

**Department of Planning and Budget
2019 Fiscal Impact Statement**

1. Bill Number: HB2336

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

2. Patron: Landes

3. Committee: Finance

4. Title: Salaries of executive officers at public institutions of higher education

5. Summary: The substitute legislation prohibits the salary of any executive officer of a public institution of higher education from exceeding the midpoint of the Level I Range for agency heads set forth in Part 4 of the general appropriation act. However, (i) the governing board of any institution located in Planning District 8 may adjust the salary of any such executive officer by no more than 19 percent of such midpoint and (ii), the governing board of any institution may supplement the salary of any such executive officer with private gifts, endowment funds, foundation funds, and income from private gifts and endowments.

The legislation also includes an amendment to grandfather in executive officers currently employed as of June 30, 2019, and who stay employed by a public institution of higher education after the effective date of the proposed legislation.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate. See Line 8.

8. Fiscal Implications: The legislation, as drafted, does not define “executive officers,” making it difficult to determine how many positions might be impacted by this bill. In addition, although the salaries of most individuals are available, the source of funds that contribute to these salaries are not readily available.

The proposed legislation could make it difficult to recruit seasoned senior leaders at Virginia’s colleges and universities when these positions become vacant as not all public institutions of higher education have access to private funds, foundation funds or income from private gifts and endowments to absorb these administrative salary costs.

9. Specific Agency or Political Subdivisions Affected:

Public institutions of higher education

10. Technical Amendment Necessary: No.

11. Other Comments: None.