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~~CHAPTER 22.~~

~~COMMONWEALTH HEALTH RESEARCH FUND.~~

CHAPTER 5.3.

COMMONWEALTH HEALTH RESEARCH BOARD AND FUND.

Drafting note: Existing Chapter 22 (§ 23-277 et seq.) is reorganized as proposed Chapter 5.3 of Title 32.1.

~~§ 23-277. Definitions.~~

~~As used in this chapter, unless the context clearly indicates otherwise:~~

~~"Board" means the Commonwealth Health Research Board.~~

~~"Council" means the State Council of Higher Education for Virginia.~~

~~"Fund" means the Commonwealth Health Research Fund.~~

Drafting note: The definitions are either reincorporated in § 32.1-162.24 (where "Board" and "Fund" are defined for this proposed chapter) or stricken as obsolete ("Council" is defined but not used in the Chapter).

~~§ 23-278. 32.1-162.23. Commonwealth Health Research Board~~created established.

A. ~~There is hereby created, as an independent body, the~~The Commonwealth Health Research Board ~~(the Board) is established as an independent body.~~ The purpose of the Board ~~shall be~~is to provide financial support; ~~from the Commonwealth Health Research Fund (the Fund)~~ in the form of grants, donations, or other assistance; for research efforts that have the potential of maximizing human health benefits for the citizens of the Commonwealth. Research efforts eligible for support by the Board shall include traditional medical and biomedical research ~~relating to the causes and cures of diseases as well as research~~ related to health services ~~and,~~ the delivery of health care, and the causes and cures of diseases.

B. The Board shall be composed of seven members. ~~The, of whom three shall be appointed by the~~ Governor ~~shall appoint three members of the Board who shall be confirmed by the affirmative vote of a majority of those voting in each house of the General Assembly. The~~

27 ~~and four shall be appointed by the~~ Joint Rules Committee ~~shall appoint the other four members~~
28 ~~of the Board who shall be confirmed by the affirmative vote of a majority of those voting in~~
29 ~~each house of.~~ All appointments to the Board are subject to confirmation by the General
30 Assembly. ~~The initial members shall be appointed for terms of office as follows: one of the~~
31 ~~members appointed by the Governor shall be appointed for a term of one year; one of the~~
32 ~~members appointed by the Joint Rules Committee shall be appointed for a term of two years;~~
33 ~~one of the members appointed by the Governor and one of the members appointed by the Joint~~
34 ~~Rules Committee shall be appointed for terms of three years; one of the members appointed by~~
35 ~~the Joint Rules Committee shall be appointed for a term of four years; and one of the members~~
36 ~~appointed by the Governor and one of the members appointed by the Joint Rules Committee~~
37 ~~shall be appointed for terms of five years.~~ Appointments ~~thereafter~~ shall be for terms of five
38 years. Appointments to fill vacancies, other than by expiration of a term, shall be for the
39 unexpired terms. Vacancies ~~in the membership of the Board~~ shall be filled ~~by appointment of~~
40 ~~the entity initially making the appointment for the unexpired portion of the term in the same~~
41 manner as the original appointments.

42 No member shall ~~be eligible to for~~ serve more than two ~~successive~~ consecutive five-year
43 terms; however, ~~after the expiration of a term of four years or less or after the expiration of the~~
44 ~~remainder of a term to which he was appointed to fill a vacancy, two additional terms may be~~
45 ~~served by such member if appointed thereto. Immediately after such appointment, the members~~
46 ~~shall enter upon the performance of their duties.~~ a member appointed to serve an unexpired term
47 shall be eligible to serve two consecutive five-year terms.

48 C. ~~The members~~ Members of the Board shall have substantial experience or expertise,
49 personal or professional, in at least one of the following areas: medicine, medical or scientific
50 research, public policy, government, business, or education. No member shall be an incumbent
51 elected official, state official ~~or,~~ state employee, or member of the governing board of a state
52 agency or institution. Members of the Board need not be residents of the Commonwealth.

53 D. The ~~members~~ Board shall elect annually a chairman and vice-chairman from among
54 its ~~members~~ membership. The chairman, or in his absence, the vice-chairman, shall preside at
55 all meetings of the Board.

56 E. A majority of the members of the Board serving at any one time shall constitute a
57 quorum for the transaction of business.

