

Department of Planning and Budget

2002 Fiscal Impact Statement

1. **Bill Number** HB688

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron** Tata

3. **Committee** Education

4. **Title** University of Virginia Investment Income

5. **Summary/Purpose:** The legislation amends the Code to allow the University of Virginia to invest not only endowment funds as already authorized under Section 2.2 -1802 of the Code, but private gifts and income generated from the investment of endowment funds. In addition, the legislation exempts these funds from the provisions of the Investment of Public Funds Act (Section 2.2 -4500 et seq.).

6. **Fiscal Impact Estimates are.** Preliminary.

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2001-02			
2002-03	\$1,200,000		NGF
2003-04	\$1,200,000		NGF

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

8. **Fiscal implications:** The proposed legislation amends Section 23 -76.1 of the Code of Virginia to allow the University of Virginia Board of Visitors to determine the investment strategies for all private gifts and endowment income not just those that meet the current Code definition of endowment fund. By providing this authority to the Board, the University will have the opportunity to increase its annual return on the investment of these funds. This proposal will not impact the general fund balances of the Commonwealth. In addition, the bill exempts investment and management of all these funds by the UVA board of visitors from the Investment of Public Funds Act. The University estimates it can generate approximately \$1.2 million in additional revenue by investing the interest earned on endowment fund balances.

9. **Specific agency or political subdivisions affected:**

University of Virginia

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

11. **Other comments:** Senate Bill 21 is identical to House Bill 688.

Date: 01/18/02/aps

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cc: Secretary of Education