

Department of Planning and Budget 2006 Fiscal Impact Statement

1. Bill Number SB28

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

2. Patron Chichester

3. Committee Finance

4. Title Higher Education 9(c) Issuance 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 \$369,514,400 plus financing costs for revenue-producing capital projects. Of this amount, \$129,278,400 relates to 11 previously authorized projects being carried forward in this bill. The remaining \$240,236,000 is for 13 new capital projects and two supplements.

The bonds are backed by the full faith and credit of the Commonwealth and therefore, constitute tax-supported debt. The bill also states that an emergency exists and that the bill is in force from its passage. In addition, the bill repeals Chapters 2 and 813 of the 2004 Acts of Assembly and Chapter 83 of the 2005 Acts of Assembly for the issuance of bonds to the extent that the maximum amount of such bonds has not been issued.

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: 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:

George Mason University	James Madison University
College of William and Mary	University of Mary Washington
Christopher Newport University	Longwood University
Old Dominion University	Virginia State University
Virginia Polytechnic Institute and State University	Treasury Board
Department of the Treasury	

10. Technical amendment necessary: Yes. An incorrect project code, at the College of William and Mary, is cited in the introduced bill.

Page 1, line 42, strike "16646" and insert "16647"

11. Other comments: to Senate Bill 28 is identical to House Bill 77.

Date: 01/10/06 / aps

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cc: Secretary of Finance