

TAYLOR OPPORTUNITY PROGRAM FOR STUDENTS
LOUISIANA OFFICE OF STUDENT FINANCIAL ASSISTANCE



PERFORMANCE AUDIT
ISSUED MAY 1, 2013

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

**FIRST ASSISTANT LEGISLATIVE AUDITOR
AND STATE AUDIT SERVICES**
PAUL E. PENDAS, CPA

DIRECTOR OF PERFORMANCE AUDIT SERVICES
NICOLE B. EDMONSON, CIA, CGAP, MPA

**FOR QUESTIONS RELATED TO THIS PERFORMANCE AUDIT, CONTACT
MICHAEL BOUTTE, PERFORMANCE AUDIT MANAGER,
AT 225-339-3800.**

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

May 1, 2013

The Honorable John A. Alario, Jr.,
President of the Senate
The Honorable Charles E. "Chuck" Kleckley,
Speaker of the House of Representatives

Dear Senator Alario and Representative Kleckley:

This report provides the results of our review of the Taylor Opportunity Program for Students administered by the Louisiana Office of Student Financial Assistance. The report contains information on program expenditures, the number of students served, award retention, and graduation status.

Appendix A contains the Louisiana Office of Student Financial Assistance's response to the report. Appendix B contains the Board of Regents' response. I hope this report will benefit you in your legislative decision-making process.

We would like to express our appreciation to the management and staff of the Louisiana Office of Student Financial Assistance and the Board of Regents for their assistance during this audit.

Sincerely,

A handwritten signature in blue ink that reads "Daryl G. Purpera". The signature is fluid and cursive.

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/ch

TOPS 2013

Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



Taylor Opportunity Program for Students - Louisiana Office of Student Financial Assistance

May 2013

Audit Control # 40120012

Introduction

This report provides the results of our review of the Taylor Opportunity Program for Students (TOPS) within the Louisiana Office of Student Financial Assistance (LOSFA). TOPS is a merit-based student aid program for postsecondary education that began in 1998. The purpose of TOPS, in part, is to encourage academic excellence and to provide an incentive for Louisiana residents to pursue postsecondary education in the state, resulting in an educated workforce. TOPS is funded through a combination of state general fund dollars and money from the TOPS fund within the Millennium Trust fund which is comprised of tobacco settlement proceeds. From fiscal years 1999 through 2012, Louisiana has spent approximately \$1.57 billion on TOPS.

In conducting this review, we focused mainly on the Academic awards¹ of the TOPS program because 212,493 (95%) of the 223,691 recipients were served by that element of the program from fiscal years 1999 through 2012. The Academic awards provide funding to students through Opportunity, Performance, and Honors awards, with each having its own eligibility requirements and award amounts. Appendix A contains LOSFA management's response to the report and Appendix B contains the Board of Regents' response. Appendix C details our scope and methodology. The audit objective is as follows:

Objective: What are the results of the Taylor Opportunity Program for Students?

Background

Program Purpose. The Taylor Opportunity Program for Students (TOPS)² is a merit-based student aid program for postsecondary education. The program serves academically qualified students who are Louisiana residents and graduate from Louisiana high schools.³ TOPS was established by Act 1375 of the 1997 Regular Session. According to Louisiana Administrative Code (LAC) 28:IV.701, the purpose of TOPS is to:

¹ There are two award types under TOPS. The two award types are Academic and Technical. For more information on these award types, see p. 3.

² TOPS was originally called the Tuition Opportunity Program for Students. It was renamed the Taylor Opportunity Program for Students in 2008 by Act 652 of the 2008 Regular Legislative Session in honor of Mr. Patrick F. Taylor, who developed the idea for the program.

³ Home study and out-of-state high school students may also qualify if they meet alternate residency requirements. R.S. 17:3048.1 *et seq.* provides all rules.

- Provide an incentive for Louisiana residents to academically prepare for and pursue postsecondary education in this state, resulting in an educated workforce enabling Louisiana to prosper in the global market of the future.
- Financially assist those students who are academically prepared to continue their education at a Louisiana postsecondary institution.
- Encourage academic excellence.
- Provide incentives for Louisiana high school graduates to pursue postsecondary education in this state.

Program Administration. The following three entities are involved in the programmatic administration of TOPS:

1. Louisiana Student Financial Assistance Commission. According to state law (R.S. 17:3021), the Louisiana Student Financial Assistance Commission is responsible for supervising, controlling, directing, and administering state and federal scholarship programs for higher education, including TOPS.
2. Louisiana Office of Student Financial Assistance (LOSFA). LAC 28:IV.101 designates LOSFA as the entity responsible for administering TOPS with oversight from the Louisiana Student Financial Assistance Commission. LOSFA is responsible for processing award applications and payments to the institutions.
3. Board of Regents. State law (R.S. 17:3048.3) requires the Board of Regents to implement a reporting system for TOPS to provide accurate information for the purposes of policy analysis and program evaluation in order to determine the program's impact on the state and on students. According to state law, a report should be prepared at the end of the Fall and Spring semesters during each academic year. The Board of Regents most recently prepared this report in December 2012.⁴

Award Types and Eligibility Requirements. TOPS consists of two types of awards: Academic awards and Technical awards. The TOPS Academic awards include Opportunity, Performance, and Honors awards. The Academic awards are the largest part of the program and have served 212,493 (95%) of the 223,691 TOPS recipients since the program began.

