

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

The APA expects to see an increase in the agency workplan's annual mandatory hours of approximately 450 hours if a separate board for RBC is established, which equates to an estimated \$42,250 in salary and fringe benefit expenses for the office. APA does not bill the higher education institutions for annual financial statement audits. All costs for this additional audit will be incurred by APA's general fund. The establishment of a separate governance structure creates the need to complete a full financial statement audit for RBC each year, including the issuance of a separate opinion and report on internal control and compliance. The current APA workplan does include audit hours for RBC, however, because this audit is currently completed as part of the W&M financial statement audit, staff and administrative hours to plan, perform, and issue reports are condensed. The estimated additional hours take into account a standalone audit engagement of RBC, using historical audit hours of the institution in conjunction with consideration of separate financial statement audits of similar size. The bill provides that for the FY26 audit of RBC, the College would still be considered as part of W&M; this audit would be completed in FY27 and is part of the APA's existing workplan and resources. The FY27 audit would be the first for RBC as an independent entity; this audit would be completed in FY28. As a result, any impact to APA would occur in FY28.

Other: This is a similar bill to HB2157H1.

SB742S1 needs a technical amendment to update the ninth enactment clause, which should reference the eighth enactment instead of the sixth.