

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 202** SLS 13RS 126
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 17, 2013 12:54 PM	Author: NEVERS
Dept./Agy.: Office of Student Financial Assistance	
Subject: Revises TOPS GPA Calculations and Core Courses	Analyst: Charley Rome

TOPS EG INCREASE GF EX See Note Page 1 of 1
 Revises core curriculum requirements and the method of calculating the grade point average for TOPS awards. (gov sig)

The proposed legislation adds a requirement that the TOPS core GPA calculation use a 5 point scale for International Baccalaureate and Advanced Placement classes instead of converted to a 4 point scale beginning with high school graduates during the 2013-2014 Academic Year who would not be eligible for a TOPS payment until the 2014-2015 Academic Year. The proposed legislation also changes the TOPS core curriculum requirements deleting courses, adding courses, and providing more flexibility in courses that students can complete to become eligible for TOPS awards. Students graduating from high school in the 2017-2018 academic year would be required to meet the proposed core curriculum requirements, and those students would not be eligible for a TOPS payment until the 2018-2019 Academic Year. The proposed legislation removes a requirement that the Office of Student Financial Assistance consult with, and solicit written comments and recommendations from the Board of Elementary and Secondary Education (BESE) prior to updating course names and equivalencies and instead requires BESE approval prior to such changes. Effective upon governor's signature.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	INCREASE	INCREASE	INCREASE	INCREASE	\$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	2013-14	2014-15	2015-16	2016-17	2017-18	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

The bill's provisions related to TOPS GPA calculations will increase TOPS awards by unknown amounts in FY 15 and thereafter. The Louisiana Office of Student Financial Assistance (LOSFA) estimates that few students would be affected with an insignificant cost increase due to the bill's provisions allowing calculation of the TOPS core GPA based on a 5 point scale for International Baccalaureate (IB) and Advanced Placement (AP) courses. LOSFA anticipates minimal costs because few students with lower GPAs are likely to take many IB/AP courses and do well in such courses. However, an increase in TOPS expenditures from the revised GPA calculations may be significant because the number of students qualifying for a basic TOPS Opportunity Award may be significant. Furthermore, the proposed legislation may award TOPS Performance stipends (\$400 per year) or Honors stipends (\$800 per year) to some students who are slightly below the 3.0 GPA required for these stipends. Student GPAs will be raised by the following amounts based on the number of IB/AP courses taken: 1 course (+0.053), 2 courses (+0.105), 3 courses (+0.158), 4 courses (+0.211), and 5 courses (+0.263). There is no way to estimate how many additional students might qualify for a basic Opportunity Award or receive enhanced stipends per the bill's revised GPA calculations. The average annual TOPS award for FY 14 is projected to be \$4,385. For illustrative purposes, it would only take 23 additional students qualifying for a TOPS Opportunity award based on the revised GPA calculations to exceed \$100,000 in additional TOPS expenditures (\$4,385 average TOPS award X 23 additional students = \$100,855).

The provisions in the proposed legislation related to TOPS core curriculum requirements will not have a significant impact on TOPS expenditures. Students graduating from high school in the 2017-2018 academic year would be required to meet the proposed core curriculum requirements, and those students would not be eligible for a TOPS payment until the 2018-2019 Academic Year which is outside the 5-year window of this fiscal note. Furthermore, the proposed changes will not result in any additional students becoming eligible for a TOPS award since the changes do not lower the eligibility standards in effect at this time. Since sufficient time is allowed before the core curriculum change is required, it is estimated that students will be able to adjust their courses to now qualify under the proposed requirements and that there will be no reduction in TOPS eligibles. The small percentages of current eligibles that have used the deleted courses to qualify for a TOPS award suggests that the transition to the new requirements will not have a major impact on a student's ability to meet the core curriculum requirements.

REVENUE EXPLANATION

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

<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) >= \$500,000 Annual Fiscal Cost {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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