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HOUSE BILL NO. 996

Offered January 13, 2010

Prefiled January 13, 2010

A BILL to amend and reenact §§ 2.2-200, 2.2-207, 2.2-208, 2.2-212, 2.2-435.6, 2.2-2015, 2.2-2424, 2.2-2519, 2.2-2674.01, 2.2-4345, 23-30.29:2, 23-38.88, 23-38.90, 23-287, 23-288, 30-198, and 51.1-502.1 of the Code of Virginia, relating to changing the name of the Secretary of Education.

Patron—James

Referred to Committee on Education

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-200, 2.2-207, 2.2-208, 2.2-212, 2.2-435.6, 2.2-2015, 2.2-2424, 2.2-2519, 2.2-2674.01, 2.2-4345, 23-30.29:2, 23-38.88, 23-38.90, 23-287, 23-288, 30-198, and 51.1-502.1 of the Code of Virginia are amended and reenacted as follows:

§ 2.2-200. Appointment of Governor's Secretaries; general powers; severance.

A. The Governor's Secretaries shall be appointed by the Governor, subject to confirmation by the General Assembly if in session when the appointment is made, and if not in session, then at its next succeeding session. Each Secretary shall hold office at the pleasure of the Governor for a term coincident with that of the Governor making the appointment or until a successor is appointed and qualified. Before entering upon the discharge of duties, each Secretary shall take an oath to faithfully execute the duties of the office.

B. Each Secretary shall be subject to direction and supervision by the Governor. Except as provided in Article 5 (§ 2.2-208 et seq.) of this chapter, the agencies assigned to each Secretary shall:

1. Exercise their respective powers and duties in accordance with the general policy established by the Governor or by the Secretary acting on behalf of the Governor;

2. Provide such assistance to the Governor or the Secretary as may be required; and

3. Forward all reports to the Governor through the Secretary.

C. Unless the Governor expressly reserves such power to himself and except as provided in Article 5 (§ 2.2-208 et seq.) of this chapter, each Secretary may:

1. Resolve administrative, jurisdictional, operational, program, or policy conflicts between agencies or officials assigned;

2. Direct the formulation of a comprehensive program budget for the functional area identified in § 2.2-1508 encompassing the services of agencies assigned for consideration by the Governor;

3. Hold agency heads accountable for their administrative, fiscal and program actions in the conduct of the respective powers and duties of the agencies;

4. Direct the development of goals, objectives, policies and plans that are necessary to the effective and efficient operation of government;

5. Sign documents on behalf of the Governor that originate with agencies assigned to the Secretary; and

6. Employ such personnel and to contract for such consulting services as may be required to perform the powers and duties conferred upon the Secretary by law or executive order.

D. Severance benefits provided to any departing Secretary shall be publicly announced by the Governor prior to such departure.

E. As used in this chapter, "Governor's Secretaries" means the Secretary of Administration, the Secretary of Agriculture and Forestry, the Secretary of Commerce and Trade, the Secretary of Education *and Workforce Development*, the Secretary of Finance, the Secretary of Health and Human Resources, the Secretary of Natural Resources, the Secretary of Public Safety, the Secretary of Technology, and the Secretary of Transportation.

§ 2.2-207. Annual legislative report.

Within ~~sixty~~ *60* days prior to the beginning of each regular legislative session, the Secretary and the Secretary of Education *and Workforce Development* shall jointly present a report to the General Assembly summarizing private sector and education partnership programs and recommendations to promote efficiency and growth in business and education partnerships.

Article 4.

Secretary of Education *and Workforce Development*.

§ 2.2-208. Position established; agencies for which responsible; powers and duties.

The position of Secretary of Education *and Workforce Development* (the "Secretary") is created. The Secretary shall be responsible to the Governor for the following agencies: Department of Education,

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State Council of Higher Education, Virginia Museum of Fine Arts, The Science Museum of Virginia, Frontier Culture Museum of Virginia, The Library of Virginia, Jamestown-Yorktown Foundation, Board of Regents of Gunston Hall, the Commission for the Arts, and the Board of Visitors of the Virginia School for the Deaf and the Blind. The Governor may, by executive order, assign any other state executive agency to the Secretary, or reassign any agency listed above to another Secretary. *The Governor may designate the Secretary to carry out the duties enumerated in § 2.2-435.6.*

Unless the Governor expressly reserves such a power to himself, the Secretary is empowered to resolve administrative, jurisdictional or policy conflicts between any agencies or officers for which he is responsible and to provide policy direction for programs involving more than a single agency. He is authorized to direct the preparation of alternative policies, plans and budgets for education for the Governor and, to that end, may require the assistance of the agencies for which he is responsible. He shall direct the formulation of a comprehensive program budget for cultural affairs encompassing the programs and activities of the agencies involved in cultural affairs.

§ 2.2-212. Position established; agencies for which responsible; additional powers.

The position of Secretary of Health and Human Resources (the Secretary) is created. The Secretary of Health and Human Resources shall be responsible to the Governor for the following agencies: Department of Health, Department for the Blind and Vision Impaired, Department of Health Professions, Department for the Aging, Department of Behavioral Health and Developmental Services, Department of Rehabilitative Services, Department of Social Services, Department of Medical Assistance Services, Child Day-Care Council, Virginia Department for the Deaf and Hard-of-Hearing, the Office of Comprehensive Services for Youth and At-Risk Youth and Families, and the Assistive Technology Loan Fund Authority. The Governor may, by executive order, assign any other state executive agency to the Secretary of Health and Human Resources, or reassign any agency listed above to another Secretary.

