

## Department of Planning and Budget 2011 Fiscal Impact Statement

**1. Bill Number:** SB801

**House of Origin**    ☐ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☒ Enrolled

**2. Patron:** Colgan

**3. Committee:** Passed Both Houses

**4. Title:** Higher Educational Institutions Bond Act of 2011

**5. Summary:** Authorizes the Treasury Board to issue bonds pursuant to Article X, Section 9 (c) of the Constitution of Virginia in an amount up to \$64,579,000 plus financing costs to finance revenue-producing capital projects at Virginia Commonwealth University and Virginia State University.

The bonds are backed by the full faith and credit of the Commonwealth and therefore, constitute tax-supported debt. The bill also declares that an emergency exists and that the bill is effective upon passage.

**6. Budget Amendment Necessary:** No.

**7. No Fiscal Impact:** Final. It is expected that the projects, included in the bill, will generate sufficient nongeneral fund revenues to pay operating expenses and debt service.

**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:**

Virginia Commonwealth University  
Virginia State University  
Treasury Board  
Department of the Treasury

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

**11. Other Comments:** Senate Bill 801 is identical to House Bill 1505.

**Date:** 3/8/11/aps

**Document:** g:\aps\legislation\2011session\SB801ER.doc