To be eligible for TOPS Opportunity, Performance, and Honors awards, students must meet U.S. citizenship and state residency requirements; complete a specific high school curriculum, known as the TOPS Core Curriculum; achieve a minimum grade point average (GPA) on the TOPS Core Curriculum; and achieve a minimum ACT score.⁵ While all three

⁴ This report is titled "TOPS Report: Analysis of the TOPS Program from 2003-2012" and can be viewed on the Board of Regents website: [http://www.regentsfiles.org/assets/docs/Data/DataSpecifications/TOPS-Report-2012 - 2012-1207.pdf](http://www.regentsfiles.org/assets/docs/Data/DataSpecifications/TOPS-Report-2012_-_2012-1207.pdf).

⁵ This provides an overview of current TOPS eligibility requirements. R.S. 17:3048.1 *et seq.* provides all eligibility requirements.

awards require that students complete the same high school curriculum, the GPA and ACT requirements differ as do the stipend amounts. According to the Board of Regents 2012 TOPS report, the average award amount has increased 54% from \$2,592 in 1999 to \$3,981 in 2012.⁶ Exhibit 1 summarizes the current eligibility requirements and award amounts for the TOPS Academic component.

Exhibit 1			
TOPS Academic Award Eligibility Requirements and Award Amounts			
	Opportunity	Performance	Honors
TOPS Core Curriculum Units	17.5	17.5	17.5
TOPS Core Curriculum GPA	2.50	3.00	3.00
ACT Score	20	23	27
Award and Stipend Amount	Tuition only	Tuition plus \$400 per year	Tuition plus \$800 per year
Source: Prepared by legislative auditor's staff using R.S. 17:3048.1 <i>et seq.</i>			

The TOPS Technical award provides funding to pay TOPS Tech and TOPS Tech Early Start awards. TOPS Tech awards cover the cost of tuition for public postsecondary institutions in Louisiana for students pursuing skill or occupational training, including a vocational or technical education certificate, diploma program, or a nonacademic undergraduate degree. TOPS Tech Early Start awards pay \$50 per credit hour for up to six credit hours per semester to public postsecondary education institutions for eligible eleventh and twelfth grade high school students who pursue an industry-based occupational or vocational education credential as defined by the Board of Regents. The TOPS Tech award may also be used at any school that is accredited and has a valid and current certificate of registration issued by the State Board of Cosmetology and at any licensed proprietary school that is accredited by the Board of Regents.

Program Funding. The program is funded through a combination of state general fund dollars and money from the TOPS fund within the Millennium Trust fund. Act 1295 of the 1999 Regular Session established the TOPS fund within the Millennium Trust fund to use tobacco settlement proceeds to support TOPS. As of June 30, 2012, TOPS has made payments to 123 postsecondary institutions including eligible cosmetology schools and proprietary schools, such as truck driving academies, court reporting schools, and medical training colleges. From fiscal years 1999 through 2012, Louisiana has spent approximately \$1.57 billion on TOPS. The five postsecondary institutions that have received the highest TOPS award payments from academic years 1998-99 through 2011-12 are illustrated in Exhibit 2. See Appendix D for the complete list of the 123 institutions that received an award payment during this timeframe.

⁶ "TOPS Report: Analysis of the TOPS Program from 2003-2012," p. 16.

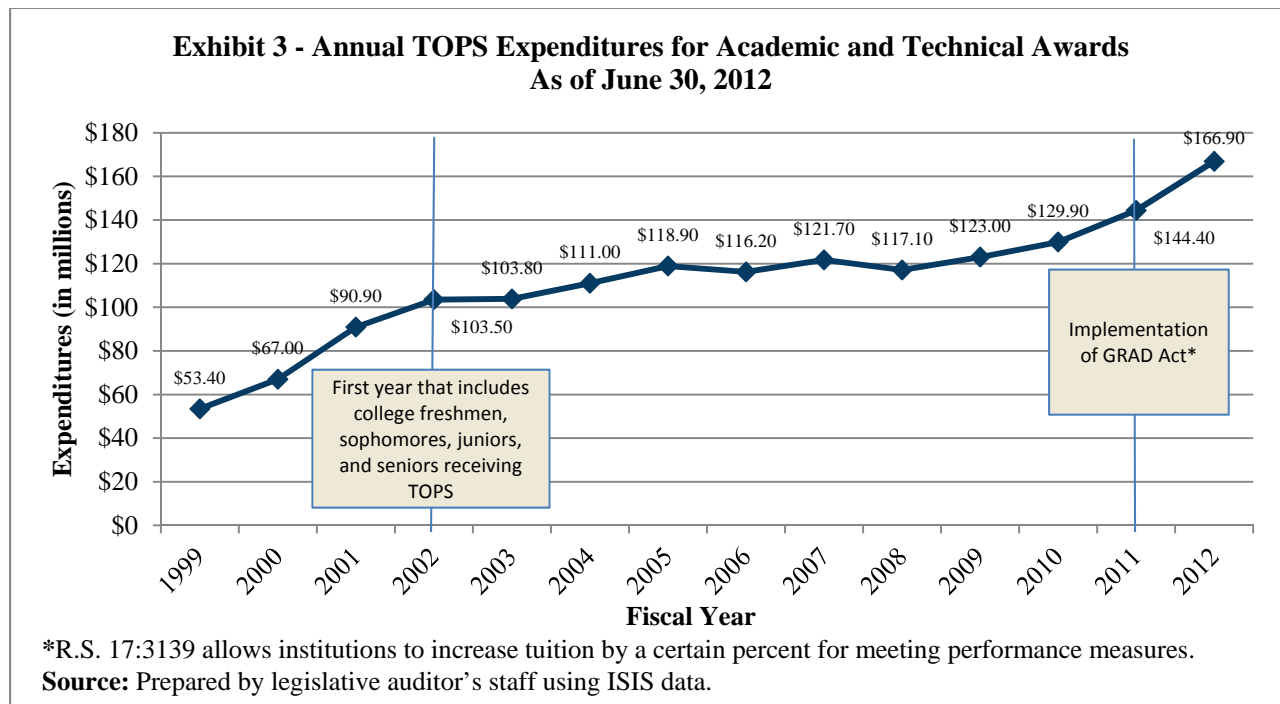
Exhibit 2	
TOPS Expenditures by Postsecondary Institution - Top 5	
Academic Years 1998-99 through 2011-12	
Institution Name	Total Payments
Louisiana State University A&M	\$596,099,209
University of Louisiana at Lafayette	153,876,498
Louisiana Tech University	128,405,081
Southeastern Louisiana University	115,559,172
University of New Orleans	78,719,099
Source: Prepared by legislative auditor's staff using LOSFA data.	

