

## Department of Planning and Budget 2006 Fiscal Impact Statement

**1. Bill Number** HB935

<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** Nutter

**3. Committee** Education

**4. Title** State Council of Higher Education for Virginia; creation of nonstock corporation to support academic research.

**5. Summary/Purpose:** Requires the State Council of Higher Education for Virginia to establish a nonprofit, nonstock corporation as a public instrumentality to support and encourage academic research, with an emphasis on biological systems and nanotechnology. The bill sets out the composition of the board of directors for the corporation.

**6. Fiscal Impact Estimates are:** Final. See item 8.

**7. Budget amendment necessary:** No amendment is required by the legislation. However, to carry out the proposed activities, funding in a new item under SCHEV (145.10) or in a newly created agency code and item would be required.

**8. Fiscal implications:** The charge of the proposed corporation is broad, namely supporting academic research, encouraging research initiatives that support industry, and conducting other activities that are useful in carrying out these provisions. Funding in any amount, ranging from a few hundred thousand dollars to support a staff and limited activities to several hundred million dollars, could be utilized for these efforts. The patron has submitted a budget amendment request for \$150 million in each year to support the objectives of this bill.

**9. Specific agency or political subdivisions affected:** State Council of Higher Education for Virginia, Secretary of Commerce and Trade and Secretary of Technology.

**10. Technical amendment necessary:** None.

**11. Other comments:** There currently exists in the *Code of Virginia* a mechanism to support academic research in the Commonwealth (§ 2.2-2233.1, Commonwealth Technology Research Fund). The Fund is administered by the Innovative Technology Authority, a political subdivision of the Commonwealth. The proposed legislation appears to create a similar mechanism, with much less specificity regarding its activities.

**Date:** 02/07/06 / jeh

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**cc:** Secretary of Education