

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. **Bill Number:** SB279

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

2. **Patron:** Sturtevant

3. **Committee:** Education and Health

4. **Title:** Virginia Commonwealth University Health System Authority; board of directors membership.

5. **Summary:** Provides for a number of reforms related to the Virginia Commonwealth University Health System Authority. The bill reduces the number of members serving on the Authority's board of directors and the number of physician-faculty members that are required to serve on the board, requires persons who are appointed by the Speaker of the House of Delegates and the Senate Committee on Rules to be nonlegislative citizen members, and changes the term of office for board members. Additionally, the bill amends the Authority's powers and duties to provide outside oversight of certain actions taken or contemplated by the Authority. The Authority is required to notify the Governor, the Secretary of Finance, and the House Appropriations and Senate Finance and Appropriations Committees prior to seeking financing or incurring debt or entering into a contract related to hospital facilities and other projects. Further, the Authority is required to conduct a comprehensive financial and risk analysis for every proposed capital project and, for capital projects exceeding \$15 million, to consult with the Secretary of Finance and the Department of Planning and Budget on various details, in addition to notifying the House Appropriations and Senate Finance and Appropriations Committees and providing specific information related to the capital project.

6. **Budget Amendment Necessary:** No.

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

8. **Fiscal Implications:** It is anticipated that this will not have a state fiscal impact. The Virginia Commonwealth University Health System Authority (VCUHSA) is a separate legal entity that does not have a state appropriation. Any additional costs to the VCUHSA in complying with the provisions of this bill are indeterminate.

It is anticipated that the Secretary of Finance and Department of Planning and Budget could absorb the work associated with the requirement to consult with the VCUHSA board on capital projects over \$15 million within existing resources.

9. **Specific Agency or Political Subdivisions Affected:** Virginia Commonwealth University Health System Authority, Virginia Commonwealth University, Secretary of Finance, Department of Planning and Budget.

10. Technical Amendment Necessary: No.

11. Other Comments: None.