Unless the Governor expressly reserves such power to himself, the Secretary shall (i) serve as the lead Secretary for the coordination and implementation of the long-term care policy of the Commonwealth, working with the Secretaries of Transportation, Commerce and Trade, and Education *and Workforce Development*, and the Commissioner of Insurance, to facilitate interagency service development and implementation, communication and cooperation~~,~~*;* (ii) serve as the lead Secretary for the Comprehensive Services Act for At-Risk Youth and Families, working with the Secretary of Education *and Workforce Development* and the Secretary of Public Safety to facilitate interagency service development and implementation, communication and cooperation~~,~~*;* and (iii) coordinate the disease prevention activities of agencies in the Secretariat to ensure efficient, effective delivery of health related services and financing.

§ 2.2-435.6. Chief Workforce Development Officer.

A. The Governor shall serve as Chief Workforce Development Officer for the Commonwealth.

B. The Governor may designate a senior staff member from the immediate staff of the Governor's Office, *or the Secretary of Education and Workforce Development,* to be responsible for the responsibilities assigned to the Governor pursuant to this chapter and Article 25 (§ 2.2-2669 et seq.) of Chapter 26 of this title or other tasks as may be assigned to such person by the Governor.

§ 2.2-2015. Authority of CIO to modify or suspend major information technology projects; project termination.

The CIO may direct the modification or suspension of any major information technology project that, as the result of a periodic review authorized by subdivision A 5 of § 2.2-2007, has not met the performance measures agreed to by the CIO and the sponsoring agency or public institution of higher education or if he otherwise deems such action appropriate and consistent with the terms of any affected contracts. The CIO may recommend to the Board the termination of such project. Nothing in this section shall be construed to supersede the responsibility of a board of visitors for the management and operation of a public institution of higher education.

The provisions of this section shall not apply to research projects, research initiatives or instructional programs at public institutions of higher education. However, technology investments in research projects, research initiatives or instructional programs at such institutions estimated to cost $1 million or more of general fund appropriations may be reviewed as provided in subdivision A 5 of § 2.2-2007 if the projects are deemed mission-critical by the institution or of statewide application by the CIO. The CIO and the Secretary of Education *and Workforce Development*, in consultation with public institutions of higher education, shall develop and provide to such institution criteria to be used in determining whether projects are mission-critical.

§ 2.2-2424. Virginia-Israel Advisory Board; purpose; membership; terms; compensation and expenses; staff; chairman's executive summary.

A. The Virginia-Israel Advisory Board (the Board) is established as an advisory board, within the meaning of § 2.2-2100, in the executive branch of state government. The purpose of the Board shall be to advise the Governor on ways to improve economic and cultural links between the Commonwealth and the State of Israel, with a focus on the areas of commerce and trade, art and education, and general

government.

B. The Board shall consist of 31 members that include 29 citizen members and two ex officio members as follows: six citizen members appointed by the Speaker of the House of Delegates, who may be members of the House of Delegates or other state or local elected officials; six citizen members appointed by the Senate Committee on Rules, who may be members of the Senate or other state or local elected officials; 13 members appointed by the Governor who represent business, industry, education, the arts, and government; the president, or his designee, of each of the four Jewish Community Federations serving the Richmond, Northern Virginia, Tidewater and Peninsula regions; and the Secretary of Commerce and Trade and the Secretary of Education *and Workforce Development*, or their designees, who shall serve as ex officio voting members of the Board.

C. Nonlegislative citizen members appointed by the Governor shall serve for terms of four years and nonlegislative citizen members appointed by the Senate Committee on Rules and the Speaker of the House of Delegates shall serve for terms of two years. Legislative members and the Secretaries of Commerce and Trade, and Education *and Workforce Development*, or their designees, shall serve terms coincident with their terms of office. Vacancies occurring other than by expiration of a term shall be filled for the unexpired term. Vacancies shall be filled in the same manner as the original appointments. Any member may be reappointed for successive terms.

D. The members of the Board shall elect a chairman and vice-chairman annually from among its membership. The Board shall meet at such times as it deems appropriate or on call of the chairman. A majority of the members of the Board shall constitute a quorum.

E. Members shall receive no compensation for their services. However, all members shall be reimbursed for all reasonable and necessary expenses incurred in the performance of their duties as provided in §§ 2.2-2813 and 2.2-2825. Funding for the costs of the expenses of the members shall be provided by the Office of the Governor.

F. The Office of the Governor shall serve as staff to the Board.

G. The chairman of the Board shall submit to the Governor and the General Assembly an annual executive summary of the interim activity and work of the Board no later than the first day of each regular session of the General Assembly. The executive summary shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

§ 2.2-2519. Membership; terms; quorum; meetings.

The Commission shall have a total membership of seven members that shall consist of five nonlegislative citizen members and two ex officio members. Nonlegislative citizen members shall be appointed as follows: two nonlegislative citizen members who shall be former members of either the board of visitors of a public institution of higher education or the State Board for Community Colleges; one nonlegislative citizen member who shall be either a former president, provost, or executive vice-president of a public institution of higher education; and two nonlegislative citizen members who shall be citizens-at-large to be appointed by the Governor. The Secretary of Education *and Workforce Development* or his designee and the Secretary of the Commonwealth or his designee shall serve ex officio with nonvoting privileges. Nonlegislative citizen members of the Commission shall be citizens of the Commonwealth.

Nonlegislative citizen members shall serve at the pleasure of the Governor, and ex officio members of the Commission shall serve terms coincident with their terms of office.

§ 2.2-2674.01. Virginia Career Readiness Certificate Program.

A. There is created the Virginia Career Readiness Certificate Program (the Program) to certify the workplace and college readiness skills of Virginians, in order to better prepare them for continued education and workforce training, successful employment, and career advancement.

B. The Program may be offered through public high schools, community colleges, one-stop centers, technical centers, vocation rehabilitation centers, the Department of Correctional Education, institutions of higher education, and any other appropriate institutions as determined by the Virginia Workforce Council.