58 F. The Board shall meet annually or more frequently at the call of the chairman.

59 ~~E. Notwithstanding the provisions of § 2.2-2813, members of the Board shall receive~~
60 ~~compensation for their services at the rate provided in Item 1 of Chapter 924 of the 1997 Acts of~~
61 ~~Assembly used to compensate General Assembly members for the time actually spent in the~~
62 ~~discharge of their duties and shall receive reimbursement for actual expenses incurred in the~~
63 ~~performance of their duties on behalf of the Board.~~ G. The members of the Board shall receive
64 no compensation for their services but shall be reimbursed for the reasonable and necessary
65 expenses incurred in the performance of their duties as provided in § 2.2-2825. Such
66 compensation and expenses shall be paid from the Fund.

67 **Drafting note: The first sentence of subsection E of existing § 23-278 is stricken as**
68 **obsolete. Members of the Board do not receive such compensation for their services but**
69 **are still reimbursed for reasonable and necessary expenses. Technical changes are also**
70 **made.**

71 ~~§ 23-279~~ 32.1-162.24. Duties of the Board.

72 The Board shall ~~perform the following duties~~:

73 1. Establish specific criteria and procedures governing its decisions to support research
74 efforts consistent with its purposes, including, ~~but not limited to~~, (i) encouraging collaborative
75 research efforts among two or more institutions or organizations, (ii) giving priority to those
76 research efforts ~~where from which~~ Board support can be leveraged to foster contributions from
77 federal agencies or other entities, and (iii) supporting both new research efforts and the
78 expansion or continuation of existing research efforts;

79 2. Establish requirements for the submission of research proposals, including, ~~but not~~
80 ~~limited to~~, (i) a clear statement of the problem or opportunity to be addressed; (ii) the specific
81 objectives; (iii) a description of how the results will maximize human health benefits for the
82 citizens of the Commonwealth; (iv) a budget for the research effort, including other anticipated
83 sources of financial assistance; and (v) the time frame for ~~the conduct of~~ conducting the
84 research;

85 3. Evaluate the proposals in accordance with the criteria established by the Board and the
86 provisions of this chapter; and

87 4. Evaluate the implementation and results of all research efforts receiving support from
88 the Board.

89 **Drafting note: The phrase "but not limited to" is removed when using the term**
90 **"including" based on § 1-218, which states "'Includes' means includes, but not limited to."**

91 **Technical changes are made.**

92 § ~~23-281~~ 32.1-162.25. Powers of the Board.

93 In order to carry out its ~~purpose~~ purposes, the Board ~~shall have the power to~~ may:

94 1. Make grants ~~or other expenditures or~~ and disbursements from the Fund ~~to provide that~~
95 support ~~for~~ research efforts approved by the Board in accordance with the purposes of this
96 chapter; ~~however, the~~ and pay expenditures from the Fund that are necessary to carry out the
97 purposes of this chapter. The Board shall not be obligated to make annual or other periodic
98 disbursements or expenditures;

99 2. Contract for the services of consultants to review research proposals and ~~to~~ assist in
100 the evaluation of the research efforts funded by the Board;

101 3. Contract for other professional services to assist the Board in the performance of its
102 duties and responsibilities;

103 4. Accept, hold, administer, and solicit gifts, grants, bequests, contributions, or other
104 assistance from federal agencies, the Commonwealth, or any other public or private source to
105 carry out the purposes of this chapter;

106 5. Enter into any agreement or contract relating to the acceptance or use of any grant,
107 assistance, or support provided by or to the Board, or otherwise in furtherance of the purposes of
108 this chapter;

109 6. Perform any lawful acts necessary or appropriate to carry out the purposes of the
110 Board; and

111 7. Employ such staff as is necessary to perform the Board's duties. The Board may
112 determine the duties of such staff and fix the salaries and compensation of such staff, which
113 shall be paid from the Fund. Such staff shall be employees of the Department of Accounts and
114 shall be entitled to all benefits available to state employees as provided by law.

115 **Drafting note: Technical changes.**

116 § ~~23-280~~ 32.1-162.26. Conditions and restrictions on financial assistance.

