

**Department of Planning and Budget
2006 Fiscal Impact Statement**

1. **Bill Number** HB935

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. **Patron** Nutter

3. **Committee** Senate Education and Health

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. The corporation shall be named the Virginia Academic Research Corporation and must report on its activities to the Council at least annually.

Prior to July 1 of each fiscal year, the corporation must provide to the Chairmen of the House Appropriations and Senate Finance Committees and the Director of the Department of Planning and Budget a report of its operating plan. In addition, prior to September 1 of each fiscal year, the corporation must provide a detailed expenditure report and listing of the salaries and bonuses for all employees for the prior fiscal year.

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
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: 02/15/06/aps

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cc: Secretary of Education