C. The Program shall include, but not be limited to, the following:

1. A nationally recognized multilevel Career Readiness Certificate and related pre-instructional assessment tool to quantify an individual's level of proficiency in the following measurable work-ready skills: (i) reading, (ii) applied math, (iii) locating information, and (iv) any additional skills necessary to meet business and industry skill demand;

2. Targeted instruction and remediation skills training to address those work-ready skills in which the individual is not proficient as measured by the pre-instructional assessment tool designed to meet identified specific skill needs of local employers;

3. A Career Readiness Certificate awarded to individuals upon successful attainment of work-ready skills as documented by the assessment tool; and

4. A statewide online data system to serve as the repository for Career Readiness Certificate attainment data. The system shall (i) serve as the administrative tool to administer and help promote the Program; (ii) incorporate online services that enable employers to search individual Career Readiness Certificate data to determine skill levels and locate certified individuals in the state or a region; and (iii) incorporate online services that offer individuals tools for career exploration, continued education opportunities, job-readiness practice, and job search capabilities. The Virginia Workforce Council shall seek to ensure the confidentiality of individual Career Readiness Certificate recipients. This shall include provisions for individuals, except for employer-sponsored individuals, to opt-in and opt-out of the statewide online data system at any test occurrence. Additionally, the provisions of §§ 2.2-3800 through 2.2-3803 shall be considered in individual confidentiality protections adopted by the Virginia Workforce Council.

D. The Council, in consultation with the Secretary of Education *and Workforce Development*, shall develop policies and guidelines necessary to implement and administer the Program.

E. The Council shall report Program outcomes to the Governor, the Senate Commerce and Labor Committee, Senate Education and Health Committee, House Commerce and Labor Committee, and House Education Committee of the General Assembly by December 1 of each year. The report shall make recommendations for improving the program, including funding recommendations.

§ 2.2-4345. Exemptions from competitive sealed bidding and competitive negotiation for certain transactions; limitations.

A. The following public bodies may enter into contracts without competitive sealed bidding or competitive negotiation:

1. The Director of the Department of Medical Assistance Services for special services provided for eligible recipients pursuant to subsection H of § 32.1-325, provided that the Director has made a determination in advance after reasonable notice to the public and set forth in writing that competitive sealed bidding or competitive negotiation for such services is not fiscally advantageous to the public, or would constitute an imminent threat to the health or welfare of such recipients. The writing shall document the basis for this determination.

2. The State Health Commissioner for the compilation, storage, analysis, evaluation, and publication of certain data submitted by health care providers and for the development of a methodology to measure the efficiency and productivity of health care providers pursuant to Chapter 7.2 (§ 32.1-276.2 et seq.) of Title 32.1, if the Commissioner has made a determination in advance, after reasonable notice to the public and set forth in writing, that competitive sealed bidding or competitive negotiation for such services is not fiscally advantageous to the public. The writing shall document the basis for this determination. Such agreements and contracts shall be based on competitive principles.

3. The Virginia Code Commission when procuring the services of a publisher, pursuant to §§ 30-146 and 30-148, to publish the Code of Virginia or the Virginia Administrative Code.

4. The Department of Alcoholic Beverage Control for the purchase of alcoholic beverages.

5. The Department for the Aging, for the administration of elder rights programs, with (i) nonprofit Virginia corporations granted tax-exempt status under § 501(c)(3) of the Internal Revenue Code with statewide experience in Virginia in conducting a state long-term care ombudsman program or (ii) designated area agencies on aging.

6. The Department of Health for (a) child restraint devices, pursuant to § 46.2-1097; (b) health care services with Virginia corporations granted tax-exempt status under § 501(c)(3) of the Internal Revenue Code and operating as clinics for the indigent and uninsured that are organized for the delivery of primary health care services in a community (i) as federally qualified health centers designated by the Health Care Financing Administration or (ii) at a reduced or sliding fee scale or without charge; or (c) contracts with laboratories providing cytology and related services if competitive sealed bidding and competitive negotiations are not fiscally advantageous to the public to provide quality control as prescribed in writing by the Commissioner of Health.

7. Virginia Correctional Enterprises, when procuring materials, supplies, or services for use in and support of its production facilities, provided the procurement is accomplished using procedures that ensure as efficient use of funds as practicable and, at a minimum, includes obtaining telephone quotations. Such procedures shall require documentation of the basis for awarding contracts under this section.

8. The Virginia Baseball Stadium Authority for the operation of any facilities developed under the provisions of Chapter 58 (§ 15.2-5800 et seq.) of Title 15.2, including contracts or agreements with respect to the sale of food, beverages and souvenirs at such facilities.

9. With the consent of the Governor, the Jamestown-Yorktown Foundation for the promotion of tourism through marketing with private entities provided a demonstrable cost savings, as reviewed by the Secretary of Education *and Workforce Development*, can be realized by the Foundation and such agreements or contracts are based on competitive principles.

10. The Chesapeake Hospital Authority in the exercise of any power conferred under Chapter 271, as

amended, of the Acts of Assembly of 1966; provided that it does not discriminate against any person on the basis of race, color, religion, national origin, sex, pregnancy, childbirth or related medical conditions, age, marital status, or disability in the procurement of goods and services.

11. Richmond Eye and Ear Hospital Authority, any authorities created under Chapter 53 (§ 15.2-5300 et seq.) of Title 15.2 and any hospital or health center commission created under Chapter 52 (§ 15.2-5200 et seq.) of Title 15.2 in the exercise of any power conferred under their respective authorizing legislation; provided that these entities shall not discriminate against any person on the basis of race, color, religion, national origin, sex, pregnancy, childbirth or related medical conditions, age, marital status, or disability in the procurement of goods and services.

