

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

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**ORIGINAL**

**Bill Number:** SB1247

**Patron:** Durant

**Bill Title:** Public institutions of higher education; certain grants from and partnerships and agreements with foreign countries of concern prohibited; report; civil penalty.

**Bill Summary:** Prohibits, except with the approval of the governing board of the institution of higher education or the State Council of Higher Education for Virginia under certain circumstances, any public institution of higher education from accepting any grant from or participating in any partnership or agreement with any foreign country of concern, as that term is defined in the bill. The bill requires the Council to establish and enforce mechanisms for compliance and penalties for noncompliance with such prohibition, which shall include civil penalties not to exceed \$25,000 per offense and may include periodic institutional reporting until any such noncompliance is remedied by the institution. The bill requires each public institution of higher education, by December 1 of each year, to report to the General Assembly, the Governor, and the Council any grant that it accepted from or agreement or partnership in which it participated with a foreign country of concern during the previous fiscal year and the date on which such grant, agreement, or partnership is expected to terminate.

**Budget Amendment Necessary:** Indeterminate

**Explanation:** This bill impacts public institutions of higher education (IHEs) and the State Council of Higher Education for Virginia (SCHEV). SCHEV anticipates additional costs to support the requirements of the bill. Additional administrative costs to IHEs are likely absorbable, though research and doctoral IHEs may experience greater impact due to existing international agreements and partnerships. The actual fiscal impact to public IHEs and SCHEV is indeterminate at this time. Any revenue generated by the civil penalties is indeterminate.

**Fiscal Summary:** Costs to IHEs may be associated with additional administrative oversight to ensure compliance and to produce the annual reports required by the provisions of this bill, but these are likely absorbable. Noncompliance penalties also have the potential to present financial risk for IHEs; however, this may be mitigated through the appropriate monitoring and reporting mechanisms. Research and doctoral IHEs have a higher potential for fiscal impact due to existing international agreements and partnerships.

SCHEV indicates that neither the Council as a board nor SCHEV as an agency has the infrastructure to impose or collect civil penalties, investigate potential violations, or enforce the proposed prohibitions. If either entity is tasked with these proposed responsibilities, the bill is expected to impose a substantial fiscal impact on SCHEV, which is indeterminate at this time.

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The bill creates civil penalties for noncompliance. Proceeds of all fines and penalties collected for offenses committed against the Commonwealth are paid into the state treasury to the credit of the Literary Fund. Any potential revenue is indeterminate.

**Other:** This fiscal impact statement is preliminary and based on feedback received from public IHEs as of the date of publication. This bill is identical to HB2186.