

Department of Planning and Budget

2012 Fiscal Impact Statement

1. Bill Number: HB1203

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

2. Patron: Dudenhefer

3. Committee: Science and Technology

4. Title: Research and Technology Investment Advisory Committee.

5. Summary: The bill provides that the president and staff of the Center for Innovative Technology shall administer the Research and Technology Investment Advisory Committee.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: None.

8. Fiscal Implications: According to the Center for Innovative Technology (CIT), the bill will reduce costs associated with the administration of the Research and Technology Investment Advisory Committee (RTIAC).

To set the foreground for the following clarifying points, it is noted that RTIAC is the advisory committee for the Innovation and Entrepreneurship Investment Authority (IEIA), IEIA manages the Commonwealth Research Commercialization Fund (CRCF), and CIT is the operating arm of IEIA.

The bill specifies that RTIAC is to be administered by CIT instead of IEIA, thus avoiding some procedures that are required under the more formal rules of operation currently in place for actions between IEIA, RTIAC, and CIT. For example, this past fall, CIT states that it held 10 separate meetings to brief RTIAC members on technology industry guidelines, whereas this can be done in a single meeting if the bill is passed.

Though the bill will result in savings associated with administrative costs, budgeted appropriations are not impacted as the reduction of administrative expense associated with the RTIAC merely enables a higher percentage of the CRCF appropriation to be used for its intended investment purposes. Therefore, no budget amendment is needed. The language within the Code of Virginia defining the CRCF contains a provision that allows CIT to charge administrative expenses against the CRCF appropriation. Depending on the complexity of CRCF guidelines and review procedures, and the level and type of funding provided for the CRCF, approximately \$150,000 to \$225,000 of annual administrative expense will be avoided and, therefore, not charged by CIT against the CRCF appropriation.

9. Specific Agency or Political Subdivisions Affected: Innovation and Entrepreneurship Investment Authority; Center for Innovative Technology.

10. Technical Amendment Necessary: No

11. Other Comments: None.

Date: 1-25-12

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