12. The Patrick Hospital Authority sealed in the exercise of any power conferred under the Acts of Assembly of 2000; provided that it does not discriminate against any person on the basis of race, color, religion, national origin, sex, pregnancy, childbirth or related medical conditions, age, marital status, or disability in the procurement of goods and services.

13. Public bodies for insurance or electric utility services if purchased through an association of which it is a member if the association was formed and is maintained for the purpose of promoting the interest and welfare of and developing close relationships with similar public bodies, provided such association has procured the insurance or electric utility services by use of competitive principles and provided that the public body has made a determination in advance after reasonable notice to the public and set forth in writing that competitive sealed bidding and competitive negotiation are not fiscally advantageous to the public. The writing shall document the basis for this determination.

14. Public bodies administering public assistance and social services programs as defined in § 63.2-100, community services boards as defined in § 37.2-100, or any public body purchasing services under the Comprehensive Services Act for At-Risk Youth and Families (§ 2.2-5200 et seq.) or the Virginia Juvenile Community Crime Control Act (§ 16.1-309.2 et seq.) for goods or personal services for direct use by the recipients of such programs if the procurement is made for an individual recipient. Contracts for the bulk procurement of goods or services for the use of recipients shall not be exempted from the requirements of § 2.2-4303.

15. The Eastern Virginia Medical School in the exercise of any power conferred pursuant to Chapter 471, as amended, of the Acts of Assembly of 1964.

B. No contract for the construction of any building or for an addition to or improvement of an existing building by any local government or subdivision of local government for which state funds of not more than $30,000 in the aggregate or for the sum of all phases of a contract or project either by appropriation, grant-in-aid or loan, are used or are to be used for all or part of the cost of construction shall be let except after competitive sealed bidding or after competitive negotiation as provided under of subsection D of § 2.2-4303. The procedure for the advertising for bids or for proposals and for letting of the contract shall conform, mutatis mutandis, to this chapter.

§ 23-30.29:2. Educational institutions' pledge of tuition, fees, etc.

In order to provide funds for the repayment of bonds issued by the Authority either (i) for the purchase of any educational institution's bonds or (ii) to provide funds for the purpose of paying all or any part of the cost of any one or more projects or of any portion or portions thereof, each educational institution is authorized to agree to pledge and transfer to the Authority all or a part of the educational institution's revenues derived from any one or more of the sources mentioned in subdivisions (1) through (4) of subsection (d) of § 23-19. Any agreement related to such transfer may contain such other provisions the Authority and educational institution deem reasonable and proper and not in violation of law. Any such agreement shall not be deemed to constitute a debt of the Commonwealth or a pledge of the full faith and credit of the Commonwealth. Neither the full faith and credit of the Commonwealth nor the taxing power of the Commonwealth or any political subdivision thereof is or shall be pledged to the payment of the principal of and interest on bonds so secured by such agreement. Prior to execution, any such agreement shall be approved by (i) the Secretary of Finance and (ii) the Secretary of Education *and Workforce Development*.

§ 23-38.88. Eligibility for restructured financial and administrative operational authority.

A. Public institutions of higher education shall be eligible for the following restructured financial and operational authority:

1. To dispose of their surplus materials at the location where the surplus materials are held and to retain any proceeds from such disposal as provided in subdivision B 14 of § 2.2-1124;

2. To have the option, as provided in subsection C of § 2.2-1132 and pursuant to the conditions and provisions under such subsection, to contract with a building official of the locality in which construction is taking place and for such official to perform any inspection and certifications required for the purpose of complying with the Uniform Statewide Building Code (§ 36-97 et seq.) pursuant to subsection C of § 36-98.1;

3. For those public institutions of higher education that have in effect a signed memorandum of

understanding with the Secretary of Administration regarding participation in the nongeneral fund decentralization program as set forth in the appropriation act, as provided in subsection C of § 2.2-1132, to enter into contracts for specific construction projects without the preliminary review and approval of the Division of Engineering and Buildings of the Department of General Services, provided such institutions are in compliance with the requirements of the Virginia Public Procurement Act (§ 2.2-4300 et seq.) and utilize the general terms and conditions for those forms of procurement approved by the Division and the Office of the Attorney General;

4. To acquire easements as provided in subdivision 4 of § 2.2-1149;

5. To enter into an and/or lease or capital lease pursuant to the conditions and provisions provided in subdivision 5 of § 2.2-1149;

6. To convey an easement pertaining to any property such institution owns or controls as provided in subsection C of § 2.2-1150;

7. In accordance with the conditions and provisions of subdivision C 2 of § 2.2-1153, to sell surplus real property valued at less than $5 million, which is possessed and controlled by the institution;

8. For purposes of compliance with § 2.2-4310, to procure goods, services, and construction from a vendor that the institution has certified as a small, women-, and minority-owned business enterprise pursuant to the conditions and provisions provided in § 2.2-1404.1;

9. To be exempt from review of their budget request for information technology by the CIO as provided in subdivision A 4 of § 2.2-2007;

10. To be allowed to establish policies for the designation of administrative and professional faculty positions at the institution pursuant to the conditions and provisions provided in subsection E of § 2.2-2901;

11. To receive the financial benefits described under § 2.2-5005 pursuant to the conditions and provisions of such section;

12. To be exempt from reporting its purchases to the Secretary of Education *and Workforce Development*, provided that all purchases, including sole source purchases, are placed through the Commonwealth's electronic procurement system using proper system codes for the methods of procurement;

13. To utilize as methods of procurement a fixed price, design-build or construction management contract notwithstanding the provisions of § 2.2-4306; and

14. The restructured financial and operational authority set forth in Subchapter 2 (§ 23-38.90) and Subchapter 3 (§ 23-38.91 et seq.) of this chapter.

