

## Department of Planning and Budget 2006 Fiscal Impact Statement

**1. Bill Number** SB 40

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

**2. Patron** Senator Reynolds

**3. Committee** Education

**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 in FY 2007 and \$2.4 million in FY 2008 for the establishment of the Institute.

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

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

**11. Other comments:** This bill is similar to HB 517. However, it differs in several areas. First, this bill provides for Board members to serve a three-year term with the opportunity of serving one additional term. HB 517 requires legislative members to serve terms on the Board that coincide with their office terms; and citizen appointments to be limited to two successive, four-year terms, unless a vacancy is being filled. Second, this bill provides no criteria for the removal of Board members; while HB 517 does. Third, HB 517 requires that the State Council of Higher Education for Virginia provide a report to the legislature concerning the development of the Institute into an institution of higher education. This bill does not require a report. Finally, regarding the Institute's curriculum, this bill requires appropriate degree and nondegree programs offered by other educational institutions. HB 517 requires that until 2012, the curriculum focus on educating community college graduates and those individuals who have completed the first two years of a baccalaureate degree.

**Date:** 02/13/06 / sas

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cc: Secretary of Education