

## Department of Planning and Budget 2006 Fiscal Impact Statement

**1. Bill Number** SB 40

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

**2. Patron** Senator Reynolds

**3. Committee** Appropriations

**4. Title** Higher Education; New College Institute Established.

**5. Summary/Purpose:**

This amended bill in the nature of a substitute establishes the New College Institute in the area of Martinsville and Henry Counties and provides the bylaws that would govern the Institute's Board of Directors, including its membership appointments. The Institute is expected to:

- Diversify the region's economy by engaging the resources of other institutions of higher education, public and private bodies, and organizations of the region and state;
- Leverage and broker resources that support economic diversity, thereby encouraging economic and community transformation;
- Use resources available from collaborating educational institutions to facilitate development of the technology and trained workforce necessary for new economic enterprises to flourish;
- Provide access to degree-granting programs, including undergraduate, graduate, and professional programs, through partnerships with private and public institutions of higher education, the public schools, and the public and private sectors which should expand educational opportunities in the region;
- Encourage and coordinate the development and delivery of degree programs and other credit and noncredit courses focusing on statewide and regional critical shortage areas as well as the needs of industry; and
- Maintain and disseminate information on existing educational programs, research, and university outreach and technology resources.

**6. Fiscal Impact Estimates are:** Final (see Item 8)

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** This amended bill codifies the establishment of the New College Institute as reflected in the 2006-2008 Budget Bill. Item 244 of the Budget Bill provides \$2.1 million (GF) in FY 2007 and \$2.4 million (GF) in FY 2008 for the establishment of the Institute. The House proposes \$2.5 million (\$1.2 million GF) each year for the same purpose and to create a visiting faculty program with several of the public universities to deliver

programs that are deemed necessary for the region. The Senate proposes \$475,000 (GF) in FY 2007 for planning and administrative costs associated with the coordination of “2+2 programs” and \$930,000 (GF) in FY 2008 to support student enrollment.

**9. Specific agency or political subdivisions affected:** New College Institute, Institute for Advanced Learning and Research, Southern Virginia Higher Education Center, University of Virginia, Longwood University, and Radford University

**10. Technical amendment necessary:** No.

**11. Other comments:** This amended bill conforms more closely with the latest amended version of HB 517. However, differences still exist in §23-231.31; specifically in the areas of appointments, terms, and compensation.

**Date:** 03/02/06 / sas

**Document:** f:\higher education\2006 ga session\etaps fis\s40h1.doc

cc: Secretary of Education