

Department of Planning and Budget 2003 Fiscal Impact Statement

1. Bill Number HB2284

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

2. Patron Devolites

3. Committee Appropriations

4. Title Commonwealth Technology Research Fund continued.

5. Summary/Purpose:

The bill changes the agency responsible for the Commonwealth Technology Research Fund from the Department of Planning and Budget to the Innovative Technology Authority, and expands it to include awards to help Virginia's institutions of higher education enhance their capabilities to commercialize resulting intellectual properties. The bill also adds the Virginia Research and Technology Advisory Commission to the committee that makes recommendations on the allocation of awards from the fund.

6. No Fiscal Impact. (See items 8 and 10.)

7. Budget amendment necessary: N/A

8. Fiscal implications: The bill expands the Commonwealth Technology Research Fund to include commercialization activities in addition to research grants. Without an increase in the amount available for awards, this change could reduce the amount of funding available for research activities. The Innovative Technology Authority reports that it could administer the fund using existing resources.

9. Specific agency or political subdivisions affected: Affected agencies include the Innovative Technology Authority (ITA)/Center for Innovative Technology (CIT), the colleges and universities, and the Department of Planning and Budget (DPB), which currently administer the fund. Also affected are the State Council of Higher Education for Virginia (SCHEV) and the Virginia Economic Development Partnership (VEDP), whose representatives serve on a committee to recommend allocations from the fund, and the Department of Accounts (DOA) which is involved in disbursement of funds.

10. Technical amendment necessary: Yes. The bill states that the fund shall be established on the books of the Comptroller, and expenditures and disbursements shall be made by the State Treasurer upon request from the Innovative Technology Authority. ITA and CIT are not state agencies, and do not have access to the state's accounting system. The Comptroller's Office reports that ITA would not be able to administer the fund as described in the bill. Further, it would be unusual to transfer state appropriation to a non-state entity (CIT) for redistribution to state agencies (universities). Although this practice has taken place on a small scale for

some grant programs, the Comptroller's Office does not recommend it. To correct this problem, the fund would have to be administered by a state agency, or a state agency would have to serve as a fiscal agent for the administering entity.

11. Other comments:

Date: 01/22/03/jeh

Document: DPB G:\2003 Legislation \HB2284.DOC

cc: Secretary of Education
Secretary of Technology
Secretary of Commerce and Trade