



SB 478/HB137 OPPOSE

SB 478 and HB 137 grant authority to the Capital Region Airport Authority to create one or more 501c3 charitable entities to make donations and lend assistance to various entities that promote aviation. The bills specifically state that a foundation so created "shall not be deemed to be a public body" and will not be subject to the Public Procurement Act or the Freedom of Information Act. (Lines 80-83)

VCOG objects to the creation of another unaccountable entity that performs functions for the public body and shares employees with that public body.

- VCOG does not oppose the creation of supportive foundations, but it does oppose the designation of these entities as unaccountable, non-public bodies.
- These entities perform functions that would normally be carried out by the public body, subject to statutory tools of accountability.
- As we have seen with university foundations, these entities quickly become repositories for the handling of great sums of money that can be spent in the public body's name without public oversight.
- The sharing of public employees between the public body and the non-public foundation further confuses what work the foundation is doing as a foundation versus what work it is doing for the public body.
 - ➔ Staff of the Norfolk Housing and Redevelopment Authority also work for a non-public subsidiary of the authority, Hampton Roads Ventures. A recent Virginia Mercury series examined the fact that while HRV has invested \$250 million through the end of 2019, only \$35.2 million of that amount funded projects in Norfolk. The NHRA denied FOIA requests for records related to HRV saying that HRV did not receive public funds and was not subject to FOIA.¹
 - ➔ In 2018, the privately funded Mercatus Center at George Mason University denied FOIA requests made in 2018 even though its very name connects it to a publicly funded university, it uses the university seal and many on its leadership team are GMU employees.²

Please contact Megan Rhyne (540-353-8264 or mrhyne@opengovva.org) with questions.

¹ <https://www.virginiamercury.com/2021/12/21/why-is-a-norfolk-community-development-entity-investing-everywhere-but-norfolk/>

² <https://theintercept.com/2018/09/19/the-mercatus-center-is-a-part-of-george-mason-university-until-its-not/>