Department of Planning and Budget
2017 Fiscal Impact Statement

1. **Bill Number:** SB 1371

House of Origin	☐	Introduced	☒	Substitute	☒	Engrossed
Second House	☒	In Committee	☐	Substitute	☐	Enrolled

2. **Patron:** Senator Saslaw

3. **Committee:** General Laws

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 proposed legislation also 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.

   In addition, this bill moves responsibility for the development of the Commonwealth Research and Technology Strategic Roadmap (Roadmap) from the Center for Innovative Technology (CIT) to the State Council of Higher Education for Virginia (SCHEV). In developing the Roadmap, SCHEV will select and oversee a panel of independent experts that will:

   - consult with the chief research officers at Virginia's public institutions of higher education regarding their strategic plans in order to identify common themes;
   - consult with Virginia's public institutions of higher education, the Innovation and Entrepreneurship Investment Authority, the Virginia Economic Development Partnership, and other relevant entities to catalog the Commonwealth's assets in the areas of research and development that could result in applied research and commercialization;
   - make recommendations for the alignment of research and development and economic growth in the Commonwealth;
   - establish a process for maintaining an inventory of Virginia's current research and development endeavors in both the public and private sectors;
   - make recommendations to the Six-Year Capital Outlay Plan Advisory Committee regarding capital construction needs at public institutions of higher education necessary to excel in basic and applied research in identified industry sectors; and

- solicit input from Virginia's public and private institutions of higher education and other federal, state, and private entities as deemed appropriate.

SCHEV will review the Roadmap and make recommendations regarding its update at least once every three years for the VRIC's review and approval. The VRIC will submit a draft of the Roadmap to the Governor and the Chairmen of the Senate Finance Committee, House Appropriations Committee, and the Joint Commission on Technology and Science at least 30 days prior to the VRIC's voting to approve the Roadmap or any updates. The VRIC will also submit the approved Roadmap and any subsequent updates to the Governor and the Chairmen. The deadline for updating and submitting the current Roadmap is prior to January 1, 2018.

6. **Budget Amendment Necessary**: No.

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

7a. Expenditure Impact:

Fiscal Year	*Dollars*	*Positions*	*Fund*
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 SCHEV
This bill permits SCHEV to solicit feedback from the VRIC, the Research and Technology Investment Advisory Committee, Virginia's public and private institutions of higher education; members of the National Academies of Sciences, Engineering and Medicine, members of the Virginia Academy of Science, Engineering and Medicine, federal research

and development assets in the Commonwealth; regional technology councils in Virginia; the Virginia Economic Development Partnership , the Virginia Growth and Opportunity Board, and the private sector. 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 the costs to any of the entities that are requested to provide feedback to SCHEV 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, Virginia Growth and Opportunity Board, and Virginia's public and private institutions of higher education

10. **Technical Amendment Necessary:** None.

11. **Other Comments:** This bill is identical to HB 2245.

Date: 02/06/17
c: Secretary of Education