

**Department Planning and Budget
Preliminary 2004 Fiscal Impact Statement**

1. Patron Chichester 2. Bill Number SB 31

3. Committee Finance

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

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 \$255,316,600 plus financing costs for revenue-producing capital projects at institutions of higher education of the Commonwealth. Of this amount, \$137,700,600 relates to eighteen previously authorized projects being carried forward in this bill. The remaining \$117,616,000 is for seven new projects. 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 Chapters 4 and 157 of the 2003 Acts of Assembly.

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

7. **Budget amendment necessary:** No

8. **Fiscal implications - Capital:** As currently written, capital financing will be provided for seven new projects and eighteen carryover projects. Institutions will need nongeneral 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:**

Department of the Treasury/Treasury Board
George Mason University
Longwood University
University of Virginia
The College of William and Mary
University of Virginia's College at Wise
Virginia Commonwealth University
Virginia Polytechnic Institute and State University

Christopher Newport University
James Madison University
Mary Washington College
Old Dominion University
Virginia Military Institute
Virginia State University

10. **Technical amendment necessary:** No

11. **Other comments:** This bill is identical to House Bill 31.

Date: 1/12/04 aps

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c: Secretary of Finance

Secretary of Education