Objective: What are the results of the Taylor Opportunity Program for Students?

Louisiana has spent approximately \$1.57 billion on TOPS, providing merit-based student aid to 223,691 students at 123 postsecondary education institutions from fiscal years 1999 through 2012. We reviewed expenditure data for fiscal years 1999 through 2012 and student data from academic years 1998-99 through 2011-12.⁷ The results of our review of program expenditures, the number of students served, award retention, and graduation status are described below.

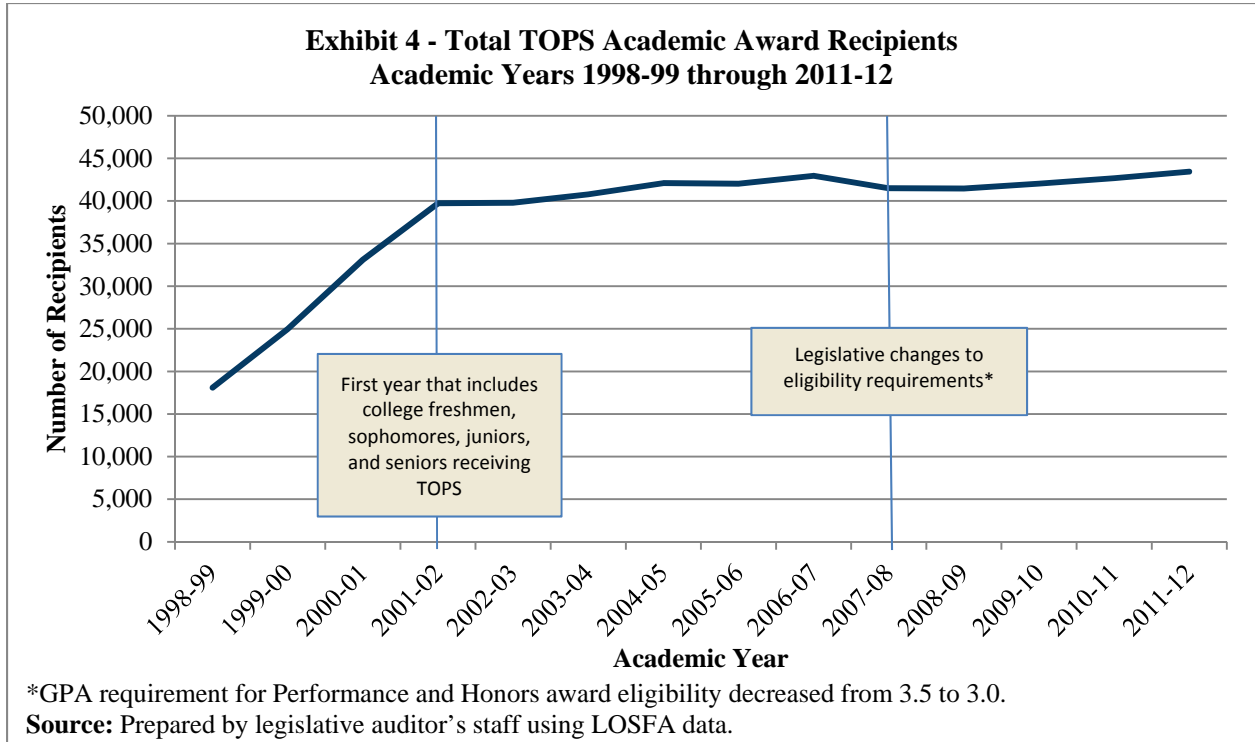
TOPS annual expenditures have increased by approximately 213% from fiscal years 1999 through 2012. The number of students served has increased 140% from academic years 1998-99 through 2011-12.

