

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 16, 2007

TO: Honorable Geanie Morrison, Chair, House Committee on Higher Education

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB2039 by Ellis (Relating to the governance of certain state agencies.), **Committee Report**
2nd House, Substituted

No significant fiscal implication to the State is anticipated.

The bill would require upon a finding of financial or administrative exigency by the legislative audit committee that the governor may abolish the governing body of a general academic institution or a university system. An interim, five-member governing board is to be appointed by the Governor with the advice and consent of the Senate. In consultation with the governor, the interim board may appoint an interim president or chancellor. Following the expiration of the terms of the interim board members, the normal governing body is reconstituted under existing law. The interim board/president shall develop and implement a comprehensive administration improvement plan and shall submit the plan to the governor and the chairs of the legislative audit committee. Periodic progress reporting is required. A legislative oversight committee is to be appointed by the Governor in consultation with the Lieutenant Governor and Speaker of the House.

Similar law is proposed for state agencies under which the governor with the consent of the Senate may appoint an interim administrator for a state agency.

The State Auditors Office estimates that the Office might spend \$300,000 per fiscal year for audits required by the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 308 State Auditor's Office, 694 Youth Commission, 717 Texas Southern University, 720 The University of Texas System Administration, 752 University of North Texas, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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