

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend and reenact § 2.1-399.1 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 6.1 of Title 23 a section numbered 23-50.16 and by adding a section numbered 23-77.3, relating to the operation of Virginia Commonwealth University and University of Virginia Medical Centers.

[S 545]

Approved

Be it enacted by the General Assembly of Virginia:

1. That § 2.1-399.1 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Chapter 6.1 of Title 23 a section numbered 23-50.16 and by adding a section numbered 23-77.3 as follows:

§ 2.1-399.1. Capital projects.

A. On or before December 20 of the year immediately prior to the beginning of each regular session held in an even-numbered year of the General Assembly, the Governor shall submit to the presiding officer of each house of the General Assembly copies of any tentative bill or bills involving proposed capital appropriations for each year in the ensuing biennial appropriation period. Such bill or bills shall include each capital project to be financed through revenue bonds or other debt issuance, the amount of each such project, and identify the entity which will issue such debt. *Notwithstanding any other provision of law, the Governor may recommend, and the General Assembly may make, an appropriation of special fund revenues derived from the operations of the medical centers of Virginia Commonwealth University and the University of Virginia that may be used, as directed by such universities, in connection with the ownership and operation of their medical centers and related health care and educational activities, including operating expenses and debt service.*

B. On or before December 20 of the year immediately prior to the beginning of each regular session held in an odd-numbered year of the General Assembly, the Governor shall submit to the presiding officer of each house printed copies of all gubernatorial amendments proposed to capital appropriations acts adopted in the immediately preceding even-numbered year session.

C. The Governor shall ensure that a summary of budget highlights be sent to a newspaper of general circulation in the following geographical areas of the Commonwealth: Northern Virginia, Hampton Roads, Richmond/Petersburg, Central Virginia, Shenandoah Valley, Roanoke Valley, Southside, and Southwest Virginia prior to the convening of such session of the General Assembly.

D. The standing committees of the House of Delegates and of the Senate in charge of appropriation measures shall hold four regional public hearings on the budget bill submitted by the Governor. The four public hearings shall be held prior to the convening of such session of the General Assembly, at hearing sites and times as selected by the chairmen of the two committees.

§ 23-50.16. *Operations of Medical Center.*

A. *In enacting this section, the General Assembly recognizes that the ability of Virginia Commonwealth University to provide medical and health sciences education and related research is dependent upon the maintenance of high-quality teaching hospitals and related health care and health maintenance facilities, collectively referred to in this section as the Medical Center, and that the maintenance of a medical center serving such purposes requires specialized management and operation that permit the Medical Center to remain economically viable and to participate in cooperative arrangements reflective of changes in health care delivery.*

B. *Without limiting the powers provided in §§ 23-50.8 and 23-50.10, Virginia Commonwealth University may create, own in whole or in part or otherwise control corporations, partnerships, insurers or other entities whose activities will promote the operations of the Medical Center and its mission, may cooperate or enter into joint ventures with such entities and government bodies and may enter into contracts in connection therewith. Without limiting the power of Virginia Commonwealth University to issue bonds, notes, guarantees, or other evidence of indebtedness under subsection C in connection with such activities, no such creation, ownership or control shall create any responsibility of the University, the Commonwealth or any other agency thereof for the operations or obligations of any entity or in any way make the University, the Commonwealth, or any other agency thereof responsible for the payment of debt or other obligations of such entity. All such interests shall be reflected on the financial statements of the Medical Center.*

C. *Notwithstanding the provisions of Chapter 3 (§ 23-14 et seq.) of this title, Virginia Commonwealth University may issue bonds, notes, guarantees, or other evidence of indebtedness without the approval of any other governmental body subject to the following provisions:*

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1. Such debt is used solely for the purpose of paying not more than fifty percent of the cost of capital improvements in connection with the operation of the Medical Center or related issuance costs, reserve funds, and other financing expenses, including interest during construction or acquisition and for up to one year thereafter;

2. The only revenues of the University pledged to the payment of such debt are those derived from the operation of the Medical Center and related health care and educational activities, and there are pledged therefor no general fund appropriation and special Medicaid disproportionate share payments for indigent and medically indigent patients who are not eligible for the Virginia Medicaid Program;

3. Such debt states that it does not constitute a debt of the Commonwealth or a pledge of the faith and credit of the Commonwealth;

4. Such debt is not sold to the public;

5. The total principal amount of such debt outstanding at any one time does not exceed twenty-five million dollars;

6. The Treasury Board has approved the terms and structure of such debt;

7. The purpose, terms, and structure of such debt are promptly communicated to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees; and

8. All such indebtedness is reflected on the financial statements of the Medical Center.

Subject to meeting the conditions set forth above, such debt may be in such form and have such terms as the board of visitors may provide and shall be in all respects debt of the University for the purposes of §§ 23-23, 23-25, and 23-26.

§ 23-77.3. Operations of Medical Center.

A. In enacting this section, the General Assembly recognizes that the ability of the University of Virginia to provide medical and health sciences education and related research is dependent upon the maintenance of high quality teaching hospitals and related health care and health maintenance facilities, collectively referred to in this section as the Medical Center, and that the maintenance of a Medical Center serving such purposes requires specialized management and operation that permit the Medical Center to remain economically viable and to participate in cooperative arrangements reflective of changes in health care delivery.

B. Without limiting the powers provided in this chapter, the University of Virginia may create, own in whole or in part or otherwise control corporations, partnerships, insurers or other entities whose activities will promote the operations of the Medical Center and its mission, may cooperate or enter into joint ventures with such entities and government bodies and may enter into contracts in connection therewith. Without limiting the power of the University of Virginia to issue bonds, notes, guarantees, or other evidence of indebtedness under subsection C in connection with such activities, no such creation, ownership or control shall create any responsibility of the University, the Commonwealth or any other agency thereof for the operations or obligations of any such entity or in any way make the University, the Commonwealth, or any other agency thereof responsible for the payment of debt or other obligations of such entity. All such interests shall be reflected on the financial statements of the Medical Center.

C. Notwithstanding the provisions of Chapter 3 (§ 23-14 et seq.) of this title, the University of Virginia may issue bonds, notes, guarantees, or other evidence of indebtedness without the approval of any other governmental body subject to the following provisions:

1. Such debt is used solely for the purpose of paying not more than fifty percent of the cost of capital improvements in connection with the operation of the Medical Center or related issuance costs, reserve funds, and other financing expenses, including interest during construction or acquisitions and for up to one year thereafter;

2. The only revenues of the University pledged to the payment of such debt are those derived from the operation of the Medical Center and related health care and educational activities, and there are pledged therefor no general fund appropriation and special Medicaid disproportionate share payments for indigent and medically indigent patients who are not eligible for the Virginia Medicaid Program;

3. Such debt states that it does not constitute a debt of the Commonwealth or a pledge of the faith and credit of the Commonwealth;

4. Such debt is not sold to the public;

5. The total principal amount of such debt outstanding at any one time does not exceed twenty-five million dollars;

6. The Treasury Board has approved the terms and structure of such debt;

7. The purpose, terms, and structure of such debt are promptly communicated to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees; and

8. All such indebtedness is reflected on the financial statements of the Medical Center.

Subject to meeting the conditions set forth above, such debt may be in such form and have such terms as the board of visitors may provide and shall be in all respects debt of the University for the purposes of §§ 23-23, 23-25, and 23-26.