

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB2140

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron: Johnson

3. Committee: Passed Both Houses

4. Title: University of Virginia management agreement

5. Summary: Clarifies that the University of Virginia is authorized to make full use of the additional financial and operational authority granted to it in its management agreement in providing assistance to the Southwest Virginia Higher Education Center.

6. Budget Amendment Necessary: No. See Line 8.

7. No Fiscal Impact. Final.

8. Fiscal Implications: The University of Virginia has a longstanding relationship with the Center and since its inception in 1991 has provided some administrative support in areas like procurement, finance, and human resources. After restructuring when the University received increased autonomy of some administrative processes, several business processes were revised. Because the restructuring authority did not apply to the Center, the University entered into a Memorandum of Understanding (MOU), with state approval, to detail the arrangement between the two entities.

Through the MOU, the Center essentially received the benefits of the additional financial and operational authority granted by the Management Agreement to the University, but the Center did not directly receive any additional independent authority as a result of the Management Agreement. Under the proposed legislation, the Center would continue to receive assistance from the University of Virginia, but will not be considered a Level III institution.

If the University does not continue to provide this support, the Center will have to either move to the state's central systems or acquire additional personnel and systems in order to do the work themselves. Either alternative would cost the Southwest Virginia Higher Education Center, although an estimate of those costs is not presently available.

9. Specific Agency or Political Subdivisions Affected:

University of Virginia
Southwest Virginia Higher Education Center

10. Technical Amendment Necessary: No.

11. Other Comments: House Bill 2140 is identical to Senate Bill 1110.

Date: 2/25/11

Document: g:\aps\legislation\2011\HB2140ER.doc