No such authority shall be granted unless the institution meets the conditions set forth in this chapter.

B. The Board of Visitors of a public institution of higher education shall commit to the Governor and the General Assembly by August 1, 2005, through formal resolution adopted according to its own bylaws, to meeting the state goals specified below, and shall be responsible for ensuring that such goals are met, in addition to such other responsibilities as may be prescribed by law. Each such institution shall commit to the Governor and the General Assembly to:

1. Consistent with its institutional mission, provide access to higher education for all citizens throughout the Commonwealth, including underrepresented populations, and, consistent with subdivision 4 of § 23-9.6:1 and in accordance with anticipated demand analysis, meet enrollment projections and degree estimates as agreed upon with the State Council of Higher Education for Virginia. Each such institution shall bear a measure of responsibility for ensuring that the statewide demand for enrollment is met;

2. Consistent with § 23-9.2:3.03, ensure that higher education remains affordable, regardless of individual or family income, and through a periodic assessment, determine the impact of tuition and fee levels net of financial aid on applications, enrollment, and student indebtedness incurred for the payment of tuition and fees;

3. Offer a broad range of undergraduate and, where appropriate, graduate programs consistent with its mission and assess regularly the extent to which the institution's curricula and degree programs address the Commonwealth's need for sufficient graduates in particular shortage areas, including specific academic disciplines, professions, and geographic regions;

4. Ensure that the institution's academic programs and course offerings maintain high academic standards, by undertaking a continuous review and improvement of academic programs, course availability, faculty productivity, and other relevant factors;

5. Improve student retention such that students progress from initial enrollment to a timely graduation, and that the number of degrees conferred increases as enrollment increases;

6. Consistent with its institutional mission, develop articulation agreements that have uniform application to all Virginia community colleges and meet appropriate general education and program requirements at the four-year institution, provide additional opportunities for associate degree graduates to be admitted and enrolled, and offer dual enrollment programs in cooperation with high schools;

7. Actively contribute to efforts to stimulate the economic development of the Commonwealth and

the area in which the institution is located, and for those institutions subject to a management agreement set forth in Subchapter 3 (§ 23-38.91 et seq.) of this chapter, in areas that lag the Commonwealth in terms of income, employment, and other factors;

8. Consistent with its institutional mission, increase the level of externally funded research conducted at the institution and facilitate the transfer of technology from university research centers to private sector companies;

9. Work actively and cooperatively with elementary and secondary school administrators, teachers, and students in public schools and school divisions to improve student achievement, upgrade the knowledge and skills of teachers, and strengthen leadership skills of school administrators;

10. Prepare a six-year financial plan consistent with § 23-9.2:3.03;

11. Conduct the institution's business affairs in a manner that maximizes operational efficiencies and economies for the institution, contributes to maximum efficiencies and economies of state government as a whole, and meets the financial and administrative management standards as specified by the Governor pursuant to § 2.2-5004 and included in the appropriation act that is in effect, which shall include best practices for electronic procurement and leveraged purchasing, information technology, real estate portfolio management, and diversity of suppliers through fair and reasonable consideration of small, women-, and minority-owned business enterprises; and

12. Seek to ensure the safety and security of the Commonwealth's students on college and university campuses.

Upon making such commitments to the Governor and the General Assembly by August 1, 2005, the public institution of higher education shall be allowed to exercise the restructured financial and operational authority set forth in subdivisions A 1 through A 13 of § 23-38.88, subject to such conditions as may be provided under the enabling statutes granting the additional authority.

C. As provided in § 23-9.6:1.01, the State Council of Higher Education shall in consultation with the respective chairmen of the House Committees on Education and Appropriations and the Senate Committees on Finance and Education and Health or their designees, representatives of public institutions of higher education, and such other state officials as may be designated by the Governor, develop objective measures of educational-related performance and institutional performance benchmarks for such objective measures. At a minimum, the State Council shall develop such objective measures and institutional performance benchmarks for the goals and objectives set forth in subdivisions B 1 through B 10 and B 12. In addition, the Governor shall develop objective measures of financial and administrative management performance and related institutional performance benchmarks for the goals and objectives set forth in subdivision B 11.

As provided in subsection C of § 23-9.6:1.01, any public institution of higher education that has been certified during the fiscal year by the State Council of Higher Education for Virginia as meeting the institutional performance benchmarks in effect for the fiscal year as set forth in the general appropriation act shall be provided the financial benefits under § 2.2-5005. Such benefits shall first be provided as determined under such section.

D. 1. The restructured financial and operational authority set forth in Subchapter 3 (§ 23-38.91 et seq.) of this chapter shall only be granted in accordance with the expressed terms of a management agreement between the public institution of higher education and the Commonwealth.

No restructured financial or operational authority set forth in Subchapter 3 (§ 23-38.91 et seq.) of this chapter shall be granted to a public institution of higher education unless such authority is expressly included in the management agreement. In addition, the only implied authority that shall be granted from entering into a management agreement is that implied authority that is actually necessary to carry out the expressed grant of restructured financial or operational authority. As a matter of law, the initial presumption shall be that any restructured financial or operational authority set forth in Subchapter 3 is not included in the management agreement. These requirements shall also apply to any other provision included in Subchapter 3.

