

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: SB613

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

2. Patron: Stolle

3. Committee: Education and Health

4. Title: **Designates Eastern Virginia Medical School as a state agency**

5. Summary: The legislation designates Eastern Virginia Medical School (EVMS) as a state agency and allows officers of the Board of Visitors to serve up to three additional one-year terms.

6. Fiscal Impact Estimates: Not available. See Line 8.

7. Budget Amendment Necessary: No. The legislation is not effective until July 1, 2009 at the earliest.

8. Fiscal Implications: The proposed legislation requires the Board of Visitors of Eastern Virginia Medical School to submit a plan, by November 1, 2008, to the Governor and the General Assembly that provides a written documentation for the reorganization of EVMS, including a reconstitution of its governing body. The plan, among other items, will include provisions for the Governor, Speaker of the House of Delegates and the Senate Finance Committee on Rules to make appointments to the new Board of Visitors beginning July 1, 2009.

The plan shall also provide details to which the Medical School would be subject to the policies, procedures, and guidelines of the State Council of Higher Education in Virginia. The legislation provides that EVMS shall work with personnel and agencies in the executive branch as well as the appropriate staff of the House Appropriations and Senate Finance Committees to develop the plan.

Eastern Virginia Medical School was created by Chapter 471 of the 1964 Acts of Assembly and accepted its first class of medical students in 1973. The Medical School currently serves approximately 450 medical students, of which 65 percent are Virginia residents. EVMS also serves another 340 allied health professional students in a variety of areas.

At this time, it is not possible to estimate the cost for converting EVMS from a “political subdivision” of the Commonwealth to a state agency. The costs to the state could be substantial. The introduced budget (SB 30) includes about \$18.2 million annually from the general fund to support three primary areas: medical education (\$10.5 million), indigent care (\$6.2 million) and research (\$1.5 million – one year only) programs. These costs do not include funding to support the salaries and benefits for teaching and research faculty,

administrative faculty, graduate teaching assistants, classified staff and a president that may fall under this legislation. In addition, the Commonwealth does not provide any funding for base adequacy or for the operation and maintenance for 12 buildings (almost 700,000 square feet) on the EVMS campus.

9. Specific Agency or Political Subdivisions Affected:

Eastern Virginia Medical School
Central state agencies
State Council of Higher Education

10. Technical Amendment Necessary: No.

11. Other Comments: No.

Date: 2/12/2008/aps

Document: g:\aps\legislation\2008Session\SB613S1.doc

cc: Secretary of Finance
Secretary of Education