

## Department of Planning and Budget 2011 Fiscal Impact Statement

**1. Bill Number:** SB1386

House of Origin	X	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:** Colgan

**3. Committee:** Finance

**4. Title:** Use of the Lottery Proceeds Fund.

**5. Summary:** Use of the Lottery Proceeds Fund. Appropriates three percent of the moneys credited to the Lottery Proceeds Fund to the Department of Veterans Services for its use in meeting its statutory responsibilities.

**6. Budget Amendment Necessary:** Yes. Item 132, Direct Aid for Public Education; and the Department of Veterans Services.

**7. Fiscal Impact Estimates:** Preliminary. See item 8, below.

**8. Fiscal Implications:** All Virginia Lottery net income is transferred to the Lottery Proceeds Fund each year in accordance with requirements in the Appropriation Act, the Code of Virginia, and Article X, Section 7-A of the Constitution of Virginia. Because of the constitutional provision that dedicates 100 percent of Lottery proceeds to K-12 public education in Virginia, the General Assembly may appropriate amounts from the Fund for purposes other than public education by a vote of four-fifths of the members voting in each house.

HB1500/SB800 directs the deposit of an estimated \$435.2 million in FY 2011 and an estimated \$435.9 million in FY 2012 to the Lottery Proceeds Fund and the distribution of these funds to localities to support public education. Beginning in FY 2012, the bill will direct the transfer of three percent of monies credited to the Lottery Proceeds Fund to the Department of Veterans Services to support its programs for veterans. Based on the current estimated deposit to the Lottery Proceeds Fund for FY 2012, \$13.1 million in Lottery Proceeds Fund monies will be redirected from public education to Veterans Services. If these funds are not supplanted with general fund dollars, reductions to one or more Lottery funded programs will be required to account for the loss of Lottery proceeds.

**9. Specific Agency or Political Subdivisions Affected:** Department of Education, Direct Aid to Public Education; localities; and, the Department of Veterans Services.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** Passage of this bill may require additional guidance to the Department of Education on which programs to reduce or eliminate.

**Date:** 1/18/11

**Document:** G:\2011 Session\Legislation\SB1386.Doc