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SENATE BILL NO. 622

Offered January 24, 2000

A BILL to amend and reenact §§ 22.1-175.1, 22.1-175.2, 22.1-175.4, and 58.1-4022 of the Code of Virginia, relating to the Virginia Education Infrastructure Program and Fund.

Patrons—Edwards, Byrne, Colgan, Couric, Houck, Lambert, Marsh, Marye, Maxwell, Miller, Y.B., Puckett, Puller, Reynolds, Saslaw, Ticer and Whipple; Delegates: Brink, Cranwell, Hull, Jackson, Plum, Shuler, Tate, Van Yahres and Woodrum

Referred to Committee on Education and Health

Be it enacted by the General Assembly of Virginia:

1. That §§ 22.1-175.1, 22.1-175.2, 22.1-175.4, and 58.1-4022 of the Code of Virginia are amended and reenacted as follows:

CHAPTER 11.1.**VIRGINIA PUBLIC SCHOOL CONSTRUCTION EDUCATION INFRASTRUCTURE GRANTS PROGRAM AND FUND.**

§ 22.1-175.1. Virginia Education Infrastructure Grants Program established.

The Virginia Public School Construction Education Infrastructure Grants Program is hereby established to provide grants to eligible school divisions for school construction, additions, infrastructure, site acquisition for public school buildings and facilities, and renovations, including the costs of retrofitting or enlarging public school buildings; further, if a school division has completed any such projects during the previous ten years, the grants may be used for debt service payments or a portion thereof. The Program shall be administered by the Board of Education.

Local governing bodies may also establish a separate escrow fund for the deposit of such funds as provided in § 22.1-175.5.

§ 22.1-175.2. Virginia Education Infrastructure Trust Fund created.

A. From such funds as may be appropriated for this purpose and from such gifts, donations, grants, bequests, and other funds as may be received on its behalf *and, on and after July 1, 2000, the state lottery revenues*, there is hereby created in the Department of the Treasury a special nonreverting fund known as the Virginia Public School Construction Grants Education Infrastructure Trust Fund, *hereinafter referred to as the "Fund."* The Fund shall be established on the books of the Comptroller, and any moneys remaining in such Fund at the end of the biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it. Funds may be disbursed to any school division that is eligible for financial assistance pursuant to the provisions of this chapter.

B. The State Treasurer shall manage the Virginia Public School Construction Grants Education Infrastructure Trust Fund; subject to the authority of the Board of Education to provide for its disbursement. The Fund shall be disbursed to award grants as provided in § 22.1-175.4. The amount of each grant awarded to a qualifying school division in any fiscal year shall not exceed 100 percent of the school division's aggregate annual expenditures for school construction, additions, infrastructure, site acquisition for public school buildings and facilities, renovations, including the costs of retrofitting or enlarging public school buildings, and debt service payments on such school projects which have been completed during the last ten years *and disburse the moneys in the Fund to each school division, based on the locality's composite index of ability to pay.*

C. Local governing bodies may establish a separate escrow fund for the deposit of such funds as provided in § 22.1-175.5.

C. The amount of such public school construction grants shall be matched by funds of the qualifying school division based on the locality's composite index of ability to pay. In awarding such grants, the Board shall take into consideration any Literary Fund loan which may have been applied for or awarded for the same projects.

§ 22.1-175.4. Application for grants.

A. All funds appropriated for financial assistance for the purposes of this chapter during fiscal years 1998-1999 and 1999-2000 pursuant to Item 554 of the 1998-2000 Appropriation Act shall be apportioned and distributed among the school divisions of the Commonwealth as follows: (i) there shall be apportioned and distributed equally to every school division grants in the sum of \$200,000 each and (ii) the balance of all available funds shall be apportioned and distributed to each school division on a pro rata basis according to the school division's average daily membership adjusted by the the locality's composite index of ability to pay as set forth in the general appropriation act.

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60 Local governing bodies may establish a separate escrow fund for the deposit of such funds as
61 provided in § 22.1-175.5.

62 B. All funds appropriated for financial assistance for the purposes of this chapter for subsequent
63 fiscal years shall be apportioned and distributed among the school divisions of the Commonwealth in
64 accordance with eligibility and needs criteria to be established by the 2000 Session of the General
65 Assembly. In developing such eligibility and needs criteria, the 2000 Session of the General Assembly
66 shall consider the recommendations of the Commission on State Funding of Public School Construction.

67 § 58.1-4022. State Lottery Fund.

68 A. All moneys received from the sale of lottery tickets or shares, less payment for prizes and
69 compensation of agents as authorized by regulation and any other revenues received under this chapter,
70 shall be placed in a special fund known as the "State Lottery Fund." Notwithstanding any other
71 provisions of law, interest earned from moneys in the State Lottery Fund shall accrue to the benefit of
72 such Fund.

73 B. The total costs for the operation and administration of the lottery shall be funded from the State
74 Lottery Fund and shall be in such amount as provided in the general appropriation act. Appropriations to
75 the Department during any fiscal year beginning on and after July 1, 1989, exclusive of agent
76 compensation, shall at no time exceed ten percent of the total annual estimated gross revenues to be
77 generated from lottery sales. However, should it be anticipated at any time by the Director that such
78 operational and administrative costs for a fiscal year will exceed the limitation provided herein, the
79 Director shall immediately report such information to the Board, the Governor and the Chairmen of
80 Senate Finance and House Appropriations Committees. From the moneys in the Fund, the Comptroller
81 shall establish a special reserve fund in such amount as shall be provided by regulation of the
82 Department for (i) operation of the lottery, (ii) use if the game's pay-out liabilities exceed its cash on
83 hand, or (iii) enhancement of the prize pool with income derived from lending securities held for
84 payment of prize installments, which lending of securities shall be conducted in accordance with lending
85 programs approved by the Department of the Treasury.

86 C. Any start-up sums appropriated from the general fund of the Commonwealth necessary to
87 commence operation of a state lottery shall be repaid within the first twelve months of initial lottery
88 sales.

89 D. Appropriation of lottery revenues shall be made only upon actual and audited collections as
90 transferred to the general fund and shall in no event be predicated upon an estimation of such revenues.
91 No later than ten days after receipt of the audit report required by § 58.1-4023, the Comptroller shall
92 transfer to the general fund, less the special reserve fund, the audited balances of the State Lottery Fund.

93 E. In addition to such other funds as may be appropriated, 100 percent of the lottery revenues
94 transferred to the general fund shall be appropriated entirely and solely for the purpose of public
95 education in the Commonwealth, which purposes shall include, but not be limited to, those programs
96 specified in § 22.1-199.1.

97 *Lottery revenues transferred to the general fund and appropriated entirely and solely for the purpose*
98 *of public education in the Commonwealth shall be apportioned in accordance with the appropriation*
99 *act, as follows: on and after July 1, 2000, an amount equal to 100 percent of such lottery revenues*
100 *shall be dedicated to the Virginia Education Infrastructure Trust Fund established pursuant to Chapter*
101 *11.1 (§ 22.1-175.1 et seq.) of Title 22.1.*

102 EF. As a function of the administration of this chapter, funds may be expended for the purposes of
103 reasonably informing the public concerning (i) the facts embraced in the subjects contained in
104 subdivisions 1 through 7 of subsection A of § 58.1-4007 and (ii) the fact that the net proceeds are paid
105 into the general fund of the Commonwealth; but no funds shall be expended for the primary purpose of
106 inducing persons to participate in the lottery.