2. No public institution of higher education shall enter into a management agreement unless:

a. (i) Its most current and unenhanced bond rating received from (a) Moody's Investors Service, Inc., (b) Standard & Poor's, Inc., or (c) Fitch Investor's Services, Inc. is at least AA- (i.e., AA minus) or its equivalent, provided that such bond rating has been received within the last three years of the date that the initial agreement is entered into or (ii) the institution has (a) participated in decentralization pilot programs in the areas of finance and capital outlay, (b) demonstrated management competency in those two areas as evidenced by a written certification from the Cabinet Secretary or Secretaries designated by the Governor, (c) received additional operational authority under a memorandum of understanding pursuant to § 23-38.90 in at least one functional area, and (d) demonstrated management competency in that area for a period of at least two years. In submitting "The Budget Bill" for calendar year 2005 pursuant to subsection A of § 2.2-1509, the Governor shall include criteria for determining whether or not an institution has demonstrated the management competency required by clause (ii) of this

subdivision;

b. An absolute two-thirds, or more, of the institution's governing body shall have voted in the affirmative for a resolution expressing the sense of the body that the institution is qualified to be, and should be, governed by the provisions of Subchapter 3 (§ 23-38.91 et seq.) of this chapter, which resolution shall be included in the initial management agreement;

c. The institution agrees to reimburse the Commonwealth for any additional costs to the Commonwealth in providing health or other group insurance benefits to employees, and in undertaking any risk management program, that are attributable to the institution's exercise of any restructured financial or operational authority set forth in Subchapter 3. The institution's agreement to reimburse the Commonwealth for such additional costs shall be expressly included in each management agreement with the institution. The Secretary of Finance and the Secretary of Administration, in consultation with the Virginia Retirement System and the affected institutions, shall establish procedures for determining any amounts to be paid by each institution and a mechanism for transferring the appropriate amounts directly and solely to the programs whose costs have been affected.

In developing management agreements, public institutions of higher education shall give consideration to potential future impacts of tuition increases on the Virginia College Savings Plan (§ 23-38.75) and shall discuss such potential impacts with parties participating in development of such agreements. The chief executive officer of the Virginia College Savings Plan shall provide to the institution and such parties the Plan's assumptions underlying the contract pricing of the program; and

d. Before executing a management agreement with the Commonwealth that affects insurance or benefit programs administered by the Virginia Retirement System, the Governor shall transmit a draft of the relevant provisions to the Board of Trustees of the Virginia Retirement System, which shall review the relevant provisions in order to ensure compliance with the applicable provisions of Title 51.1, administrative policies and procedures and federal regulations governing retirement plans. The Board shall advise the Governor and appropriate Cabinet Secretaries of any conflicts.

3. Each initial management agreement with an institution shall remain in effect for a period of three years. Subsequent management agreements with the institution shall remain in effect for a period of five years.

If an existing agreement is not renewed or a new agreement executed prior to the expiration of the three-year or five-year term, as applicable, the existing agreement shall remain in effect on a provisional basis for a period not to exceed one year. If, after the expiration of the provisional one-year period, the management agreement has not been renewed or a new agreement executed, the institution shall no longer be granted any of the financial or operational authority set forth in Subchapter 3 (§ 23-38.91 et seq.) of this chapter, unless and until such time as a new management agreement is entered into between the institution and the Commonwealth.

The Joint Legislative Audit and Review Commission, in cooperation with the Auditor of Public Accounts, shall conduct a review relating to the initial management agreement with each public institution of higher education. The review shall cover a period of at least the first 24 months from the effective date of the management agreement. The review shall include, but shall not be limited to, the degree of compliance with the expressed terms of the management agreement, the degree to which the institution has demonstrated its ability to manage successfully the administrative and financial operations of the institution without jeopardizing the financial integrity and stability of the institution, the degree to which the institution is meeting the objectives described in subsection B, and any related impact on students and employees of the institution from execution of the management agreement. The Joint Legislative Audit and Review Commission shall make a written report of its review no later than June 30 of the third year of the management agreement. The Joint Legislative Audit and Review Commission is authorized, but not required, to conduct a similar review of any management agreement entered into subsequent to the initial agreement.

4. The right and power by the Governor to void a management agreement shall be expressly included in each management agreement. The management agreement shall provide that if the Governor makes a written determination that a public institution of higher education that has entered into a management agreement with the Commonwealth is not in substantial compliance with the terms of the agreement or with the requirements of this chapter in general, (i) the Governor shall provide a copy of that written determination to the chairmen of the Board of Visitors or other governing body of the public institution of higher education and to the members of the General Assembly, and (ii) the institution shall develop and implement a plan of corrective action, satisfactory to the Governor, for purposes of coming into substantial compliance with the terms of the management agreement and with the requirements of this chapter, as soon as practicable, and shall provide a copy of such corrective action plan to the members of the General Assembly. If after a reasonable period of time after the corrective action plan has been implemented by the institution, the Governor determines that the institution is not yet in substantial compliance with the management agreement or the requirements of this chapter, the Governor may void the management agreement. Upon the Governor voiding a management agreement, the affected public

institution of higher education shall not be allowed to exercise any restructured financial or operational authority pursuant to the provisions of Subchapter 3 (§ 23-38.91 et seq.) unless and until the institution enters into a subsequent management agreement with the Secretary or Secretaries designated by the Governor or the void management agreement is reinstated by the General Assembly.

5. A management agreement with a public institution of higher education shall not grant any of the restructured financial or operational authority set forth in Subchapter 3 (§ 23-38.91 et seq.) of this chapter to the Virginia Cooperative Extension and Agricultural Experiment Station, the University of Virginia College at Wise, or the Virginia Institute of Marine Sciences or to an affiliated entity of the institution unless such intent, as well as the degree of the restructured financial or operational authority to be granted, is expressly included in the management agreement.