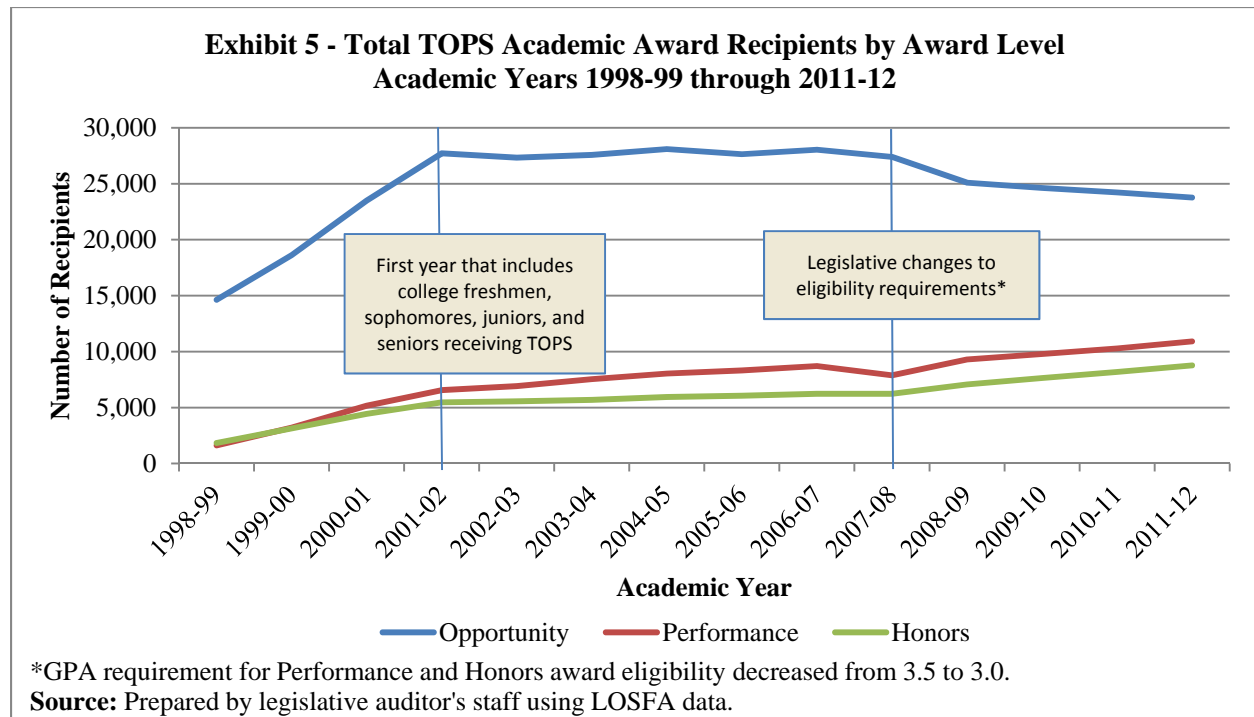
As illustrated in Exhibit 3, TOPS annual expenditures, including TOPS Technical awards, have increased from \$53.4 million in fiscal year 1999 to \$166.9 million in fiscal year 2012. Since the TOPS fund became effective July 1, 2000, the amount of TOPS funding that comes from the state general fund has fluctuated with a high of 99.8% in fiscal year 2001 to a low of 50.8% in fiscal year 2012. Act 423 of the 2011 Regular Session increased the amount of money deposited into the TOPS fund for award payments. See Appendix E for a TOPS funding breakdown by fiscal year and fund source as of June 30, 2012.



⁷ An academic year starts at the beginning of the Fall term and ends at the beginning of the next year's Fall term.

During academic year 1998-99, the first year of the program, TOPS served 18,086 students. As of academic year 2011-12, the program served 43,437 students including new and continuing students. According to LOSFA’s analysis on TOPS academic award acceptance rates, the percentage of TOPS eligible students who accepted the award has ranged from a low of 89% to a high of 92% from 1999 through 2011. As of February 26, 2013, approximately 88% of TOPS eligible students from 2012 had accepted the award; however, the data is incomplete for this year because students have until the Fall semester of 2013 to claim the award. Exhibit 4 shows the total number of TOPS recipients and Exhibit 5 provides the breakdown of TOPS recipients by award type for academic years 1998-99 through 2011-12.





Of the students who received their first TOPS award payment during academic years 2002-03 through 2008-09, 54.1% received the award for the maximum time allowed, 44.3% had their award cancelled, and 1.6% remain eligible to receive an award payment.

To remain eligible for TOPS Opportunity, Performance, and Honors awards, students must maintain continuous enrollment, enroll full-time each semester, earn a minimum of 24 credit hours per academic year, and maintain a minimum GPA of 2.3 for the first year and 2.5 for subsequent years for the Opportunity award or 3.0 for the Performance and Honors awards.⁸ At the end of each academic term, postsecondary institutions provide LOSFA with information regarding each TOPS recipient. LOSFA uses this information to determine a recipient's award status. We examined each recipient's award status as provided by LOSFA and grouped the award statuses into the following categories:

Received the Award for the Maximum Terms (Time) includes students who received award payments for the maximum terms allowable by program rules (i.e., eight semesters or 12 quarters).

⁸ This provides the general requirements to maintain TOPS eligibility. Students may be granted an exception for cause by LOSFA or the Louisiana Student Financial Assistance Commission for failure to enroll full-time or not completing the minimum number of hours. R.S. 17:3048.1 *et seq.* provides all TOPS eligibility requirements.

Award Cancelled⁹ includes students who did not maintain eligibility throughout postsecondary education for the maximum terms allowable by program rules (e.g., recipients who did not complete the necessary credit hours in an academic year or did not continuously enroll in a postsecondary education institution).

Currently Receiving/Eligible to Receive an Award includes students who are currently receiving or still eligible to receive an award payment.

Of the 95,413 students who received their first TOPS award payment in the Fall during academic years 2002-03 through 2008-09, 51,661 (54.1%) students received the award for the maximum terms allowed; 42,301 (44.3%) students had their award cancelled at some point during their postsecondary academic career; and 1,451 (1.6%) students remain eligible to receive an award payment. Louisiana spent approximately \$830 million on awards for these students. Because our data for this analysis was as of October 8, 2012, we analyzed data only through academic year 2008-09 to give students the four years needed, on average, to complete their award eligibility. Exhibit 6 shows the TOPS eligibility status of students, as of October 8, 2012, by the academic year in which they first received an award payment.

