

## Department of Planning and Budget 2017 Fiscal Impact Statement

**1. Bill Number:** HB2262

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

**2. Patron:** Cox

**3. Committee:** Passed Both Houses

**4. Title:** Establishes the Online Virginia Network Authority

**5. Summary:** The legislation establishes the Online Virginia Network Authority as a political subdivision in the Commonwealth. The Authority is created for the purpose of providing a means for individuals to earn degrees and postsecondary education credentials by improving the quality of and expanding access to online degree and credential programs that are beneficial to citizens, public institutions of higher education, and employers in the Commonwealth.

The Authority will be governed by a 15-member board that consists of four members of the House of Delegates appointed by the Speaker, three Senate members appointed by the Senate Committee on Rules, three nonlegislative citizen members appointed by the Governor, one nonlegislative citizen member appointed by the board of visitors of George Mason University, one nonlegislative citizen member appointed by the board of visitors of Old Dominion University, and three ex-officio member with voting privileges, consisting of the Presidents of George Mason University and Old Dominion University or their designees, and the director of the State Council of Higher Education for Virginia (SCHEV). Nonlegislative citizen members shall be citizens of the Commonwealth.

A chairman and vice-chairman will be elected by the Authority from among the members. Legislative members shall receive compensation as provided in § 30-19.12, Code of Virginia, and nonlegislative citizen members will receive compensation for the performance of duties provided in § 2.2-2813, Code of Virginia. All members will be reimbursed by the Authority for expenses incurred in the performance of their duties (travel, lodging, meals) as provided in §§2.2-2813 and 2.2-2825, Code of Virginia.

George Mason University and Old Dominion University will provide staff support to the Authority and Board. All state agencies of the Commonwealth shall provide assistance upon request. The Authority may accept, administer, and account for any state, federal, and private moneys that it may receive. Any moneys that the Authority may receive and not expend at the end of each fiscal year shall not revert to the general fund but remain in the accounts of the Authority.

Finally, the bill also grants operational flexibility in the areas of procurement and information technology provided that the Authority adopts and complies with certain policies and professional best practices regarding strategic planning for information technology, project management, security, budgeting, infrastructure, and ongoing operations.

- 6. Budget Amendment Necessary:** No.
- 7. Fiscal Impact Estimates:** Final. See Line 8.
- 8. Fiscal Implications:** The Authority meets upon the call of the chairman, making it difficult to determine the required funding for reimbursement to members. The costs to Old Dominion and George Mason Universities to support the Authority are indeterminate. Any staffing requirements for the Authority are also indeterminate.

The General Assembly's amendments to the budget include \$3.0 million in funding for the Authority (\$1.0 million in FY 2017 and \$2.0 million in FY 2018), redirecting the \$3.0 million in funding currently included in the SCHEV budget for the Virginia Degree Completion Network (VDCN). The VDCN was intended to establish an online program similar to the program created through this legislation, involving a cooperative agreement between Old Dominion and George Mason Universities.

**9. Specific Agency or Political Subdivisions Affected:**

Online Virginia Network Authority  
Old Dominion University  
George Mason University  
State Council of Higher Education for Virginia

**10. Technical Amendment Necessary:** No.

- 11. Other Comments:** The Authority will not become effective until July 1, 2017. SCHEV reports that almost all of the funding appropriated in FY 2017 has been expended. Therefore, it seems more appropriate that funding be transferred from SCHEV only in FY 2018.