

## Department of Planning and Budget 2023 Fiscal Impact Statement

**1. Bill Number:** SB1077

**House of Origin**    ☐ Introduced    ☒ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Ruff

**3. Committee:** Finance and Appropriations

**4. Title:** Richard Bland College; governance.

**5. Summary:** Removes the authority of the board of visitors of The College of William and Mary in Virginia to supervise, manage, and control Richard Bland College and establishes the 12-member board of visitors of Richard Bland College to generally direct the affairs of the College, including appointing all teachers and fixing their salaries, providing for the employment of other personnel as required, and caring for and preserving all property belonging to Richard Bland College. The bill provides for the transfer of relevant property and rights thereto, contracts, and duties from the board of visitors of The College of William and Mary in Virginia to the board of visitors of Richard Bland College. The bill also requires the board of visitors of Richard Bland College to focus its efforts on preparing students for academic and career success and permits the board to take several enumerated actions in furtherance of such efforts. The bill provides that the FY23 audit conducted by the Auditor of Public Accounts would be the last where Richard Bland College is treated as a consolidated entity of the board of visitors of The College of William and Mary in Virginia and the FY24 audit is to be submitted to the board of visitors of Richard Bland College.

**6. Budget Amendment Necessary:** No. The fiscal impact to the Auditor of Public Accounts would not begin until FY25.

**7. Fiscal Impact Estimates:** Preliminary. See item 8.

**8. Fiscal Implications:** Currently, Richard Bland College (RBC) operates as a component of the College of William and Mary (W&M) and is governed by a committee of William and Mary's board of visitors. This legislation would make RBC independent from W&M and governed by its own board of visitors.

While it has been part of W&M, RBC has almost completely supported its own operations. As a result, the fiscal impact of becoming independent is anticipated to be limited. RBC estimates approximately \$50,000 in annual costs associated with this legislation: \$20,000 per year for internal audits and \$30,000 per year in annual support for its own board of visitors. In addition, the College anticipates approximately \$40,000 in one-time costs associated with

rebranding and signage across campus. It is anticipated that RBC would be able to absorb these costs within existing resources.

There is no anticipated fiscal impact to the College of William and Mary. Any potential savings would be redirected to other priorities.

The Auditor of Public Accounts expects to see an increase in the agency workplan's annual mandatory hours of approximately 450 hours if a separate board for RBC is established, which equates to an estimated \$41,000 in salary and fringe benefit expenses for the office. The establishment of a separate governance structure creates the need to complete a full financial statement audit for RBC each year, including the issuance of a separate opinion and report on internal control and compliance. The current APA workplan does include audit hours for RBC, however, because this audit is currently completed as part of the William & Mary financial statement audit, staff and administrative hours to plan, perform, and issue reports are condensed. The estimated additional hours take into account a standalone audit engagement of RBC, using historical audit hours of the institution in conjunction with consideration of separate financial statement audits of similar size. The bill provides that for the FY23 audit of RBC, the College would still be considered as part of W&M; this audit would be completed in FY24 and is part of the APA's existing workplan and resources. The FY24 audit would be the first for RBC as an independent entity; this audit would be completed in FY25. As a result, any impact to APA would occur in FY25.

**9. Specific Agency or Political Subdivisions Affected:** Richard Bland College, the College of William and Mary, Auditor of Public Accounts.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** This bill is similar to HB1415.

This impact statement was revised to include the fiscal impact to the Auditor of Public Accounts.