

Department of Planning and Budget

2019 Fiscal Impact Statement

1. Bill Number: HB2490

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: Rush

3. Committee: Appropriations

4. Title: Tech Talent Investment Program

5. Summary: The proposed legislation creates a grant program to assist qualified public institutions of higher education to reach a goal of increasing, in the aggregate, the number of bachelor's and master's degrees awarded in computer science, computer engineering, and closely related fields by at least 25,000 degrees by 2039 and to improve the readiness of graduates to be employed in technology-related fields. Funds can be used to support academic programs, fund facility construction, renovation or enhancement, or support equipment purchases to increase the number of eligible degrees.

The legislation also creates a special nonreverting fund, the Tech Talent Investment Fund, on the books of the Comptroller. All funds appropriated are to be paid into the state treasury and credited to the Fund. Any interest earned on the Fund is to remain in the Fund and carried over at the end of the fiscal year. No funds are to be reverted to the general fund at the end of the fiscal year and moneys in the Fund are to be used only to support grants approved pursuant to the provisions of this bill. Expenditures and disbursements shall be made from the Fund by the State Treasurer on warrants issued by the Comptroller.

To support the goal of increasing additional degrees, the amount of grants available are to be calculated in accordance with a memorandum of understanding (MOU) negotiated with each qualified institution. Each MOU will include the criteria for eligible degrees, eligible expenses, and degree production goals for the institution to reach by 2039. The MOUs will be reviewed by September 1 of the applicable year. A qualified institution may request an update to its MOU no more than once annually and no later than July 1 of each year. The Secretary of Commerce and Trade, in consultation with the Secretaries of Education and Finance, the director of the Department of Planning and Budget, the director of the State Council of Higher Education, the president of the Virginia Economic Development Partnership, and the staff directors of the House Appropriations and Senate Finance Committees (designated reviewers), may request that a qualified institution update its MOU at any point during the year. No amendment to an MOU shall be final until it is approved by the Governor. New MOU's shall be approved and signed no later than November 1 in order for a qualified institution to apply for a grant in the next fiscal year.

Qualified institutions, with a signed and approved MOU, are eligible to apply for a grant each fiscal year beginning July 1, 2020 through July 1, 2038. Grants available to the

qualified institution shall be paid, subject to appropriation by the General Assembly during each fiscal year. The funds are subject to the qualified institution meeting the requirements set forth in the approved MOU. Qualified institutions can apply for a grant each year by submitting a report to the Secretary of Commerce and Trade regarding the institution's progress on increasing the number of eligible degrees, as set forth in the approved MOU. Within 60 days of receipt of the report, the Secretary of Commerce and Trade, in consultation with the other designated reviewers, shall certify to the Comptroller and the qualified institution the amount of the grant payment to be made subject to appropriation. Payment of the grant funds shall be made by the check, issued by the State Treasurer on warrant of the Comptroller in the fiscal year immediately following the submission of application.

As a condition of receipt of a grant installment, a qualified institution must make available for inspection to the Secretary of Commerce and Trade, or his designee, all documents relevant and applicable in determining whether the qualified institution has met the requirements for the receipt of a grant as set forth in the legislation and subject to the MOU.

- 6. Budget Amendment Necessary:** No. Item 475, paragraph U. of House Bill 1700 (introduced budget) includes funding for the Tech Talent Investment Program.
- 7. Fiscal Impact Estimates:** Preliminary. See Line 8.
- 8. Fiscal Implications:** The introduced budget includes \$8.3 million in fiscal year 2020 to support the Tech Talent Investment Program. This program will support an increase in the number of bachelor's and master's degrees in computer science and closely related fields and improve the readiness of graduates from Virginia's public colleges and universities to be employed in technology-related occupations through internships. Funds will be disbursed through a competitive grant process and shall prioritize at-risk students and schools.
- 9. Specific Agency or Political Subdivisions Affected:**

Public institutions of higher education
Secretaries of Commerce and Trade, Education, and Finance
Director, Department of Planning and Budget
Executive Director, State Council of Higher Education
President, Virginia Economic Development Partnership
Staff Directors of the House Appropriations and Senate Finance Committees
- 10. Technical Amendment Necessary:** No.
- 11. Other Comments:** Senate Bill 1617 is identical to House Bill 2490.