

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 183** SLS 19RS 413
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 12, 2019 10:30 AM	Author: CLAITOR
Dept./Agy.: Office of Student Financial Assistance (OSFA)	Analyst: Ryan Guidry
Subject: Tulane Legislative Scholarship Fairness Act	

COLLEGES/UNIVERSITIES OR +\$81,818 GF EX See Note Page 1 of 1
 Provides relative to the Tulane legislative scholarships. (gov sig)

Proposed law creates the "Legislative Scholarship Fairness Act" which provides for requirements and prohibitions related to the award of Tulane legislative scholarships beginning academic year 2020-2021.

Proposed law provides for the selection of the scholarship recipient by the Office of Student Financial Assistance (OSFA) through an open competition in accordance with eligibility criteria established by the university.

Proposed law requires OSFA to promulgate rules to administer the "Legislative Scholarship Fairness Act".

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$81,818	\$61,442	\$61,442	\$61,442	\$61,442	\$327,586
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>	\$0
Annual Total	\$81,818	\$61,442	\$61,442	\$61,442	\$61,442	\$327,586

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There will be an increase of \$81,818 SGF expenditure and one (1) TO position in FY 20 related to personnel (\$61,442), rule promulgation (\$3,312), and one-time programming costs (\$16,000); and a recurring \$61,442 SGF expenditures in FY 21 and beyond related to personnel costs.

Proposed law requires OSFA, beginning with the 2020-2021 academic year, to select each recipient for the Tulane Legislative Scholarship Program on behalf of each legislator through a competitive process and based on eligibility requirements provided by Tulane. OSFA recommends automating the application process by developing an online application integrated into their existing Louisiana Award System for an estimated one-time expenditure of \$16,000 SGF. Proposed law will require a significant workload increase for OSFA related to processing applications, verifying eligibility, awarding scholarships, communicating with students and legislators. OSFA indicates these functions cannot be absorbed utilizing existing staff and resources, and the increased workload would require an additional TO position to hire an entry level financial aid specialist for a total annual cost of \$61,442 SGF (inclusive of salary, related benefits, and miscellaneous costs). Additionally, OSFA will incur one-time \$3,312 SGF related to the promulgation of rules to administer the "Legislative Scholarship Fairness Act".

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"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H} | | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {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
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