

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: HB2262

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

2. Patron: Cox

3. Committee: Appropriations

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 Senate substitute changes the number of members serving on the Board of Trustees. 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, private moneys that it may receive. Any moneys that the Authority may receive and not expended 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 practice regarding strategic planning for information technology, project management, security, budgeting, infrastructure, and ongoing operations.

- 6. Budget Amendment Necessary:** Yes, this legislation creates a new Authority, and if approved, would need to be incorporated in House Bill 1500 and Senate Bill 900 under a new item.
- 7. Fiscal Impact Estimates:** Preliminary. 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.

Currently, SCHEV has funding appropriated in Chapter 780, 2016 Appropriation Act, (\$1.0 million GF in FY 2017 and \$2.0 million GF in FY 2018) to support the Virginia Degree Completion Network. The funding supports collaboration between SCHEV, George Mason University and Old Dominion University to develop a plan for the Network to serve adult learners, nontraditional students, and other students seeking access to an online degree program that is more cost-effective than a traditional degree.

The House Appropriations amendments to the budget include \$4.0 million in funding for the Authority, redirecting the \$3.0 million in the SCHEV budget and provides an additional \$1.0 million. The Senate provides no funding for the Authority and removes \$1.1 million presently budgeted in SCHEV.

The Senate substitute adds a provision stating that the legislation will not become effective unless an appropriation to the Authority is provided in the general appropriation act passed in 2017 by the General Assembly that becomes law.

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: Yes.

Page 4, line 195, strike “2.” and insert “3.”

11. Other Comments: None.