Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

PUBLISHED: 3/31/2026 2:18 PM **ORIGINAL**

Bill Number: HB1385ER **Patron:** Franklin
Bill Title: Public institutions of higher education; governing boards; powers and duties relating to legal counsel; membership appointment, terms, and composition; duties relating to shared governance; requirements; work group; report.

Bill Summary: Revises the membership and duties of the governing board of each public institution of higher education by, among other things, increasing from four years to six years the terms of each member of the governing board and requiring the governing board of each public institution of higher education to adopt policies defining and implementing shared governance among the components of the institution's organizational structure and requiring the executive committee of the governing board of each public institution of higher education to include in the code of ethics policies on the ethical duties of board members with respect to political activity and conflicts of interest and annually submit to the Council, the Governor, and the Chairs of the Senate Committee on Education and Health and the House Committee on Education such code of ethics for board members. The bill directs the State Council of Higher Education for Virginia (SCHEV) to coordinate training for the members of the governing board of each public institution of higher education on institutional governance and the duties and related ethical responsibilities of board members. Additionally, the bill directs SCHEV to convene work groups for the purpose of developing model shared governance policies, in accordance with the provisions of the bill, and, with the Office of the Attorney General, for the purpose of studying and making recommendations on (i) institutional structures and processes relating to legal counsel; (ii) the current selection and use of outside legal counsel by public institutions of higher education; (iii) a process by which (a) the governing board of any public institution of higher education, the Governor, or the General Assembly or a committee thereof with relevant oversight responsibility, upon determining that the legal counsel of a public institution of higher education is not acting in the best interests of the institution, including due to a conflict of interest, failure to defend the lawful authority of the institution, or failure to comply with state law, may request the Attorney General to review the adequacy of such legal representation and (b) upon a determination by the Attorney General or the General Assembly or a committee thereof that such institution is not receiving adequate legal representation, the governing board may request additional representation or approve alternate counsel as necessary to protect the interests of the institution, and (iv) policies for requiring any individual member of a governing board to recuse himself from or not participate in any vote or decision of the governing board on any matter in which he has a personal or pecuniary interest or any partisan or ideological interest that would compromise his ability to vote or act objectively and in accordance with the primary board duties.

Budget Amendment Necessary: No **Items Impacted:** None
Explanation: See below

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Fiscal Summary: It is anticipated that any fiscal impact can be supported with existing resources of the affected entities.

Other: This bill is identical to SB494 as enrolled.