

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



Fiscal Note On: **HB 167** HLS 23RS 261

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 17, 2023	2:08 PM	<b>Author:</b> COX
<b>Dept./Agy.:</b> Higher Education		<b>Analyst:</b> Chris Henry
<b>Subject:</b> Tuition and Fee Exemption for Disabled Veterans		

STUDENT/TUITION OR DECREASE SG RV See Note Page 1 of 1  
Provides for a tuition waiver for certain disabled veterans

Proposed law provides for the exemption of remaining tuition and fees owed to a public postsecondary institution after applying federal educational assistance from the Post-9/11 Veterans Educational Assistance Act of 2008 for a disabled veteran. Disabled veteran includes any Louisiana resident with a service-connected disability classification of 100% as determined by the U.S. Department of Veterans Affairs. The amount of the exemption will vary depending on the amount owed by the individual after payment for their federal benefit is made. The amount of federal benefits is based on the length of active duty time served, which qualifies them for differing levels of support ranging from 50% to 100%. Proposed law adds provisions to existing law to allow disabled veterans who qualify for the tuition and fee exemption above to also be considered for a stipend through the Taylor Opportunity Program for Students (TOPS).

<b>EXPENDITURES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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>						

**EXPENDITURE EXPLANATION**

There will be an increase in expenditures resulting from an increased number of participants in the TOPS program. The precise amount of the increase will depend on the number of students qualifying for the disabled veteran tuition and fee exemption who also meet the academic requirements for TOPS, however, the precise number of potential students cannot be quantified at this point. The stipend amount varies for each component of TOPS: Opportunity and Tech - \$300 per semester or \$600 per academic year; Performance - \$700 per semester or \$1,400 per academic year; Honors - \$1,100 per semester or \$2,200 per academic year. For illustrative purposes, if 100 veterans qualify for the opportunity/tech award level this would result in a \$60,000 annual cost, 50 at the performance level for \$70,000 annually, or 25 at the honors level for \$55,000 annually.

For additional context, in AY 2021-22 the TOPS National Guard Stipend had 368 participants (178 Opportunity, 101 Performance, 78 Honors, and 11 Tech) for a total cost of \$193,469. It provides the same level of stipend support as proposed legislation.

**REVENUE EXPLANATION**

The proposed law is anticipated to decrease SGR received by postsecondary institutions due to the exemption of tuition and mandatory fees owed by students who meet the qualifications in the proposed legislation. The amount of an individual's exemption corresponds to the maximum covered by their federal assistance which depends on the aggregate length of active duty service as seen in the table below:

At least 36 months	100%
Between 30 and up to 36 months	90%
Between 24 and up to 30 months	80%
Between 18 and up to 24 months	70%
Between 6 and up to 18 months	60%
Between 90 days and up to 6 months	50%

It is not known precisely how many students would qualify for the proposed exemption and to what level the difference between their federal assistance and remaining obligation would be. The extent to which each institution tracks its veteran students varies and many report not having data on disability status level. For illustrative purposes, using the average combined tuition and mandatory fees at a four-year institution calculated at \$8,839 per year and estimating 100 disabled veteran students yields a loss of revenue of \$441,950 at the 50% exemption level and \$88,390 at the 10% exemption level. Similar to other statutory tuition and fee exemptions, institutions will be required to absorb the decrease in SGR and associated costs of educating these students.

<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*  
**Evan Brasseaux**  
**Interim Deputy Fiscal Officer**