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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Sherri H. Breaux.

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## DIGEST

Present law provides for the Taylor Opportunity Program for Students (TOPS) as a program of merit scholarships for first time freshman attending public postsecondary institutions or regionally accredited independent colleges or universities in this state who meet a specified GPA, ACT score, and core curriculum requirements.

Proposed law retains present law eligibility and requirements for TOPS awards, which will be effective and continue to be effective for any student who graduates from high school through the 2010-2011 school year and who meets the requirements and is awarded a TOPS-Tech, Opportunity, Performance or Honors Award until the student's program eligibility ends or graduation from an eligible college or university occurs.

Proposed law re-establishes TOPS as a loan forgiveness program beginning with students graduating from high school during the 2011-2012 school year. Provides that a TOPS loan will be made to students who intend to pursue an academic undergraduate degree or skill or occupational training from an eligible postsecondary institution. Provides that the establishment of the new loan forgiveness program will in no way affect any student who graduated from high school during the 2010-2011 school year or before and who received a TOPS award under the original TOPS program.

To qualify for a loan, proposed law retains all eligibility requirements as is required for students in present law under the merit scholarship program for a TOPS-Tech, Opportunity, Performance, or Honors award. Provides that all loan amounts to be made under proposed law are the same as those provided under the award program in present law. Provides that any stipend paid for recipients of a Performance or Honors Loan is not subject to repayment. Retains all continuation requirements.

Provides for the adoption of rules for implementation of the loan forgiveness program. Specifies the methods by which loans will be made in event the legislature appropriates insufficient money to fund all loans made to qualifying under proposed law.

Proposed law, requires, under the loan forgiveness program, for students who do not meet certain continuation requirements, to repay the full amount of the loan with repayment commencing 12 months after eligibility for a loan has terminated or six months after full-time attendance at a college or university has ended. Provides that after a student has completed eligibility, or upon graduation, and before such repayment begins, that the full amount of the loan and the interest accrued be forgiven, provided the student completed and met all the requirements to maintain continued state payments of a loan.

Requires all students who accept an Opportunity, Performance, Honors or TOPS-Tech loan to

sign a promissory note with the La. Student Financial Assistance Commission agreeing to the terms and conditions upon which the loan is made. Provides that the obligation of the student to repay a loan remains in effect until the student has repaid the loan or the commission has forgiven or discharged the loan, all in accordance with the terms of the promissory note.

Provides that, upon breach of any terms of the promissory note, the remaining amount of the loan paid to the student which has not been forgiven or discharged becomes due and payable by the student. Grants to the commission all authority provided by state law for collection of any student loan debt administered by the commission or for the collection of any debt.

Authorizes the commission to garnish the disposable pay of a student who is not making the required repayment under the promissory note or under a repayment agreement with the commission, to collect the amount owed by the student pursuant to the promissory note. Specifies conditions and requirements for garnishment.

Provides for a hearing to be provided prior to issuance of a garnishment order if the student files a petition requesting such a hearing, on or before the 30th day following the mailing of the notice regarding the initiation of garnishment proceedings. Provides that if the individual does not file a petition requesting a hearing prior to such date, the commission will provide the individual a hearing upon request, but such hearing need not be provided prior to issuance of a garnishment order.

Provides that any hearing conducted may, at the request of the commission, be conducted by any administrative law judge, including those employed by the Division of Administrative Law. Requires the administrative law judge to issue a final decision no later than 30 days after the hearing.

Allows the administering agency to file suit to collect on defaulted loans, and in all such suits, the attorney general will represent the administering agency.

Creates the TOPS Loan Fund in the state treasury for monies deposited as repayment for loans as well as earnings resulting from the investment of any money in the fund. Provides for any unexpended and unencumbered balances remaining in the fund at the end of any fiscal year to remain in the fund. Provides for the legislature to annually appropriate money in the fund, in addition to appropriations from any source, to the commission for the purpose of providing loans.

Proposed law retains the present law program providing for the payment of monies for books and other instructional materials for those persons serving in the La. National Guard and participating in the tuition exemption program (R.S. 29:36.1) and who meet the qualifications for each TOPS level as provided in present law. Retains all award amounts to such students at each award level.

Proposed law retains present law provisions for the TOPS-Tech Early Start Award for eligible 11th and 12th grade students, which may be used at a La. public postsecondary education institution for the purpose of pursuing an industry-based occupational or vocational education credential as defined by the Board of Regents.

Effective August 15, 2011.

(Adds R.S. 17:3048, 3048.11, 3048.12, and 3048.21 through 3048.26)