117 A. The Board shall provide financial support only ~~to~~ for research efforts that satisfy the
118 following conditions:

119 1. The research shall be conducted by ~~state~~ public institutions of higher education,
120 agencies of the Commonwealth, or nonprofit organizations exempt from income taxation
121 pursuant to § 501(c)(3) of the Internal Revenue Code and located in the Commonwealth;

122 2. The institution, agency, or organization shall ~~provide a cash amount for the support~~
123 provided by the Board in such match a percentage of the Board's support ~~as in a cash amount~~
124 required by the Board ~~deems appropriate~~;

125 3. Support provided by the Board shall not be used by the recipient to finance capital
126 improvements or renovations, for indirect costs incurred by the institution, agency, or
127 organization in its administration of the financial support, or for any other purpose proscribed by
128 the Board; and

129 4. Recipients of support provided by the Board shall agree to provide the Board with
130 such information regarding the implementation of the research effort; and ~~to~~ allow such
131 monitoring and review of the research effort; as may be required by the Board to ensure
132 compliance with the terms ~~by~~ under which the support is provided.

133 B. Any support provided by the Board shall be used by the recipient only for personal
134 services, contractual services, material, supplies, and equipment directly related to the approved
135 research effort.

136 **Drafting note: Technical changes.**

137 § ~~23-283~~ 32.1-162.27. Cooperation with other agencies.

138 All agencies of the Commonwealth shall cooperate with the Board and, upon request,
139 assist the Board in the performance of its duties and responsibilities.

140 **Drafting note: No change.**

141 § ~~23-284~~ 32.1-162.28. Commonwealth Health Research Fund established;
142 administration.

143 A. There is hereby created in the ~~State Treasury~~ state treasury a special; nonreverting
144 revolving fund to be known as the Commonwealth Health Research Fund. The Fund shall be
145 established on the books of the ~~State~~ Comptroller.

146 B. The Fund shall consist of all stock and cash distributed to the Commonwealth as a
147 policyholder pursuant to the conversion of Blue Cross and Blue Shield of Virginia, doing
148 business as Trigon Blue Cross Blue Shield, from a mutual insurance company to a Virginia
149 stock corporation known as Trigon Healthcare, Inc., exclusive of cash paid by Blue Cross and
150 Blue Shield of Virginia or its successor to the Commonwealth in connection with such
151 conversion, which was assumed as general fund revenue in Chapter 912 of the 1996 Acts of
152 Assembly. The Fund shall also consist of any moneys appropriated from the general fund,
153 grants and donations received by the Board, and other moneys received by the State Treasurer
154 and designated for deposit in the Fund. Interest and other income earned on moneys in the Fund

155 shall remain in the Fund and be credited to ~~the Fund it~~. Any moneys remaining in the Fund,
156 including interest and other income thereon, at the end of each fiscal year shall not revert to the
157 general fund but shall remain in the Fund.

158 C. Notwithstanding any other provision of law, the moneys and other property
159 comprising constituting the Fund shall be invested, reinvested, and managed by the Board of the
160 Virginia Retirement System as provided in § 51.1-124.36. The State Treasurer shall not be held
161 liable for losses suffered by the Virginia Retirement System on investments made under the
162 authority of this section.

163 D. ~~The Moneys in the~~ Fund shall be expended solely for the purpose of supporting
164 research efforts approved by the Board and any other purpose permitted by this chapter.

165 E. An amount not to exceed six percent of the moving average of the market value of the
166 Fund calculated over the previous five years or since inception, whichever is shorter, on a one-
167 year delayed basis, net of any administrative fee assessed pursuant to subsection E of § 51.1-
168 124.36, may be expended in a calendar year for any purpose permitted by this chapter. The
169 Board shall not be required to expend such amount in a calendar year, and any amount up to
170 such six percent that is not expended in a calendar year may be expended in any other calendar
171 year.

172 F. ~~The disbursement of moneys~~ Expenditures and disbursements from the Fund shall be
173 made by the State Treasurer on warrants issued by the ~~State~~ Comptroller ~~at the upon~~ written
174 request ~~of signed by~~ the chairman of the Board.

175 **Drafting note: Technical changes.**

176 § ~~23-285~~ 32.1-162.29. ~~Forms~~ Form and audit of accounts and records; ~~audit of same~~.

177 A. The accounts and records of the Board showing the receipt and disbursement of funds
178 from whatever source derived shall be in such form as the Auditor of Public Accounts
179 prescribes.

180 B. The accounts and records of the Board shall be subject to an annual audit by the
181 Auditor of Public Accounts or his legal representative.

182 **Drafting note: Technical changes.**

183 ~~§ 23-286 32.1-162.30. Reports to the Governor and General Assembly~~ Annual report.

184 The Board shall submit a report annually to the Governor and the General Assembly.

185 The report shall include information regarding research efforts supported by the Board and
186 expenditures from the Fund.

187 **Drafting note: Technical changes.**