

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB 641

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

2. Patron: Delegate Hogan

3. Committee: General Laws

4. Title: Additional hiring authority for the Southern Virginia Higher Education Center

5. Summary: This bill authorizes the Executive Director of the Southern Virginia Higher Education Center to employ staff and faculty to execute the mission and duties of the Center. With the Board of Trustees' approval, the Executive Director must set the salary and compensation of such staff. This bill also exempts the Center, along with the Southwest Virginia Higher Education Center and the New College Institute, from the provisions and requirements of the Virginia Personnel Act (§ 2.2-2900 et seq.).

6. Fiscal Impact Estimates: Indeterminate (see Section 8)

7. Budget Amendment Necessary: No.

8. Fiscal Implications: The fiscal impact of this bill is difficult to define. While it exempts both higher education centers and the New College Institute from the Virginia Personnel Act, the provision of salaries and compensation is limited by available funding. In those instances where the salaries and compensation exceed an agency's authorized general fund appropriation, the difference would need to be addressed through nongeneral fund resources generated by these entities.

9. Specific Agency or Political Subdivisions Affected: Southern Virginia Higher Education Center, Southwest Virginia Higher Education Center, and the New College Institute

10. Technical Amendment Necessary: N/A

11. Other Comments:

According to the Department of Human Resource Management, the proposed amendments to § 2.2-2905 provide sufficient exemption from the Virginia Personnel Act to both the directors and staff of the two higher education centers and the New College Institute. Restating that exemption in the proposed Paragraph B of § 23-231.27 is redundant.

Paragraph B of the amended § 23-231.27 also raises the following concerns. First, it does not amend the language of Paragraph A. Therefore, the proposed language would result in the Board of Trustees and the Executive Director having some of the same authority (e.g., determining staff duties and setting salaries and compensation). Second, it gives the Executive Director "oversight of the Board", even though the Board appoints the Executive

Director. Finally, it grants the Executive Director the authority to employ, assign duties, and set salaries of faculty.

The proposed amendment does not clarify the meaning of the term “faculty”. Currently, no other higher education center board of trustees or executive director has the statutory authority to hire faculty. Given that a higher education center serves as a location through which participating higher education institutions may provide degree programs, having the authority to hire faculty appears unnecessary. Faculty in for-credit courses are employees of the higher education institutions offering the courses. Instructors/teachers in non-credit courses (e.g., adult/continuing education) are not generally considered “faculty” and are already employees of most higher education centers.

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