6. Following the execution of each management agreement with a public institution of higher education and submission of that management agreement to the Chairmen of the House Committee on Appropriations, the House Committee on Education, the Senate Committee on Finance, and the Senate Committee on Education and Health pursuant to § 23-38.97, the Governor shall include a recommendation for approval of the management agreement in "The Budget Bill" submitted pursuant to subsection A of § 2.2-1509 or in his gubernatorial amendments submitted pursuant to subsection E of § 2.2-1509 due by the December 20 that immediately follows the date of submission of the management agreement to such Committees. Following the General Assembly's consideration of whether to approve or disapprove the management agreement as recommended, if the management agreement is approved as part of the general appropriation act, it shall become effective on the effective date of such general appropriation act. However, no management agreement shall be entered into by a public institution of higher education and the Secretary or Secretaries designated by the Governor after November 15 of a calendar year.

E. A covered institution and the members of its governing body, officers, directors, employees, and agents shall be entitled to the same sovereign immunity to which they would be entitled if the institution were not governed by this chapter; provided further, that the Virginia Tort Claims Act (§ 8.01-195.1 et seq.) and its limitations on recoveries shall remain applicable with respect to institutions governed by this chapter.

§ 23-38.90. Memoranda of understanding.

Effective July 1, 2008, any public institution of higher education may enter into a memorandum of understanding with the appropriate Cabinet Secretary or Secretaries, as designated by the Governor, for additional operational authority in any operational area or areas adopted by the General Assembly in accordance with law provided that the authority granted in the memorandum of understanding is consistent with that institution's ability to manage its operations in the particular area or areas and provided that the following general criteria are met:

1. The institution has received and maintained Council certification pursuant to § 23-9.6:1.01 for the most recent year that the Council has completed certification;

2. An absolute two-thirds or more of the institution's governing body shall have voted in the affirmative for a resolution expressing the sense of the body that the institution is qualified to be, and should be, governed by memoranda of understanding as provided in this chapter; and

3. The institution must adopt at least one new education-related measure for each area of operational authority for which a memorandum of understanding is requested. Each education-related measure and its respective target shall be developed in consultation with the Secretary of Finance, Secretary of Education *and Workforce Development*, the appropriate Cabinet Secretary, and the Council. Each education-related measure and its respective target must be approved by the Council and shall become part of the certification required by § 23-9.6:1.01.

Within 15 days of receipt of a request from a public institution of higher education to enter into a memorandum of understanding as provided herein, the Cabinet Secretary or Secretaries receiving that request shall notify the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance of the request. The Cabinet Secretary or Secretaries shall determine within 90 calendar days whether or not to enter into the requested memorandum of understanding, or some variation thereof. If the determination is to enter into a memorandum of understanding with the institution, the Cabinet Secretary or Secretaries shall forward a copy of the governing body's resolution and a copy of the memorandum of understanding to the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance. Each initial memorandum of understanding shall remain in effect for a period of three years. Subsequent memoranda of understanding shall remain in effect for a period of five years. If the determination is not to enter into a memorandum of understanding with the institution, the Cabinet Secretary or Secretaries shall notify the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance of the reasons for denying the institution's request. If an institution's request is denied, nothing in this section shall prohibit the institution from submitting a future request to enter into a memorandum of understanding pursuant to this section.

§ 23-287. Jamestown-Yorktown Foundation continued; Board of Trustees, officers and executive committee.

A. The Jamestown-Yorktown Foundation, hereinafter referred to as the Foundation, is hereby continued and shall be deemed to be an institution of higher education within the meaning of §§ 23-3.1 and 23-9.2. The Foundation shall be administered by the Board of Trustees consisting of the following ex officio trustees: the Governor, Lieutenant Governor, Attorney General, Speaker of the House of Delegates, President Pro Tempore of the Senate, Chairman of the House Appropriations Committee, Chairman of the Senate Finance Committee, and the Secretary of Education *and Workforce Development*. In addition, there shall be 12 members appointed by the Governor from the Commonwealth at large for four-year terms who shall be subject to confirmation by a majority of the members of each house of the General Assembly; eight members appointed by the Speaker of the House of Delegates from the membership thereof for terms concurrent with the terms for which they have been elected to office; four members appointed by the Senate Committee on Rules from the membership of the Senate for terms concurrent with the term for which they have been elected to office; five members annually elected by the Board of Trustees, some of whom may be nonresidents of the Commonwealth; and any and all chairmen emeriti elected by the Board of Trustees pursuant to § 23-288. The president of the Jamestown-Yorktown Foundation, Inc. shall also serve as a member of the Board of Trustees. Nonresident members of the Board of Trustees shall serve at no expense to the Commonwealth. Appointments to fill vacancies shall be for the unexpired terms.

The Board of Trustees shall elect a chairman, vice-chairman and such other officers as are deemed necessary. The chairman shall appoint seven or more members of the Board to constitute an executive committee, the membership of which shall include the chairman and vice-chairman.

Resident members of the Board of Trustees shall be reimbursed for all reasonable and necessary expenses incurred in the performance of their duties as provided in §§ 2.2-2813 and 2.2-2825 and shall receive compensation at the per diem rate established for members of the General Assembly as provided in § 30-19.12. The funding for the costs of compensation and expenses of the members shall be provided by the Foundation.

B. The Foundation is an educational institution and has the further responsibility to administer certain historical museums and such related programs as may be established as defined from time to time.

§ 23-288. Powers and duties.

The Foundation shall have the power and duty to:

1. Do all things necessary and proper to further an appreciation of the contributions of the first permanent English-speaking settlers and their American Indian neighbors of Virginia and the United States to the building of our Commonwealth and nation, to commemorate the winning of American independence on the battlefield at Yorktown, and to enhance our understanding of the making of the United States Constitution and Bill of Rights, including Virginia's role in shaping the fundamental principles of the American constitutional system.

2. Administer, develop and maintain at Jamestown and Yorktown permanent commemorative shrines and historical museums.

3. Adopt names, flags, seals and other emblems for use in connection with such shrines and to copyright the same in the name of the Commonwealth.

