

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number SB 770

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

2. Patron Chichester

3. Committee Passed Both Houses

4. Title Higher Education 9(c) Issuance Bill

5. Summary/Purpose: This 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 Senate substitute adds two projects, one at Christopher Newport University and one at James Madison University, and reduces funding for a project at George Mason University which increases the authorization to issue bonds for a total of \$103,550,000.

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	James Madison University
Old Dominion University	Virginia State University
Virginia Polytechnic Institute and State University	Virginia Commonwealth University
Christopher Newport University	Treasury Board
Department of the Treasury	

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 02/28/07 / aps

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c: Secretary of Finance