

Department of Planning and Budget

2001 Fiscal Impact Statement

1. **Bill Number** HB2870

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed
Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. **Patron** Harris

3. **Committee** Senate Finance

4. **Title** University of Virginia Medical Center Interest Income

5. **Summary/Purpose:** The proposed legislation amends §23-77.4 of the *Code of Virginia* to require that the University of Virginia Medical Center be credited with the imputed interest on its nongeneral fund cash balances (primarily patient care revenues) on deposit with the State Treasurer.

6. **Fiscal Impact Estimates are:**

6b. **Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2000-01			
2001-02	(\$4,400,000)		GF
2002-03	(\$4,400,000)		GF

7. **Budget amendment necessary:** Yes. GF revenues listed on front page.

8. **Fiscal implications:** Currently, the Commonwealth retains the interest on the Medical Center's nongeneral fund cash balances held on deposit with the State Treasurer. The proposed legislation would credit 100 percent of the interest earnings on the Medical Center's nongeneral fund balances (primarily from patient revenues) to the Medical Center beginning in FY2002.

The legislation proposes that the Medical Center would receive, on a monthly basis, the imputed interest earned by the investment of its nongeneral fund operating cash balances currently on deposit with the State Treasurer. As amended, the bill would have a fiscal impact in the current biennium. The proposed legislation would create a general fund loss of approximately \$4.4 million in FY2002.

In addition, the bill states that the Medical Center may use the interest earnings to match federal Medicaid payments for indigent or low-income patients.

9. **Specific agency or political subdivisions affected:**

University of Virginia Medical Center
State Treasury

10. **Technical amendment necessary:** No.

11. Other comments: To ease the burden of the loss to the general fund, a House amendment to House Bill 1600 requires the Medical Center to deposit \$4.4 million to the general fund before June 30, 2002. Senate Bill 1384 is similar to House Bill 2870.

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cc: Secretary of Finance
Secretary of Education

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