

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: HB 1725

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Delegate Rust

3. Committee: Passed Both Houses

4. Title: Authorize the College of William & Mary, Virginia Commonwealth University, and Virginia Polytechnic Institute and State University boards of visitors to invest and manage funds.

5. Summary: This legislation authorizes the boards of visitors of the College of William and Mary (CWM), Virginia Commonwealth University (VCU), and Virginia Polytechnic Institute and State University (VPISU) to invest and manage endowment funds, endowment income, gifts, and all other nongeneral fund reserves and balances as well as local funds of or held by the institutions. It exempts board members from personal liability for losses suffered as a result of such investments. This bill also exempts the investment and management of endowment funds, endowment income, gifts, and all other nongeneral fund reserves and balances and local funds of or held by the institutions from the Virginia Public Procurement Act. Finally, it permits the endowment funds, endowment income, gifts, and all other nongeneral fund reserves and balances and local funds of or held by the institutions to be invested or reinvested in derivatives, options, and financial securities in accordance with the Uniform Management of Institutional Funds Act. An enactment clause prohibits CWM, VCU, and VPISU from investing revenue from tuition and educational fees that are necessary for the daily operations of the institutions in other than cash accounts and fixed income securities.

6. Fiscal Impact Estimates: Final

6b. Revenue Impact (CWM):

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$50,000	NGF
2010	\$53,000	NGF
2011	\$56,000	NGF
2012	\$58,000	NGF
2013	\$60,000	NGF
2014	\$63,000	NGF
2015	\$66,000	NGF

Revenue Impact (VCU):

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$100,000	NGF
2010	\$107,000	NGF
2011	\$115,000	NGF

2012	\$123,000	NGF
2013	\$130,000	NGF
2014	\$138,000	NGF
2015	\$145,000	NGF

Revenue Impact (VPISU):

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$150,000	NGF
2010	\$160,000	NGF
2011	\$170,000	NGF
2012	\$175,000	NGF
2013	\$180,000	NGF
2014	\$190,000	NGF
2015	\$200,000	NGF

7. Budget Amendment Necessary: No.

8. Fiscal Implications: This legislation will permit these institutions of higher education to potentially generate the additional revenue amounts shown in Section 6b that would benefit their endowment funds.

9. Specific Agency or Political Subdivisions Affected: College of William and Mary, Virginia Commonwealth University, and Virginia Polytechnic Institute and State University

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is identical to SB 1395.

Date: 2/24/2009 sas

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cc: Secretary of Education