4. Enter into contracts to further the purposes of the Foundation, which have been approved by the Attorney General.

5. Establish nonprofit corporations as instrumentalities to assist in administering the affairs of the Foundation.

6. With the consent of the Governor, acquire lands, property and structures deemed necessary for the purposes of the Foundation by purchase, lease, gift, devise or condemnation proceedings. The title to the land and property acquired shall be in the name of the Commonwealth. In the exercise of the power of eminent domain granted under this section, the Foundation may proceed in the manner provided by Chapter 3 (§ 25.1-300 et seq.) of Title 25.1.

7. With the consent of the Governor, convey by lease land to any person, association, firm or corporation for such term and on such conditions as the Foundation may determine.

8. Receive and expend gifts, grants and donations from whatever source derived for the purposes of the Foundation.

9. Employ an executive director and such deputies and assistants as may be required.

10. To elect any past chairman of the Board of Trustees to the honorary position of Chairman Emeritus. Chairmen emeriti shall serve as honorary members for life. Chairmen emeriti shall be elected in addition to the at-large positions defined in § 23-287.

11. With the consent of the Governor, to enter into agreements or contracts with private entities for the promotion of tourism through marketing without competitive sealed bidding or competitive negotiation provided a demonstrable cost savings, as reviewed by the Secretary of Education *and Workforce Development*, can be realized by the Foundation and such agreements or contracts are based

on competitive principles.

12. To determine what paintings, statuary, works of art, manuscripts, and artifacts may be acquired by purchase, gift, or loan, and to exchange or sell the same if not inconsistent with the terms of such purchase, gift, loan, or other acquisition.

13. To change the form of investment of any funds, securities, or other property, real or personal, provided the same are not inconsistent with the terms of the instrument under which the same were acquired, and to sell, grant, or convey any such property, except that any transfers of real property may be made only with the consent of the Governor.

§ 30-198. (Expires July 1, 2012) Advisory Council on Career and Technical Education; purpose; membership; compensation and expenses; quorum.

A. The Advisory Council on Career and Technical Education (Council) is established as an advisory council in the legislative branch of state government to recommend an integrated and coordinated multiagency approach for the delivery of quality career and technical education programs and services in the public schools.

B. The Council shall consist of 18 members, to be appointed as follows: one member each of the House Committees on Finance, Education, and Appropriations, and two members of the House of Delegates at-large, to be appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; one each of the Senate Committees on Finance and Education and Health, and one member of the Senate at-large, to be appointed by the Senate Committee on Rules; four representatives of business and industry from companies of varying size, geographically distributed from among the eight superintendents' regions of the Commonwealth, to be appointed by the Governor; and the President of the Board of Education, the Chancellor of the Virginia Community College System, the Chairman of the Board of Correctional Education, the Secretary of Commerce and Trade, the Secretary of Education *and Workforce Development*, and the Secretary of Technology or their designees shall serve as ex officio members with full voting privileges. Members appointed by the Governor shall be citizens of the Commonwealth.

C. Legislative members and state government officials shall serve terms coincident with their terms of office. All appointments of nonlegislative citizen members shall be for four-year terms, following the initial staggering of terms. Appointments to fill vacancies, other than by expiration of a term, shall be for the unexpired terms. Legislative and citizen members may be reappointed; however, no citizen member shall serve more than two consecutive four-year terms. The remainder of any term to which a member is appointed to fill a vacancy shall not constitute a term in determining the member's term limit. Vacancies shall be filled in the same manner as the original appointments.

Legislative members of the Council shall receive such compensation as provided in § 30-19.12, and nonlegislative citizen members shall receive such compensation as provided in § 2.2-2813 for their services. All members shall be reimbursed for all reasonable and necessary expenses incurred in the performance of their duties as provided in §§ 2.2-2813 and 2.2-2825. However, all such compensation and expense payments shall be paid from existing appropriations to the Council.

D. The Council shall elect a chairman and vice-chairman annually from among its legislative members. A majority of the members of the Council shall constitute a quorum. The Council shall meet no more than four times a year, upon the call of the chairman or the majority of the members.

E. No recommendation of the Commission shall be adopted if a majority of the Senate members or a majority of the House members appointed to the Commission (i) vote against the recommendation and (ii) vote for the recommendation to fail notwithstanding the majority vote of the Commission.

§ 51.1-502.1. Certain employees of teaching hospitals.

Any teaching hospital affiliated with an institution of higher education, other than the University of Virginia Medical Center, may purchase group life, accidental death and dismemberment, and disability insurance policies covering in whole or in part its employees who are health care providers, as determined by the Department of Human Resource Management pursuant to § 2.2-2905. In addition, any such teaching hospital may increase the coverage under such policies to make available to each active insured employee optional life, accidental death and dismemberment insurance as provided in § 51.1-512. All health care providers employed by such teaching hospital on or after July 1, 1992, shall be covered by the policies purchased by the teaching hospital as soon as such policies become effective and may not elect to be covered by the Board's group insurance program under § 51.1-501. Nor shall they be required to present at their own expense evidence of insurability satisfactory to an insurance company upon changing from one form of coverage to another provided by this chapter. No other section of this chapter shall apply to insurance coverage offered by a teaching hospital to which this section applies, except §§ 51.1-510 and 51.1-511.

Notwithstanding the definition of "state employee" contained in § 51.1-124.3, a health care provider, as determined in accordance with subdivisions 18 and 19 of § 2.2-2905, may be enrolled in a health care plan other than that provided for in § 2.2-2818, at the election of a teaching hospital to which this

section applies, and subject to the review and approval of the Secretary of Education *and Workforce Development*.