

OFFICE OF FISCAL ANALYSIS

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sHB-6887

AN ACT CONCERNING HIGHER EDUCATION MANAGEMENT AND FISCAL ACCOUNTABILITY.

As Amended by House "A" (LCO 8994)

House Calendar No.: 130

Senate Calendar No.: 554

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Board of Regents for Higher Education	OF - Potential Cost	See Below	See Below

Note: OF=Other Fund

Municipal Impact: None

Explanation

The bill results in a potential cost annually beginning in FY 26 to the Board of Regents for Higher Education (BOR). It does so by requiring BOR to hire a compliance officer and establishing a variety of auditing and financial reporting responsibilities for the position.

BOR has recently hired a compliance officer whose duties largely overlap with the auditing responsibilities outlined in the bill. To the extent that BOR chooses to hire additional staff to assist in fulfilling the bill's responsibilities, there is a potential cost that will vary based on the number of people hired and their associated salaries.

Additionally, the bill requires the constituent units of higher education to: (1) report certain data to the Office of the State Comptroller (OSC) for inclusion in its transparency database; and (2) establish various administrative policies. These changes have no fiscal impact as it is anticipated that the constituent units can meet these responsibilities

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with existing resources.

House "A" (1) replaces the cost in the underlying bill to BOR with a potential cost annually beginning in FY 26; and (2) eliminates the cost in the underlying bill to OSC. It requires BOR to appoint a compliance officer, rather than establish an audit office, and it eliminates the requirement for OSC to perform a post-audit examination.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to changes in salary and fringe costs associated with any staff BOR may hire to fulfill the bill's provisions.