

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB 987

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Delegate Nutter

3. Committee: Appropriations

4. Title: Creation of a nonstock corporation to support research under the State Council of Higher Education for Virginia

5. Summary: This bill requires the State Council of Higher Education for Virginia (SCHEV) to establish a nonprofit, nonstock corporation under Chapter 10 (§ 13.1-801 et seq.) of Title 13.1 as a public instrumentality exercising public and essential governmental functions to assist the Council in:

- supporting academic research in the Commonwealth;
- encouraging research initiatives, with emphasis on biological systems and nanotechnology, to support Virginia industry;
- directing the disbursement of funds for such research initiatives based on established scientific criteria from the Academic Research Initiative Fund created pursuant to this section; and
- conducting or undertaking other activities useful in carrying out the provisions of this section.

SCHEV will require the corporation to report on its activities at least annually. This bill sets out the composition of the board of directors for such a corporation.

6. Fiscal Impact Estimates: Indeterminate (see Section 8)

7. Budget Amendment Necessary: Yes. Item 149.

8. Fiscal Implications: The responsibilities of the proposed corporation are broad. Funding in any amount, from a few hundred thousand dollars to support a staff and limited activities to several hundred million dollars, could be applied to these efforts.

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: The *Code of Virginia* currently provides a mechanism to support academic research in the Commonwealth (§ 2-2233.1, Commonwealth Technology Research Fund). The Fund is administered by the Commonwealth Technology Research Authority, a

political subdivision of the Commonwealth. The proposed legislation appears to establish a similar mechanism with much less specificity regarding its activities.

Date: 1/18/2008 sas

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cc: Secretary of Education