Exhibit 6 TOPS Award Status as of October 8, 2012 Academic Years 2002-03 through 2008-09*								
Academic Year of Recipient's 1st Award Payment	Award Status						Total Recipients	Total Award Amount
	Received the Award for the Maximum Terms		Cancelled		Currently Receiving/ Eligible			
	#	%	#	%	#	%		
2002-03	7,296	54.2%	6,165	45.8%	-	-	13,461	\$109,851,986
2003-04	7,831	57.3%	5,824	42.6%	1	0.0%	13,656	117,187,941
2004-05	7,618	54.7%	6,313	45.3%	3	0.0%	13,934	118,108,958
2005-06	7,069	54.4%	5,917	45.5%	11	0.2%	12,997	110,051,212
2006-07	7,445	53.9%	6,285	45.5%	80	0.6%	13,810	117,468,334
2007-08	7,147	53.0%	5,937	44.0%	399	3.0%	13,483	119,585,164
2008-09	7,255	51.6%	5,860	41.6%	957	6.8%	14,072	137,292,648
Total	51,661	54.1%	42,301	44.3%	1,451	1.6%	95,413	\$829,546,243
*Only includes students who received their first TOPS award payment in the Fall term during the academic year. Source: Prepared by legislative auditor's staff using LOSFA data.								

⁹ TOPS recipients classified as cancelled in LOSFA data could have their eligibility reinstated by being granted an exception in accordance with R.S. 17:3048.1 *et seq.* and the program rules.

From academic years 2002-03 through 2008-09, Louisiana spent approximately \$165 million on awards for students who subsequently had their awards cancelled; 56% of these students had their award cancelled during their first year of postsecondary education.

Of the 42,301 students noted above who subsequently had their award cancelled, 23,676 (56%) had their award cancelled during the first year of postsecondary education. According to the Board of Regents 2012 TOPS report, the majority of students have their award cancelled because of their failure to earn 24 hours of college credit during an academic year.¹⁰ Of the \$830 million in awards for students who received their first TOPS award payment in the Fall term of academic years 2002-03 through 2008-09, Louisiana has spent approximately \$165 million (20%) on awards for the 42,301 students whose awards were subsequently cancelled. Exhibit 7 illustrates the timeframe during which a student's award was cancelled along with the total amount spent on awards for those students.

Exhibit 7			
Timeframe of Award Cancellation as of October 8, 2012			
Academic Years 2002-03 through 2008-09*			
	Number of Recipients	Percent of Recipients	Award Payments
During Year 1	23,676	56.0%	\$46,728,438
During Year 2	10,595	25.0%	53,471,444
During Year 3	6,066	14.3%	47,152,949
During Year 4	1,825	4.3%	16,846,173
After Year 4**	139	0.3%	1,214,696
Total	42,301	100%	\$165,413,701
*Only includes students who received their first TOPS award payment in the Fall term during the academic year.			
**TOPS recipients can remain eligible after 4 calendar years due to Military, exceptions, etc., in accordance with R.S. 17:3048.1 <i>et seq.</i>			
Note: The calculations in this exhibit are based on rounded numbers.			
Source: Prepared by legislative auditor's staff using LOSFA data.			

Students receiving an Opportunity award had a higher rate of cancellation than those receiving a Performance award or Honors award.

Of the 42,301 students who had their TOPS awards cancelled, students receiving an Opportunity award had a higher rate of cancellation than those receiving a Performance or Honors award. As seen in Exhibit 8, 53% of students who received an Opportunity Award had their award cancelled compared to 24.5% of the students who received a Performance Award and 13.7% of the students who received an Honors Award. As indicated previously in Exhibit 1

¹⁰ "TOPS Report: Analysis of the TOPS Program from 2003-2012," p. 18.

of this report, the Opportunity Award has the lowest eligibility requirements. Exhibit 8 shows the eligibility status of students by award type as of October 8, 2012.

Exhibit 8								
Award Status by TOPS Award Type as of October 8, 2012								
Academic Years 2002-03 through 2008-09*								
	Opportunity		Performance		Honors		Total	
Award Status	Number of Recipients	Percent of Recipients	Number of Recipients	Percent of Recipients	Number of Recipients	Percent of Recipients	Number of Recipients	Percent of Recipients
Received Full Award	32,099	45.5%	10,338	74.3%	9,224	84.7%	51,661	54.1%
Cancelled	37,398	53.0%	3,411	24.5%	1,492	13.7%	42,301	44.3%
Eligible	1,110	1.6%	164	1.2%	177	1.6%	1,451	1.5%
Total	70,607	100.0%	13,913	100.0%	10,893	100.0%	95,413	100.0%
*Only includes students who received their first TOPS award payment in the Fall term during the academic year.								
Note: The calculations in this exhibit are based on rounded numbers.								
Source: Prepared by legislative auditor's staff using LOSFA data.								

Of the students who started school in a public institution and received their first TOPS award payment in the Fall term from academic years 2002-03 through 2006-07, 69% graduated from a public institution.

Of the 62,504 students who received their first TOPS award payment in the Fall term from academic years 2002-03 through 2006-07 and began postsecondary education in a Louisiana public institution, 43,053 (69%) graduated from a Louisiana public institution. Our analysis is limited to students that started in and graduated from a Louisiana public postsecondary institution because the Board of Regents only collects graduation data from public postsecondary institutions. In addition, because our data for this analysis included graduates through May 31, 2012, we limited our analysis only through 2006-07 to allow students at least six years to complete a degree. The traditional graduation rate as defined by the Integrated Postsecondary Education Data System (IPEDS¹¹) allows students 150% of normal time to complete a degree. Therefore, a student would have six years to complete a traditional four-year program. Exhibit 9 provides a breakdown of the graduation status of students by award type.

¹¹ IPEDS is a system of interrelated surveys conducted annually by the U.S. Department's National Center for Education Statistics. IPEDS gathers information from every college, university, and technical and vocational institution that participates in the federal student financial aid programs.

