

Department of Planning and Budget 2005 Fiscal Impact Statement

1. Bill Number HB1816

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|------------------------|--|-------------------------------------|------------------------------------|
| House of Origin | <input checked="" type="checkbox"/> Introduced | <input type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| Second House | <input type="checkbox"/> In Committee | <input type="checkbox"/> Substitute | <input type="checkbox"/> Enrolled |

2. Patron Marshall, R.G.

3. Committee Education

4. Title Annual reporting of the use of student fees

5. Summary/Purpose: The proposed legislation requires each public and private two- and four-year institution of higher education in the Commonwealth to publish annually a descriptive report detailing the (i) purpose, amount, use, and distribution of student fees assessed each semester or during an academic year; and (ii) the name of each organization and student leader, if applicable, including the nature of the organization's activity, that receives funding of \$100 or more from student fees. The bill also requires institutions to post the annual report on its website to facilitate access and availability of the report to students enrolled at the institution and their parents.

6. No fiscal impact.

7. Budget amendment necessary: No.

8. Fiscal implications: The comments that follow speak to public institutions of higher education only. Public institutions of higher education currently submit detailed information on mandatory fees to the State Council of Higher Education (SCHEV) each year. This information is included in SCHEV's annual Tuition and Fee Report and posted on the SCHEV website. However, the focus of this bill may be mandatory fees categorized by the National Association of College and University Business Officers (NACUBO) as trust and agency funds. An institution, as custodian or fiscal agent, holds these revenues for individual students, faculty, staff members, and organizations. According to the Chart of Accounts for Virginia State-Supported Colleges and Universities, "Expenditure of trust and agency funds should not be controlled in any way by the board of visitors or administration of the institution. Responsibility for collection of revenues may rest with the institution as a matter of convenience, as is the case with student activity fees, while responsibility for expenditures should rest solely with the individual or organization for which the institution is acting as fiscal agent."

Most institutions of higher education, both private and public, publish information and a description of the student fee charges by semester. However, most do not publish the amount of student fees distributed by student organization nor do they publish a list of the student contacts. Most institutions do publish, on their website, a list of student organizations. Some include the student leader and others do not.

9. Specific agency or political subdivisions affected:

Public and private two-year and four-year institution of higher education

10. Technical amendment necessary: No.

11. Other comments: The legislation as proposed may result in different reports from each institution based on their definitions and naming conventions. It is important to note that the definition of “student fee” and “student organization” is not the same at every institution.

Date: 01/19/05/aps

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cc: Secretary of Education