

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3716-01
Bill No.: SB 590
Subject: Education, Higher; Higher Education Dept.
Type: Original
Date: December 8, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Higher Education (DHE)** assume this proposal could have a fiscal impact on the DHE depending on the number of cases brought before DHE and the circumstances applicable to each individual case. Any public institution could be impacted fiscally if the Coordinating Board for Higher Education deems an institution has violated board policy.

Oversight assumes there would be a limited number of violations processed under the terms of this proposal, and that costs related to those violations could be assumed with existing resources. Oversight also assumes that violations cited by DHE could be remedied in the one-year period allowed by the proposal. Therefore, any fiscal impact on institutions would be temporary.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would grant additional authority to the Coordinating Board for Higher Education. In cases deemed by the Board to be egregious violations of board policy, the Board could order an institution to remit a fine in an amount not to exceed one percent of the institution's current fiscal year state appropriation. The Board would hold such funds until the institution corrects the violation, at which time the fine would be refunded to the institution. Should the Board determine that the institution has not redressed said violation within one year, the fine would be deposited into the General Revenue Fund.

As a condition of receiving state funds, every institution of higher education would agree to submit to binding dispute resolution with regard to disputes among institutions of higher education that involve jurisdictional boundaries or the use or expenditure of any state resources whatsoever, as determined by the Board. In all cases, the arbitrator would be the Commissioner of Higher Education or his or her designee, whose decision would be final and binding on all parties and not subject to appeal.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Higher Education

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial "M".

Mickey Wilson, CPA
Director
December 8, 2005