## Department of Planning and Budget 2025 General Assembly Session State Fiscal Impact Statement

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**Bill Number:** SB795 **Patron:** Head Virginia Museum of Transportation; established, report.

**Bill Summary:** Establishes the Virginia Museum of Transportation as a public entity and educational institution under the Commonwealth. The bill provides that the Museum is governed by a 15-member board of trustees.

Budget Amendment Necessary: Yes Items Impacted: New item required

**Explanation:** Requires a new item under the Secretary of Education to establish and operate the museum

as an education institution of the Commonwealth. The amount of the appropriation is indeterminate and dependent on the amount of funding provided by the General Assembly. If maintenance reserve appropriation is provided, an amendment also is necessary in Item C-

46.

**Fiscal Summary:** The actual amount of state support required for the museum is indeterminate; however, this fiscal impact statement provides estimates based on similar state agencies. The potential general fund operating costs for a museum similar to other regional state-supported museums could range between \$1.2 and \$3.5 million annually. Additionally, based on similar state-supported museums, capital costs for maintenance reserve are estimated at \$300,000 annually. Other capital expenses are indeterminate.

## **General Fund Expenditure Impact:**

Secretarial Area	FY2025	<u>FY2026</u>	FY2027	FY2028	<u>FY2029</u>	FY2030
Education	\$0	\$1,200,000 -	\$1,200,000 -	\$1,200,000 -	\$1,200,000 -	\$1,200,000 -
(operating)		\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Education (capital)	\$0	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
TOTAL	\$0	\$1,500,000 - \$3,800,000				

**Fiscal Analysis:** A number of different factors are needed to operate and maintain a museum including staff, facilities, and exhibits. The costs of these factors are dependent on the eventual size and scope of the museum. While the bill does not provide a specific size and scope for the proposed museum, the potential general fund operating costs for a museum similar to other regional state-supported museums could range between \$1.2 and \$3.5 million annually. The bill provides that the museum may charge admissions fees and accept donations; however, at this point any such revenue is indeterminate. The second enactment clause of the bill allows the agency to contract with an existing nonprofit organization to operate the museum. The costs of such an operating agreement are presently unknown.

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If ownership of the museum's building conveys to the state, additional state support would be required for building maintenance. At this time, the actual maintenance needs of the museum's current building are indeterminate. State supported maintenance reserve appropriation for similar museums is approximately \$300,000 per year. Other capital needs and expenses of the museum in future fiscal years are indeterminate.

Other: None.