

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: HB 2245

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

2. Patron: Delegate Jones

3. Committee: Appropriations

4. Title: Expand the role of the Virginia Research Investment Committee

5. Summary: This bill expands the role of the Virginia Research Investment Committee (VRIC) to include, in addition to awarding grants and loans from the Virginia Research Investment Fund (VRIF), providing guidance and coordination in the use of public funds to support research and commercialization efforts throughout the Commonwealth. This bill also moves responsibility for the development of the Commonwealth Research and Technology Strategic Roadmap (Roadmap) from the Center for Innovative Technology (CIT) to the VRIC.

Furthermore, this proposed legislation clarifies that the exemption from mandatory disclosure of records under the Freedom of Information Act (FOIA) by applicants for grants and loans from the VRIC applies to certain financial records, trade secrets, and research-related information. It requires an applicant seeking to invoke the protections of the exemption to submit a written request to the VRIC identifying the records or data for which protection is sought and stating the reason why protection is necessary. The exemption would also apply to documents prepared exclusively for the application review by the VRIC, its staff, or a reviewing entity conducting a scientific review at the request of the VRIC. The closed meeting exemption would also be amended to include interviews of applicants by the VRIC or a reviewing entity conducting a scientific review.

Finally, this bill makes technical amendments regarding the use of VRIF funds and the VRIF award process, as well as clarifying the VRIC membership by directly referencing that the four non-legislative citizen members shall be members of the Virginia Growth and Opportunity (GO Virginia) Board.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary (see Section 8)

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2017	\$0	0.0	GF
2018	\$0	0.0	GF
2019	\$375,000	2.0	GF
2020	\$400,000	2.0	GF
2021	\$400,000	2.0	GF

2022	\$375,000	2.0	GF
2023	\$375,000	2.0	GF

8. Fiscal Implications:

State Council of Higher Education for Virginia (SCHEV)

Currently, SCHEV serves as the primary staff for the VRIC. Although, as needed the staff of the Secretaries of Finance and Technology as well as the staff of the House Appropriations Committee and Senate Finance Committee may be requested to support the VRIC's efforts. SCHEV's estimates are based on two things: the expanded role of the VRIC and the Roadmap being updated as required by this bill.

SCHEV estimates that responding to the VRIC's expanded responsibilities would require additional general fund support of approximately \$375,000 beginning in FY 2019. These funds would pay for the salary and benefits of two additional SCHEV staff dedicated to the VRIC (\$250,000), non-personnel services (\$25,000), the contracting of specialized expertise in the areas of econometric modeling, knowledge economy, statistics, and data analysis (\$75,000), and the costs for volunteer experts and site visits (\$25,000). For fiscal years 2020 and 2021, the estimated amounts reflect an expected increase in the need for contracted expertise (additional \$25,000 each year) related to the refreshment of the Roadmap.

Entities Assisting the VRIC

This bill permits the VRIC to solicit assistance from the Innovation and Entrepreneurship Investment Authority and its Research and Technology Investment Advisory Committee, Virginia's public and private institutions of higher education; other state entities that award public funds for research and commercialization efforts, federal research, and development assets in the Commonwealth; regional technology councils in Virginia; the private sector; and any other identified entity. In the case of CIT, this bill changes its role in the Roadmap from developer to assistant/consultant. CIT did not originally receive funding for the purpose of developing and updating the Roadmap. Therefore, the transfer of responsibility should not result in any fiscal impact to CIT. The expectation is that any costs to any of the entities that are requested to provide assistance to the VRIC would be absorbed.

- 9. Specific Agency or Political Subdivisions Affected:** Virginia Research Investment Committee, Secretary of Finance, Secretary of Technology, House Appropriations Committee, Senate Finance Committee, Department of Planning and Budget, State Council of Higher Education for Virginia, Innovation and Entrepreneurship Investment Authority and its Research and Technology Investment Advisory Committee, Center for Innovative Technology, Virginia Economic Development Partnership, and Virginia's public and private institutions of higher education

10. Technical Amendment Necessary: No

11. Other Comments: This bill is identical to SB 1371.

Date: 01/26/17

c: Secretary of Education