Fiscal Note

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Dept./Agy.: Office of Student Financial Assistance

Subject: TOPS Awards

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Present law provides that for an Opportunity Award a minimum GPA of 2.50 is required. Present law provides that for a Performance Award and an Honors Award a minimum GPA of 3.00 is required.

Proposed law retains present law for any student who graduates prior to the 2020-2021 school year.

Proposed law requires a student, who graduates in the 2020-2021 school year or later, minimum GPA of 2.75 for an Opportunity Award, 3.25 for a Performance Award, and 3.50 for an Honors Award.

The proposed legislation will result in a decrease in state general fund expenditures in FY 22 as a result of increasing the grade point average (GPA) eligibility requirement for Taylor Opportunity Program for Students (TOPS) certain awards. The exact decrease is indeterminable because it is unknown how many students will not meet the future GPA requirements. Since the proposed legislation will not apply to students until FY 21, a potential savings cannot be displayed in the time frame above and Louisiana Office of Student Financial Assistance (LOSFA) projections do not forecast awards and amounts that far into the future.

Based on data provided by LOSFA, there were 18,694 TOPS recipients that graduated from high school in 2015. The breakdown of the 18,694 awards is as follows: 8,815 - Opportunity awards; 5,572 - Performance awards; and 4,307 - Honors awards. To the extent these GPA changes were imposed on the 2015 graduating class cohort there would be 16,777 students eligible, a decrease of 1,917 students. For illustrative purposes, if the proposed legislation affected the 2015 cohort, the savings would be $11.8 M based on the current award amount since 1,917 students would not be eligible for TOPS. The potential savings would be offset by those students who choose to attend a technical or community college by accepting the TOPS Tech award.

The proposed legislation may result in a decrease in self-generated revenue for public institutions beginning in FY 22. As a result of increasing the GPA requirement for TOPS Opportunity award, certain students would no longer qualify for TOPS Opportunity award. To the extent students cannot access other financial aid to replace TOPS and choose not to enroll in public institutions, then the institutions could experience a decrease in enrollment. The potential impact of this is indeterminable.