

Department of Planning and Budget

2007 Fiscal Impact Statement

1. **Bill Number** HB2238

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

2. **Patron** Nutter

3. **Committee** Education

4. **Title** Creation of nonstock corporation to support research under the State Council of Higher Education for Virginia

5. **Summary/Purpose:** Requires the State Council of Higher Education for Virginia to establish a nonprofit, nonstock corporation under Chapter 10 (§ 13.1-801 et seq.) of Title 13.1 as a public instrumentality exercising public and essential governmental functions to assist the Council in (i) supporting academic research in Virginia; (ii) encouraging research initiatives, with emphasis on biological systems and nanotechnology, to support Virginia industry; (iii) directing the disbursement of funds for such research initiatives based on established scientific criteria from the Academic Research Initiative Fund created pursuant to this section; and (iv) conducting or undertaking other activities useful in carrying out the provisions of this section. The Council shall require such corporation to report to it at least annually on its activities. The bill sets out the composition of the board of directors for such corporation.

6. **Fiscal Impact Estimates are:** Indeterminate. See Item 8.

7. **Budget amendment necessary:** Yes, Item 145.

8. **Fiscal implications:** The charge of the proposed corporation under this legislation is broad, including supporting academic research, encouraging research initiatives that support industry and activities that assist in carrying out these provisions. Funding in any amount, ranging from a few hundred thousand dollars to support a staff and limited activities to several hundred million dollars, could be utilized for these efforts. The patron has submitted a budget amendment request for \$1.3 million for fiscal year 2008 to support the objectives of this bill.

9. **Specific agency or political subdivisions affected:** State Council of Higher Education for Virginia, Secretary of Commerce and Trade, Secretary of Technology

10. **Technical amendment necessary:** None.

11. **Other comments:** The *Code of Virginia* currently provides a mechanism to support academic research in the Commonwealth (§ 2.2-2233.1, Commonwealth Technology Research Fund.) The fund is administered by the Innovative Technology Authority, a political subdivision of the Commonwealth. The proposed legislation appears to create a similar mechanism, with much less specificity regarding its activities.

Date: January 19, 2007/RSA

C: Secretary of Education