Exhibit 9
Graduation Status by TOPS Award Type as of May 31, 2012
Academic Years 2002-03 through 2006-07*

Graduation Status	Opportunity		Performance		Honors		Total	
	Number of Recipients	Percent of Recipients	Number of Recipients	Percent of Recipients	Number of Recipients	Percent of Recipients	Number of Recipients	Percent of Recipients
Graduated from a Louisiana Public Institution	30,124	63.7%	7,334	82.5%	5,595	88.7%	43,053	68.9%
Did not Graduate from a Louisiana Public Institution**	17,188	36.3%	1,553	17.5%	710	11.3%	19,451	31.1%
Total	47,312	100.0%	8,887	100.0%	6,305	100.0%	62,504	100.0%

*Only includes students who received their first TOPS award payment in the Fall term during the academic year.
**Students may have graduated from a private or out-of-state institution.
Source: Prepared by legislative auditor's staff using LOSFA and Board of Regents data.

Of those students that graduated, 25% had their TOPS award cancelled at some point during their academic career.

Of the 43,053 students that graduated, 10,683 (25%) did so after their TOPS award had been cancelled. According to the 2012 Board of Regents report, students who begin a baccalaureate degree or an associate degree with TOPS graduate at a higher rate than students without a TOPS award.¹²

¹² "TOPS Report: Analysis of the TOPS Program from 2003-2012," p. 18.

APPENDIX A: LOSFA'S RESPONSE



State of Louisiana
Office of Student Financial Assistance

April 19, 2013

Mr. Dayrl G. Purpera
Louisiana Legislative Auditor
1600 North Third Street
Baton Rouge, Louisiana 70804-9397

Re: Response to Performance Audit Report
Taylor Opportunity Program for Students (TOPS)

Dear Mr. Purpera:

We have evaluated the Legislative Auditor's report of its performance audit of TOPS. We appreciate the time and effort the Auditor's staff put forth in conducting this audit and particularly the professional manner and attention to detail exhibited by your staff in evaluating and understanding the TOPS program.

Your staff reviewed a massive amount of data that had been accumulated by this agency through the sixteen high school graduating classes that have received TOPS awards thus far. To facilitate conducting the audit in a reasonable period of time, the objectives of the audit were limited. The report accurately assesses the data for the objectives addressed. We are electing to add commentary on the following issues based on the report:

- From 2002-03 through 2008-09 (7 years), \$165 million was paid for TOPS awards made to students whose awards were subsequently canceled from the program. During this same time period, a total of \$830 million was paid for TOPS awards. **Over 80% of the money paid for TOPS awards went to students who completed the TOPS program.**
- 43,053 (69%) of the 62,504 TOPS students who graduated from high school from May 2003 through May 2007 (5 graduating classes) graduated with a baccalaureate degree from a Louisiana public college within six years. Since the report does not provide the number of the TOPS students who graduated from Louisiana private colleges, we assume that the same graduation rate applies for the private colleges. If so, about 3,500 TOPS recipients graduated with a baccalaureate degree from a Louisiana private college within six years. **This results in over 74% of TOPS students graduating from college within six years.**
- Of the 43,053 TOPS students who graduated from a Louisiana public college within six years, 10,683 (25%) were students whose TOPS award had been canceled. **Most of these students lost their TOPS award simply due to withdrawing from one or more courses and yet they still achieved and maintained high academic success.**

Mr. Dayrl G. Purpera
April 19, 2013
Page 2

When TOPS was first funded and implemented in 1998, students who had graduated from high school in 1997 and 1998 high school received TOPS Awards at a cost of \$53 million. In 2002, the cost of TOPS rose to \$103 million (more than twice as many students at slightly less than two times the original cost).

The annual cost of TOPS rose to \$167 million in 2012 due primarily to increases in the TOPS award amounts authorized by legislative acts and to the increasing numbers of Louisiana high school graduates who qualified for TOPS. Although the number of high school graduates has dropped from 46,473 in 2002 to 43,716 in 2012, the number of first time TOPS eligible students has increased from 18,004 in 2002 to 21,304 in 2012 demonstrating the increasing academic quality of our more current graduates.

Louisiana students and their parent taxpayers have benefited from TOPS. Prior to TOPS there was little incentive for high schools to offer and for the average student to take rigorous college preparatory courses. Now all high schools offer the TOPS academic core curriculum courses and most students attempt to complete the TOPS academic core and the parents are demanding it. Of the 2012 students who qualified for the TOPS Tech award (can be used only for skill or technical programs), over 78% had completed the TOPS academic core curriculum to qualify for the award. This indicates their desire to pursue an academic collegiate program of study.

While it may appear that a larger than expected number of students have awards canceled due to not carrying a sufficient academic load (Exhibit 6), it is important to note that the statute allowed for a freshman transition period in regard to obtaining the requisite grade point average, (2.3 after first year and 2.5 thereafter) but did not allow such a transition period for earning requisite hours each academic year. In 2011 the Louisiana Student Financial Assistance Commission amended its rules to allow hours earned during summer terms to be counted in the academic year definition, thus allowing students the opportunity, as is allowed in other scholarship programs reviewed (such as NCAA), to maintain their award. Because of this recent change, it is expected that the percent of students losing their award for requisite hours will decrease.

The preparation for college provided by TOPS has paid off and continues to do so. These students are better prepared due to the rigor of the TOPS core curriculum. TOPS students are more likely to meet the requirements to continue receiving their award and, even if their award is cancelled, TOPS students are more likely to stay in college, graduate and secure employment in this state.

We appreciate the opportunities provided by your staff to work with them to assure the accuracy of the performance audit report. Thank you for this opportunity to respond.

