



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 178** SLS 22RS 380
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 27, 2022 3:21 PM	Author: FIELDS
Dept./Agy.: Office of Student Financial Assistance (OSFA)	Analyst: Tim Mathis
Subject: TOPS eligibility	

TOPS EG INCREASE GF EX See Note Page 1 of 1
 Provides for TOPS exceptions due to Hurricane Ida. (gov sig)

Proposed legislation authorizes the Office of Student Financial Assistance (OSFA) to waive TOPS initial eligibility requirements that a student cannot comply with if it deems that failure to comply is, more likely than not, due solely to the effects of Hurricane Ida. Applicable to the 2021-2022 academic year, authorizes OSFA to provide for the following continuing eligibility requirements for a TOPS award: waives requirements for steady academic progress and a certain cumulative GPA; provides an extended timeframe for a student to recover an award; and waives reduction of eligibility for each semester a student is enrolled in an out-of-state college or university. Proposed legislation is only applicable to individuals who, as of August 27, 2021, were eligible for or had a program award and met one of the following criteria: had a home of record or were enrolled in an eligible college or university in an affected parish, or were a member of the LA National Guard called to active duty to assist in the preparation for and response to Hurricane Ida. Effective upon governor's signature.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	\$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
REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	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

Proposed legislation is anticipated to result in an indeterminable increase in state expenditures for the Office of Student Financial Assistance (OSFA) to provide for expanded TOPS eligibility. To the extent this measure provides TOPS eligibility to students who otherwise would not be eligible or would lose eligibility, there will be an increase in TOPS expenditures in FY 23 and going forward, however this is indeterminable as the potential number of qualifying students is unknown.

On October 7, 2021, the governor issued *Executive Proclamation 183 JBE 2021*, which waived certain initial and continuing eligibility requirements for a TOPS award for students who live in or attend school in parishes eligible for FEMA Direct Housing Assistance as a result of Hurricane Ida (Jefferson, Lafourche, Livingston, Plaquemines, St. Charles, St. Helena, St. James, St. John the Baptist, Tangipahoa, or Terrebonne). The proposed legislation codifies these exceptions.

According to data OSFA finalized on 3/16/22, a total of 24,851 students were granted automatic exceptions. Of those, 18,769 students have already benefited from the exceptions in the current 2021-22 academic year and the remaining 6,082 that were not enrolled in school this year may still receive TOPS as a result of the exception in the 2022-2023 academic year. Costs associated with the proposed bill are due to increased retention rates and eligibility for students who would not otherwise receive TOPS, but for these exceptions.

Note: OSFA is projecting an \$8.4 M surplus of TOPS funds for FY 22, due to a 3.1% decline in TOPS recipients. Due to the number of students that have already benefited from the hurricane exceptions granted, it is anticipated that, in absence of the exceptions, TOPS expenditures would have declined further than what OSFA is currently projecting, and that the proposed legislation will contribute to the number of TOPS recipients going forward.

REVENUE EXPLANATION

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

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