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## SENATE BILL NO. 341

AMENDMENT IN THE NATURE OF A SUBSTITUTE  
(Proposed by the Senate Committee on Education and Health  
on January 16, 2014)

(Patron Prior to Substitute—Senator McEachin)

*A BILL to amend and reenact §§ 23-50.16:5 and 23-50.16:7 of the Code of Virginia, relating to the Virginia Commonwealth University Health System Authority; chairman of the Board of Directors and Chief Executive Officer.*

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 23-50.16:5 and 23-50.16:7 of the Code of Virginia are amended and reenacted as follows:**

**§ 23-50.16:5. Board of Directors; appointment; officers; employees.**

A. The Authority shall be governed by a Board of Directors consisting of 21 members as follows: six nonlegislative citizen members, including two physician-faculty members, to be appointed by the Governor; five members, including two physician-faculty members, to be appointed by the Speaker of the House of Delegates; three members, including one physician-faculty member, to be appointed by the Senate Committee on Rules; five nonlegislative citizen members of the Board of Visitors of Virginia Commonwealth University, to be appointed by the Rector, all of whom shall also be members of the Board of Visitors of the University at all times while serving on the Board; the President of the University and the Vice-President for Health Sciences of the University, or the person who holds such other title as subsequently may be established by the Board of Visitors of the University for the chief academic and administrative officer for the Health Sciences Campus of the University, both of whom shall serve as ex officio voting members during their respective terms of office.

The five physician-faculty members shall be faculty members of Virginia Commonwealth University with hospital privileges at Medical College of Virginia Hospitals at all times while serving on the Board.

After the initial staggering of terms, all appointments shall be for terms of three years each, except appointments to fill unexpired vacancies which shall be made for the remainder of the unexpired terms.

The Governor, the Speaker of the House of Delegates, and the Senate Committee on Rules shall appoint faculty physicians after consideration of the names from lists submitted by the faculty physicians of the School of Medicine of Virginia Commonwealth University through the Vice-President for Health Sciences of the University. The list shall contain not less than two names for each expired or unexpired vacancy that occurs.

No person shall be eligible to serve more than two consecutive full three-year terms as an appointed member, but after the expiration of a term of two years or less, or after the expiration of the remainder of a term to which appointed to fill a vacancy, or after one year following the expiration of a second full three-year term, two additional three-year terms may be served by a member if so appointed. The terms of members serving by virtue of their office shall expire upon termination of their holding such office. All members shall continue to hold office until their successors have been appointed and have qualified.

All appointed members, other than those who are members of the Board of Visitors, shall have demonstrated experience or expertise in business, health-care management or legal affairs. Immediately after their appointments, members shall enter upon the performance of their duties. The Board members appointed from the Board of Visitors and the ex officio members shall not vote on matters that shall require them to breach their fiduciary duties to the University or to the Authority.

B. All appointments, including the initial appointments to the Board and appointments to fill vacancies, are subject to confirmation by the affirmative vote of a majority of those voting in each house of the General Assembly if in session when such appointments are made and, if not in session, at its first regular session subsequent to such appointment. Any member whose nomination is subject to confirmation during a regular session of the General Assembly shall be deemed terminated when the General Assembly rejects the nomination or when it adjourns without confirming the nomination, whichever is earlier. No such termination shall affect the validity of any action taken by such member prior to such termination.

C. A Board member may be removed for malfeasance, misfeasance, incompetence or gross neglect of duty by the individual or entity that appointed him or, if such appointing individual no longer holds the office creating the right of appointment, by the current holder of that office.

D. *The President of the University shall serve as the chairman of the Board of Directors.* The Board of Directors of the Authority shall elect annually a ~~chairman~~ and a vice-chairman from among its membership. The Board shall also elect a secretary and treasurer and such assistant secretaries and assistant treasurers as the Board may authorize for terms determined by the Board, each of whom may

60 or may not be a member of the Board. The same person may serve as both secretary and treasurer. The  
61 Board may also appoint an executive committee and other standing or special committees and prescribe  
62 their duties and powers, and any executive committee may exercise all such powers and duties of the  
63 Board under this chapter as the Board may delegate.