Sincerely,

Melanie Amrhein
Executive Director

c: Mr. Travis Lavigne, Chairman, Louisiana Student Financial Assistance Commission

APPENDIX B: BOARD OF REGENTS' RESPONSE

W. Clinton Rasberry, Jr.
Chair

Joseph C. Wiley
Vice Chair

Charlotte A. Bollinger
Secretary

James E. Purcell
Commissioner of
Higher Education



BOARD OF REGENTS

P. O. Box 3677
Baton Rouge, LA 70821-3677
Phone (225) 342-4253, FAX (225) 342-9318
www.regents.state.la.us

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April 22, 2013

Mr. Daryl G. Purpera
Louisiana Legislative Auditor
1600 North Third Street
Baton Rouge, Louisiana 70804-9397

Re: Response to Performance Audit Report
Taylor Opportunity

Dear Mr. Purpera:

I appreciate the opportunity to evaluate the Legislative Auditor's report of its performance audit of TOPS. Although the audit was conducted on the TOPS program under the jurisdiction of the Louisiana Financial Assistance Commission and the day-to-day administration of the Louisiana Office of Student Financial Assistance, the Board of Regents, in its policy role in financial aid, has a role in such a review.

I found that the time and effort the Auditor's staff put forth in conducting this audit and its availability during the process to be commendable. Understanding (1) the task of collecting and reviewing massive amounts of data related to the TOPS program, and (2) the limited objectives of the audit, the respective staff conducted itself in a courteous and professional manner.

Since the audit on TOPS was narrowly targeted with no recommendations or findings, I found the information informative, relevant and complete. Once again, I appreciate the opportunity to participate in the process and respond to the draft.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry Tremblay", is written over a horizontal line.

Larry Tremblay
Deputy Commissioner for Planning,
Research and Academic Affairs

c. Michael Boutte
Nicole Edmonson
Jim Purcell

APPENDIX C: SCOPE AND METHODOLOGY

We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. The purpose of the audit was to provide information on Taylor Opportunity Program for Students (TOPS) recipients and expenditures. The audit objective was to answer the following question:

What are the results of the Taylor Opportunity Program for Students?

We conducted this performance audit in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. To answer our objective, we reviewed internal controls relevant to the audit objective and performed the following audit steps:

- We obtained and reviewed LOSFA's mission and purposes as stated in the executive budget, Louisiana Revised Statutes, and Louisiana Administrative Code as related to TOPS.
- For TOPS expenditures, we obtained ISIS reports for fiscal years 1999 through 2012.
- For TOPS recipient data, we obtained and reviewed TOPS recipient information from LOSFA for each academic year since program inception, including counts by award type and by postsecondary institution as of October 8, 2012.
- We tested the reliability of TOPS student data. Based on this work and LOSFA Internal Audit work, we found that the data was sufficiently reliable to support our analysis.
- We created cohorts for Retention and Graduation. We excluded deceased recipients from both cohorts.
 - Retention cohorts are based on students who received their first TOPS award payment in the Fall term during academic years 2002-03 through 2008-09. For example, if students received their first TOPS award payment in Fall 2004, then they would be included in the 2004-05 cohort.
 - Graduation cohorts are based on students who received their first TOPS award payment in the Fall term during academic years 2002-03 through 2006-07. Students were only included if the first institution they attended

was a public postsecondary institution. Graduation data for private and proprietary institutions is not available through the Board of Regents; therefore, only graduates in a Louisiana public institution could be included.

- To determine award retention, we used the TOPS recipient's award status as of October 8, 2012.
- We obtained graduation data from the Board of Regents as of May 31, 2012, and compared it to LOSFA data on TOPS recipients to determine who graduated.

**APPENDIX D: TOPS EXPENDITURES BY POSTSECONDARY INSTITUTION SORTED
BY TOTAL TOPS AWARD AMOUNT*
ACADEMIC YEARS 1998-1999 THROUGH 2011-2012**

Number	Institution Name	Total TOPS Award Amount	Number	Institution Name	Total TOPS Award Amount
1	Louisiana State University A&M	\$596,099,209	24	Our Lady of Holy Cross College	\$5,201,095
2	University of Louisiana - Lafayette	153,876,498	25	Baton Rouge Community College	4,897,870
3	Louisiana Tech University	128,405,081	26	Bossier Parish Community College	4,753,779
4	Southeastern Louisiana University	115,559,172	27	SOWELA Technical Community College	1,443,662
5	University of New Orleans	78,719,099	28	L.E. Fletcher Technical Community College	1,251,099
6	University of Louisiana - Monroe	66,468,216	29	River Parishes Community College	993,849
7	McNeese State University	64,056,948	30	South Louisiana Community College	985,954
8	Northwestern State University	62,614,277	31	Louisiana State University Health Sciences Center - Shreveport	937,358
9	Nicholls State University	60,985,155	32	Elaine P. Nunez Community College	681,055
10	Loyola University	31,663,153	33	Louisiana Delta Community College	638,153
11	Tulane University	27,209,209	34	St Joseph Seminary	552,608
12	Louisiana State University - Shreveport	23,805,383	35	Southern University - New Orleans	546,151
13	Xavier University	22,332,453	36	Southern University - Shreveport	535,180
14	Southern University A&M	21,365,643	37	New Orleans Baptist Theology Seminary	268,429
15	Louisiana College	17,823,086	38	LTC - Lafayette	227,625
16	Centenary College of Louisiana	15,721,223	39	LTC - T.H. Harris	185,476
17	Louisiana State University Health Sciences Center - New Orleans	8,916,396	40	LTC - Teche Area	161,581
18	Louisiana State University - Alexandria	8,592,815	41	LTC - River Parishes	139,745
19	Louisiana State University - Eunice	8,301,171	42	River Parishes Ascension Center	123,382
20	Delgado Community College Main Campus	7,856,235	43	Northshore Technical Community College - Hammond	87,021
21	Our Lady of the Lake College	7,790,847	44	LTC - Northwest Louisiana	83,815
22	Dillard University	6,726,104	45	LTC - Baton Rouge Campus	80,835
23	Grambling State University	6,350,148	46	Northshore Technical Community College - Sullivan	73,400

