

Department of Planning and Budget

2002 Fiscal Impact Statement

1. Bill Number SB32

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

2. Patron Chichester

3. Committee Finance

4. Title Higher Education 9(c) Bond Bill

5. Summary/Purpose: This bill authorizes the issuance of general obligation bonds subject to the provisions of Article X, Section 9(c) of the Constitution of Virginia in an amount not to exceed \$149,505,400 plus financing costs for revenue -producing capital projects at institutions of higher education of the Commonwealth. The bonds are backed by the full faith and credit of the Commonwealth and therefore constitute tax -supported debt. In addition, the bill includes an emergency clause and repeals Chapter 220 and 244 of the 2000 Acts of Assembly .

6. No Fiscal Impact. It is expected that the projects included in the bill will generate sufficient non-general fund revenues to pay operating expenses and debt service.

7. Budget amendment necessary : Yes. Capital authorization(s) and debt service have been included in the budget bill. The engrossed bill deletes one project for Virginia State University. Therefore, Item C -121 in House/Senate Bill 29 for Virginia State University should be omitted. In addition, the Central Appropriations language for the project reference in House Bill/Senate Bill 29 should also be omitted(Page 516, STRIKE lines 43 through 46.)

8. Fiscal implications: As currently written, capital financing will be provided for eleven new projects and nine carryover projects. Institutions will need non-general fund appropriations for debt service once the projects are complete. Institutions of higher education affected by the bill must set rates, fees, and/or charges at levels that will generate sufficient net revenues to retire the debt.

9. Specific agency or political subdivisions affected:

Treasury Board
University of Virginia
Virginia Commonwealth University
Christopher Newport University
Virginia Community College System
Virginia State University
Virginia Polytechnic Institute and State University

Department of the Treasury
College of William and Mary
George Mason University
James Madison University
Mary Washington College
Old Dominion University
Virginia Military Institute

10. Technical amendment necessary : No. (See #7.)

11. Other comments: None.

Date: 2/13/02/aps

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cc: Secretary of Finance
Secretary of Education