

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 133** HLS 17RS 813

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 24, 2017 6:19 PM	Author: EDMONDS
Dept./Agy.: Higher Education	Analyst: Willis Brewer
Subject: Centralization and cooperative unification plan	

HIGHER EDUCATION

EG SEE FISC NOTE GF EX

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Requires each public postsecondary education management board to develop a centralization plan and a cooperative unification plan and submit them to the legislature

Proposed law requires the Board of Supervisors of La. State University and Agricultural and Mechanical College, the Board of Supervisors of Southern University and Agricultural and Mechanical College, the Board of Supervisors for the University of La. System, and the Board of Supervisors of Community and Technical Colleges each to develop the following plans: 1) A plan relative to centralization, which, at a minimum, shall: (a) Review centralization efforts and examine potential efficiencies resulting from further centralization of administrative functions, including but not limited to purchasing, payroll, financial aid, maintenance and operations, human resources, and other administrative functions performed on individual campuses. (b) Examine the potential short-term and long-term costs and savings associated with centralization measures. 2) A plan relative to cooperative unification, which, at a minimum, shall: (a) Be developed in collaboration with regional stakeholders for institutions within each of the regional labor market areas and for institutions in contiguous regions. (b) Identify potential efficiencies resulting from the unification of functions and processes, including but not limited to academic and technical offerings suited for regional workforce and economic needs, student services, research, purchasing, food services, and security. (c) Examine the potential short-term and long-term costs and savings associated with unification measures. Proposed law requires each board to submit its initial plans to the House and Senate education committees not later than Jan. 1, 2018, and by Jan. 1st every four years thereafter (1/1/22, 1/1/26, etc).

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The proposed law will require the four management boards to submit a centralization and unification plan every four years beginning on 1/1/18. The LFO anticipates preparing the plan will not have a fiscal impact to any of the management boards.

As a result of Act 619 of 2016, the Board of Regents has requested information and a plan from the management boards in regards to centralization plans similar to this legislation. These plans are required to be sent to BOR no later than 1/1/18 (identical to this legislation) with a goal of implementation by 2020. In addition to Act 619, this legislation will require the management boards to develop a cooperative unification plan that requires collaboration with regional stakeholders in the institution's region. To the extent developing a plan requires the institutions and/or management boards to hold conferences with stakeholders/businesses and to travel to applicable regions around the state, it is anticipated these entities will incur additional expenses, but should be able to absorb these costs within their existing budget. To the extent the management boards contract with an external consultant to provide additional review and information, these entities will incur additional expenses.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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