64 E. The Board may provide for the appointment, employment, term, compensation, and removal of a  
65 director, officers, employees and agents of the Authority, including engineers, consultants, lawyers and  
66 accountants as the Board deems appropriate.

67 F. The Board shall meet at least four times each year and may hold such special meetings as it  
68 deems appropriate. The Board may adopt, amend and repeal such rules, regulations, procedures and  
69 bylaws, not contrary to law or inconsistent with this chapter, as it deems expedient for its own  
70 governance and for the governance and management of the Authority. A majority of the Board shall  
71 constitute a quorum for meetings, and the Board may act by a majority of those present at any meeting.

72 G. Legislative board members shall be entitled to such compensation as provided § 30-19.12 and  
73 nonlegislative citizen board members shall be entitled to such compensation as provided in § 2.2-2813  
74 for their services. All members shall be entitled to reimbursement for all reasonable and necessary  
75 expenses incurred in the performance of their duties as provided in §§ 2.2-2813 and 2.2-2825. Funding  
76 for the costs of compensation and expenses of the members shall be provided by the Authority.

77 H. The provisions of the State and Local Government Conflict of Interests Act (§ 2.2-3100 et seq.)  
78 shall apply to the members of the Board and the employees of the Authority.

79 **§ 23-50.16:7. Appointment, salary and powers of the Chief Executive Officer.**

80 A. The Authority shall be under the immediate supervision and direction of a Chief Executive  
81 Officer, subject to the policies and direction established by the Board. The Chief Executive Officer shall  
82 be the person who holds the title of Vice-President for Health Sciences of Virginia Commonwealth  
83 University, or such other title as subsequently may be established by the Board of Visitors of the  
84 University for the chief academic and administrative officer for the Health Sciences Campus of the  
85 University, subject to the following: notwithstanding any other provision of law to the contrary, the  
86 selection and removal of the Chief Executive Officer, as well as the conditions of appointment,  
87 including salary, shall be made jointly by the Board and the Board of Visitors of the University at a  
88 joint meeting of the Board and the Board of Visitors of the University upon a vote of a majority of the  
89 members of each board, present and voting at the aforementioned joint meeting, acting separately in  
90 accordance with applicable provisions of law.

91 B. *In the event that a majority of the members of each board do not agree upon the selection,*  
92 *removal, or conditions of appointment, including salary, of the Chief Executive Officer as provided in*  
93 *subsection A, then each board shall appoint a committee of three members of its respective board to*  
94 *consider the matter or matters upon which the boards disagree. The selection, removal, or conditions of*  
95 *appointment shall be made jointly by the two committees at a joint meeting of the committees upon a*  
96 *vote by a majority of the members of each committee present and voting at the joint meeting. In the*  
97 *event that a majority of the members of each committee agree upon the selection, removal, or conditions*  
98 *of appointment of the Chief Executive Officer, then the decision shall be reported to the Board and the*  
99 *Board of Visitors of the University, each of which shall be bound by the decision of the committees. In*  
100 *the event that a majority of the members of each committee do not agree on the selection, removal, or*  
101 *conditions of appointment of the Chief Executive Officer within 30 days of the appointment of the*  
102 *committees by each board, then the President of the University shall decide upon the matter or matters*  
103 *upon which the committees disagree. The President of the University shall report his decision to both*  
104 *boards, each of which shall be bound by the decision of the President.*

105 C. The Chief Executive Officer shall devote his full time to the performance of his official duties  
106 and shall not be engaged in any other profession or occupation.

107 ~~C.~~ D. The Chief Executive Officer shall supervise and administer the operation of the Authority in  
108 accordance with the provisions of this chapter.