Number	Institution Name	Total TOPS Award Amount	Number	Institution Name	Total TOPS Award Amount
47	LTC - Young Memorial	\$64,312	76	NELTC - North Central	\$10,663
48	LTC - Lafourche Campus	57,858	77	LTC - Slidell Campus	10,211
49	LTC - Oakdale	56,533	78	Louisiana Delta Community College - Tallulah	10,193
50	LTC - Gulf Area	55,007	79	LTC - Evangeline Campus	9,898
51	LTC - Shreveport-Bossier	53,976	80	LTC - Folkes Campus	9,864
52	LTC - Lamar Salter	47,365	81	Delta College of Arts and Technology	9,429
53	LTC - Alexandria Campus	42,664	82	Career Technical College - Monroe	9,272
54	NELTC - Delta - Ouachita	40,608	83	Blue Cliff College - Houma	9,205
55	Rochester Institute of Technology**	36,025	84	Aveda Institute - Lafayette	7,914
56	LTC - Huey P. Long Campus	34,470	85	Delta College - Covington	7,876
57	Northshore TCC - Florida Parishes	34,147	86	Compass Career College	7,835
58	LTC - Avoyelles	33,945	87	Remington College - Baton Rouge	7,557
59	LTC - Acadian Campus	32,896	88	Aveda Institute - Covington Esthology	6,176
60	NELTC - Ruston Campus	31,808	89	Denham Spring Beauty College	5,960
61	LTC - Mansfield	29,163	90	Delgado Community College - Jefferson Campus	5,473
62	NELTC - Northeast Louisiana	24,532	91	Blue Cliff College - Lafayette	5,299
63	ITI Technical College	23,113	92	Career Technical College - Shreveport	5,194
64	SOWELA - Morgan Smith Campus	22,559	93	Blue Cliff College - Metairie	4,813
65	Omega Institute of Cosmetology	20,742	94	Blue Cliff College - Alexandria	4,742
66	Delta School of Business and Technology	19,727	95	Aveda Institute - New Orleans	4,233
67	LTC - Shelby M. Jackson	18,455	96	Unitech Training Academy - Lafayette	4,121
68	NELTC - Bastrop Campus	18,093	97	Delgado Community College - West Jefferson	4,000
69	Louisiana Culinary Institute	18,058	98	Blue Cliff College - Shreveport	3,899
70	LTC - Charles B. Coreil	17,619	99	Medical Training College	3,899
71	Cosmetic Training Center	13,360	100	John Jay Kenner Academy	3,693
72	LTC - Natchitoches	12,918	101	Aveda Institute - Baton Rouge	3,545
73	Fortis College Baton Rouge (formerly Medvance)	12,284	102	LTC - Jumonville Memorial	2,974
74	LTC - Sabine Valley	11,841	103	Remington College - Lafayette	2,742
75	Vanguard College Cosmetology - Baton Rouge	10,813	104	Remington College - Shreveport	2,412

Number	Institution Name	Total TOPS Award Amount	Number	Institution Name	Total TOPS Award Amount
105	ITT Technical College - St Rose	\$2,308	115	Pineville Beauty School	\$634
106	Delta College of Arts and Technology - Lafayette	2,027	116	Unitech Training Academy - Lake Charles	634
107	Unitech Training Academy - Houma	1,902	117	ITT Technical Institute - Baton Rouge	506
108	Cameron College	1,626	118	Camelot College	317
109	Unitech Training Academy - Alexandria	1,585	119	Cloyd's Beauty	317
110	Guy's Academy - Hair, Skin, Nails	1,518	120	Crescent City Career Institute	317
111	LTC - Westside	1,438	121	Stage One - The Hair School	317
112	Moore Career College	914	122	LTC - Sidney N. Collier	254
113	Unitech Training Academy - West Monroe	840	123	Regency Beauty Institute	253
114	Cloyd's Beauty #3	634		Total	\$1,567,182,963

* The number of institutions that receive TOPS payments may change annually. The institutions listed received a TOPS payment between Academic Year 1998-99 and 2011-12.

**State law provides that TOPS funding can be used to attend an out-of-state institution if the programs and services are designed to accommodate deaf and hard-of-hearing students. R.S. 17:3048.1 *et seq.* provides all TOPS rules.

Note: The calculations in this appendix are based on rounded numbers.

Source: Prepared by legislative auditor's staff using LOSFA data.

APPENDIX E: TOPS EXPENDITURES

TOPS Expenditures for All TOPS Components By Fiscal Year and Fund Source as of June 30, 2012				
Fiscal Year	TOPS Fund (in millions)	State General Fund (in millions)	Total TOPS Expenditure (in millions)	Percent from State General Fund
1999	-	\$53.4	\$53.4	100.0%
2000	-	67.0	67.0	100.0%
2001	\$0.2	90.7	90.9	99.8%
2002	1.8	101.7	103.5	98.3%
2003	13.7	90.1	103.8	86.8%
2004	11.9	99.1	111.0	89.3%
2005	14.1	104.7	118.9	88.1%
2006	15.1	101.1	116.2	87.0%
2007	17.1	104.5	121.7	85.9%
2008	17.3	99.8	117.1	85.2%
2009	22.3	100.7	123.0	81.9%
2010	17.3	112.5	129.9	86.6%
2011	16.0	128.4	144.4	88.9%
2012	82.1	84.7	166.9	50.8%
Total	\$229.2	\$1,338.5	\$1,567.6	

Note: The calculations in this appendix are based on rounded numbers.
Source: Prepared by legislative auditor's staff using ISIS data.