

## Department of Planning and Budget 2004 Fiscal Impact Statement

**1. Bill Number** HB1009

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

**2. Patron** Rust

**3. Committee** Education

**4. Title** Virginia Educational Ventures Consortium.

**5. Summary/Purpose:**

Creates the Virginia Educational Ventures Consortium to develop and administer innovative and cost-effective distance learning instructional initiatives that address underserved constituencies. Comprised of participating public and private institutions of higher education in the Commonwealth, the Consortium is to (i) establish and administer agreements with public and private institutions of higher education in the Commonwealth and other entities to conduct studies examining the need for distance learning initiatives and to develop and execute, on a continuing basis, strategies to address such distance learning needs of underserved constituencies in the Commonwealth and (ii) enhance student access to on-line educational programs and opportunities. Participating institutions must agree to share revenues from tuition and fees for such distance learning opportunities. The gubernatorial-appointed Board of Trustees is comprised of nine members to be nominated by the participating institutions, six of whom shall represent participating members of the Consortium, and all of whom shall have expertise in information technology systems or instructional systems design and delivery, and the Secretary of Technology and the Auditor of Public Accounts, as ex officio members with full voting privileges. Participating institutions will provide additional staff support and the requisite facilities for the functions of the Consortium.

**6. Fiscal impact estimates are:** Preliminary. See item 8.

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

**8. Fiscal implications:** There may not be a direct impact to the state budget. The legislation requires participating institutions to share revenues from distance learning programs with the consortium, and it is presumably these revenues that would be used to operate the consortium and pay the expenses of the nine-member board of trustees. The amount of revenue-sharing is not specified. If it is significant, it could impede the institutions' ability to develop their distance learning programs, or result in increased tuition and fees for these programs. The staffing and space requirements included in the legislation could also have an impact on the participating institutions. Not all distance learning programs are able to cover their costs, and the revenue-sharing requirement possibly could hinder the ability of an institution to fund its distance learning costs.

**9. Specific agency or political subdivisions affected:** Public and private institutions of higher education, Secretary of Technology, Auditor of Public Accounts.

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

**11. Other comments:** None.

**Date:** 01/22/04 / jeh

**Document:** G:\2004 Legislation\Hb1009.Doc

cc: Secretary of Education