

Department of Planning and Budget

2023 Fiscal Impact Statement

1. Bill Number: SB1434

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: Suetterlein

3. Committee: Education and Health

4. Title: Public institutions of higher education; use of certain endowment fund investment returns.

5. Summary: Declares it the public policy of the Commonwealth that any foundation, investment management company, or other asset manager associated with a public institution of higher education that manages endowment funds of such public institution of higher education with a value exceeding \$250 million shall be required to allocate at least 15 percent of the investment returns on such endowment funds back to such public institution of higher education on an annual basis for the purpose of ensuring access to and affordability of attending the institution for students.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Preliminary. See Item 8.

8. Fiscal Implications: Any fiscal impact to public institutions of higher education is indeterminate at this time.

9. Specific Agency or Political Subdivisions Affected: Public institutions of higher education

10. Technical Amendment Necessary: No

11. Other Comments: Public institutions of higher education note that most endowments held by foundations have specific donor restrictions as to their use, which may conflict with the requirements of this bill. Additionally, some institutions already have endowments dedicated to supporting student financial aid.