

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: SB506

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

2. Patron: Surovell

3. Committee: Finance and Appropriations

4. Title: Higher educational institutions, public; duties and powers of governing board.

5. Summary: Provides that the governing board of each public institution of higher education shall have authority over the employment of all legal counsel for the institution. The bill clarifies the scope of the involvement of the Attorney General in the legal affairs of public institutions of higher education, providing that the Attorney General may only provide legal service to a public institution of higher education upon request of the governing board of such institution, upon the governing board's decision to delegate all authority in accordance with the provisions of the bill, in any legal settlement involving consideration in excess of \$5 million, or in matters in which the Commonwealth shows that it has a separate and independent interest. The bill permits the governing board of any public institution of higher education with less than 7,500 full-time students to delegate all authority over legal counsel conferred pursuant to the provisions of the bill but requires any such governing board (i) intending to make such delegation to submit notice of such intention by January 1, 2025 and (ii) intending thereafter to delegate such authority or to rescind a prior delegation of such authority to submit notice of such intention by January 1 of the immediately succeeding odd-numbered year. Additionally, the bill clarifies the duties of the State Board and the governing board of each public institution of higher education in its collective capacity and of the members of such governing board in their individual capacities. Finally, the bill modifies the composition of the governing boards to include two nonvoting advisory members.

6. Budget Amendment Necessary: No

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

8. Fiscal Implications: Any fiscal impacts expected for public institutions of higher education are considered absorbable at this time.

The Office of the Attorney General (OAG) anticipates the provisions of this bill may result in reduced utilization of OAG legal services, which may reduce billings and revenue. Any actual fiscal impact to OAG is indeterminate at this time.

9. Specific Agency or Political Subdivisions Affected: Public institutions of higher education, Office of the Attorney General

10. Technical Amendment Necessary: No

11. Other Comments: None