

## Department of Planning and Budget 2006 Fiscal Impact Statement

**1. Bill Number** HB1383

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	Engrossed
<b>Second House</b>	In Committee	<input type="checkbox"/> Substitute	<b>X</b> Enrolled

**2. Patron** Cox

**3. Committee** Appropriations

**4. Title** Veterans care center; construction in Hampton Roads.

**5. Summary/Purpose:**

Authorizes the Governor to request federal funds to construct a new veterans care center in the Hampton Roads area, and requires the State Treasurer to issue a short-term treasury loan in the amount of \$14.6 million for the state share of construction costs, once the United States Department of Veterans Affairs has determined that federal funds will be allocated for the new center.

**6. Fiscal Impact Estimates are:**

**6a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2006-07	0	0	
2007-08	0	0	
2008-09	\$15,000,000	0	General
	\$27,000,000	0	Nongeneral
2009-10	\$15,000,000	250	Nongeneral
2010-11	\$15,000,000	250	Nongeneral
2011-12	\$15,000,000	250	Nongeneral

**7. Budget amendment necessary:** No. The passage of this bill will allow the Governor to approve the capital project appropriation in FY 2008. Planning monies have previously been provided already been provided, with a capital project number assigned.

**8. Fiscal implications:** Construction of a new 240-bed Veterans Care Center in Hampton Roads will cost approximately \$41.5 million, with the Commonwealth of Virginia paying 35 percent of the project cost (\$14,532,801) and the federal government paying 65 percent (\$26,989,488). Commitment of state funding will move the project up on the United States Department of Veterans Affairs priority list. The project is presently ranked 128<sup>th</sup> out of 129 projects on the USDVA priority list for grant funding. Studies completed in 1998 and 2006 highlight the need for a veterans care center in the Hampton Roads area. Commonwealth of Virginia support – through a treasury loan or a general fund appropriation – will be required to support care center operations until reimbursement from federal fund and providers is received to provide start up funding. Reaching this break-even point is expected to take from 6-12 months. The operating costs of \$15 million are estimated based on the operating costs

of the Roanoke Veterans Care Center. After the break-even point is reached, all operating should be obtained from federal reimbursements.

**9. Specific agency or political subdivisions affected:** Department of Veterans Services

**10. Technical amendment necessary:** No

**11. Other comments:** none

**Date:** March 13, 2006 CAB

**Document:** G:\Fis 2006\Veterans\Hb1383ER.Doc Carol Bell

**cc:** Secretary of Public Safety