

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



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

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.: **w/ PROP SEN COMM AMD**

Sub. Bill For.:

<b>Date:</b> May 9, 2014	3:27 PM	<b>Author:</b> BUFFINGTON
<b>Dept./Agy.:</b> Office of Student Financial Assistance		<b>Analyst:</b> Charley Rome
<b>Subject:</b> Authorizes Directed Donations for Go Grant/TOPS Students		

FUNDS/FUNDING OR DECREASE GF EX See Note Page 1 of 1

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 colleges/universities for a student who is a recipient of a scholarship from the Go Grant and TOPS programs. Proposed amendments allow private businesses, industry, foundations charities and other groups to 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 school. To the extent such payments are for an amount 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 Go Grant and TOPS programs shall be reduced by the amount of scholarship funds actually received by participating colleges/universities. Effective July 1, 2014.

<b>EXPENDITURES</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

<b>REVENUES</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**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 \$722 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.

**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**  
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