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SENATE BILL NO. 669

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on/for Education and Health
on January 23, 2014)

(Patron Prior to Substitute—Senator Martin)

A *BILL to amend and reenact §§ 23-2.04 and 23-9.14:1 of the Code of Virginia, relating to public institutions of higher education; boards of governance.*

Be it enacted by the General Assembly of Virginia:

1. That §§ 23-2.04 and 23-9.14:1 of the Code of Virginia are amended and reenacted as follows:

§ 23-2.04. Boards of visitors; executive committee.

The executive committee of the board of visitors of each public institution of higher education and the State Board for Community Colleges shall (i) organize the working processes of the board and (ii) recommend best practices for board governance.

The committee shall:

1. Develop and recommend to the board a statement of governance setting out the board's role, *including its duty to the Commonwealth and taxpayers*;
2. Periodically review the board's bylaws and recommend amendments;
3. Provide advice to the board on committee structure, appointments, and meetings;
4. Develop an orientation and continuing education process for visitors that includes training on the Virginia Freedom of Information Act (§ 2.2-3700 et seq.);
5. Create, monitor, oversee, and review compliance with a code of ethics for visitors; and
6. Develop a set of qualifications and competencies for membership on the board for approval by the board and recommendation to the Governor.

§ 23-9.14:1. Educational programs for governing boards.

A. From such funds as are appropriated for such purpose, the Council shall develop, in consultation with public institutions of higher education and members of their governing boards, and annually deliver educational programs for the governing boards of such institutions. New members of such governing boards shall participate, at least once during their first two years of membership, in the programs, which shall be designed to address the role, duties, and responsibilities of the governing boards, *including their primary duty to the Commonwealth and taxpayers*, and may include in-service programs on current issues in higher education. In developing such programs, the Council may consider similar educational programs for institutional governing boards in other states.

B. Educational programs for the governing boards of public institutions of higher education shall include presentations related to:

1. *Board members' primary duty to the Commonwealth and taxpayers*;
2. Governing board committee structure and function;
3. The duties of the executive committee set forth in § 23-2.04;
4. Professional accounting and reporting standards;
5. Methods for meeting the statutory, regulatory, and fiduciary obligations of the board;
6. The requirements of the Virginia Freedom of Information Act (§ 2.2-3700 et seq.), developed and delivered in conjunction with the Freedom of Information Advisory Council;
7. Institutional ethics and conflicts of interest;
8. Creating and implementing institution-wide rules and regulations;
9. Business operations, administration, budgeting, financing, financial reporting, and financial reserves, including a segment on endowment management;
10. Fixing student tuition and fees;
11. Overseeing planning, construction, maintenance, expansion, and renovation projects that impact the University's consolidated infrastructure, physical facilities, and natural environment, including its lands, improvements, and capital equipment;
12. Workforce planning, strategy, and investment;
13. Institutional advancement, including philanthropic giving, fundraising initiatives, alumni programming, communications and media, government and public relations, and community affairs;
14. Student welfare issues, including academic studies; curriculum; residence life; student governance and activities; and the general physical and psychological well-being of undergraduate and graduate students;
15. Current national and state issues in higher education;
16. Future national and state issues in higher education;
17. Relations between the board of visitors and the president of the institution, including perspectives from presidents of public institutions of higher education in the Commonwealth;

60 17. 18. Best practices for board governance, including perspectives from current board members; and
61 18. 19. Any other topics that the Council, public institutions of higher education, and members of
62 their governing boards deem necessary or appropriate.
63 C. The Council shall submit to the General Assembly and the Governor an annual executive
64 summary of the interim activity and work of the Council pursuant to this section no later than the first
65 day of each regular session of the General Assembly. The executive summary shall be submitted as
66 provided in the procedures of the Division of Legislative Automated Systems for the processing of
67 legislative documents and reports and shall be posted on the General Assembly's website.