allocation of \$1,021 per student. For FY 14, there are approximately 45,866 students receiving TOPS awards. Total FY14 funding for the TOPS program is \$217.5 M (\$75.9 M SGF and \$141.6 M from the TOPS Fund) with an average annual award amount of \$4,744 per student. As an example, if an organization donated the full annual award amount for 300 students in the TOPS program, there would be a reduction of \$1.4 M in state general funds (\$4,744 x 300= \$1,423,200). However, if the organization only donated \$2,000 per student for 300 students, the state would transfer \$823,200 to colleges and universities for the difference (\$4,744 - \$2,000 =\$2,744 x 300= \$823,200); with a resulting SGF reduction of \$600,000. The actual reduction amounts will depend upon the number of participating students and the amount of the scholarship donations received.

There will be an increase in expenditures from statutory dedications to the extent there is an act of the legislature appropriating funds out of the Program Participation Savings Account in the Overcollections Fund.

REVENUE EXPLANATION

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

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Evan Brasseaux
Evan Brasseaux
Staff Director