

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 1021** HLS 26RS 2122

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 13, 2026	8:16 PM	Author: EGAN
Dept./Agy.: Higher Education		Analyst: John McKay
Subject: TOPS Repayment		

TOPS OR INCREASE GF EX See Note Page 1 of 2
Provides relative to repayment of certain TOPS award amounts under certain circumstances

Proposed legislation requires students who earn a TOPS Opportunity, Performance, Honors, or Excellence (OPHE) scholarship award to repay an amount equal to the award value paid to an institution on their behalf during their first academic year of enrollment if they fail to meet the continuing eligibility requirements or complete a baccalaureate degree by the Spring semester of their fifth year of enrollment. Proposed law exempts a student from repayment if they enroll within 12 months of attending their previous institution in an eligible workforce training program at an LCTCS institution, taking at least six credit hours per semester, and complete the program within 36 months. The legislation allows the Board of Regents (BOR), the administering agency, to promulgate rules necessary for the collection of amounts owed, plus interest on unpaid amounts. Proposed legislation requires BOR to submit a written report to the House Committee on Education and the Senate Committee on Education no later than December 1st each year. Proposed law applies to students who graduate from high school during or after the 2025-2026 school year.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

EXPENDITURE EXPLANATION

Proposed legislation will result in an indeterminable increase in SGF expenditures by the Board of Regents as a result of requiring students who earn a TOPS Opportunity, Performance, Honors, or Excellence (OPHE) scholarship award to repay an amount equal to the award value paid to an institution on their behalf during their first academic year of enrollment if they fail to meet the continuing eligibility requirements or complete a baccalaureate degree by the Spring semester of their fifth year of enrollment.

Proposed law would effectively convert OPHE awards within the TOPS Program into a loan program, requiring modifications to the Award System platform, updates to administrative rules, and revisions to promotional materials to ensure students, families, and school counseling staff are informed of the changes. These one-time operational costs are estimated to be \$10,000.

Proposed law would require additional staff to implement the repayment program. Beginning in FY 27, staffing would include one (1) Attorney (\$80,000 Salary, \$32,000 Related Benefits) and two (2) Student Financial Aid Specialists (\$65,000 Salary, \$26,000 Related Benefits) to track the new TOPS OPHE recipients as they progress in their academic career and in the future if any who might fall into a repayment situation enroll at in an eligible program at an LCTCS institution. As the program enters the collection phase in FY 28, two (2) Fiscal Accountants (\$75,000 Salary, \$30,000 Related Benefits) would be needed to process the collection receipts.

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

Proposed law will result in an increase in state revenue as a result of students repaying TOPS awards. Proposed legislation does not specify where repayment revenue would be deposited. Since TOPS is funded through a combination of State General Fund and the TOPS Fund (Statutory Dedications), the LFO presumes repayments would be deposited into the TOPS Fund. The exact increase in Statutory Dedication revenue is indeterminable since it is unknown how many students will not maintain eligibility and how much would be collected in repayments of TOPS awards.

For illustrative purposes, there were approximately 46,000 TOPS OPHE students in academic year 2024-2025. Based on award cancellations during that year, 6,149 students lost their awards, including 3,244 in the first year, 1,749 in the second year, 903 in the third year, and 253 in the fourth year.

In addition, an annual average of 1,314 TOPS OPHE students completed a bachelor's degree in more than five years, based on cohorts enrolling from 2016 through 2019. Using the average TOPS Opportunity annual award value of \$5,456, this would generate an estimated \$7,169,184 in repayment revenue. These revenues are not included in the estimates above because they would not be realized until FY 2031-2032, five years after the initial cohort enrolls.

REVENUE EXPLANATION CONTINUED ON PAGE TWO

Senate
Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
Deputy Fiscal Officer

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CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

A student debt resulting from cancellation of an award for failure to enroll full-time, maintain continuous enrollment, or earn 24 credit hours in an academic year will not be considered due until the deadline to request an exception has passed and either no request has been submitted, or a submitted request has been denied. A student debt resulting from suspension of an award for failure to maintain steady academic progress, or meet the required cumulative grade point average (GPA) will not be considered due until the time allowed under R.S. 17:5041 to achieve the required GPA has expired and the student has not met that requirement.

Because the proposed legislation applies to students graduating in the 2025–2026 academic year, implementation would begin with the first cohort receiving TOPS OPHE awards in 2026–2027. As a condition of receiving the award, students would be required to sign a promissory note agreeing to repay the value of the first-year award if they fail to meet the program requirements. The earliest potential repayment, accounting for exception requests and related factors, would occur in fiscal year 2027–2028. For example, a student who enrolls in fall 2026 and withdraws during that semester would have six months from the end of the semester to request an exception. If the request is denied and the student does not re-enroll, repayment could begin as early as fall 2027. This assumes that repayment would begin within six months after a determination that the student has permanently lost the TOPS OPHE award, following the exception request deadline. This estimate does not account for deferment periods while the student remains enrolled or for other documented reasons, such as military service. Students have six months from the date of cancellation to submit an exception request.

This analysis also assumes that any repayments not discharged or deemed uncollectible will be referred for collection to the Office of Debt Recovery or the Office of the Attorney General and will not be written off. Even if a debt is determined to be uncollectible by the Attorney General, the agency would continue to track it in the event the student later makes a payment to clear the obligation. Once a debt is determined to be delinquent, documentation will be forwarded to the Attorney General or the Office of Debt Recovery in accordance with R.S. 47:1676. This analysis does not include any collection costs that may be incurred by these entities.

REVENUE EXPLANATION CONTINUED FROM PAGE ONE

It is not possible to estimate how many students who meet the repayment criteria would instead choose to enroll in an eligible LCTCS program and thereby avoid repayment.

Estimated collections during the initial years of implementation will be staggered, as the repayment provisions will apply to additional cohorts each year as new high school graduates enter college. The amount each student must repay will vary based on the institution attended and the number of semesters for which the student received TOPS funding before losing eligibility.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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