

## Department of Planning and Budget 2007 Fiscal Impact Statement

1. **Bill Number** HB1711

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

2. **Patron** Callahan

3. **Committee** Senate Finance

4. **Title** Higher Education 9(c) Issuance Bill

5. **Summary/Purpose:** The introduced bill authorized 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 \$98,883,000 plus financing costs for revenue-producing capital projects. The engrossed version of the bill reduces the amount to be financed for George Mason University's Construct Student Housing VII by \$6.0 million, which decreases the authorization to issue bonds to \$92,883,000.

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.

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  
Old Dominion University  
Virginia Polytechnic Institute and State University  
Treasury Board

James Madison University  
Virginia State University  
Virginia Commonwealth University  
Department of the Treasury

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

11. **Other comments:** House Bill 1711 is similar to Senate Bill 770.

**Date:** 02/7/07 / aps

**Document:** g:\aps\legislation\2007\HB1711E.doc

**cc:** Secretary of Finance