

## Department of Planning and Budget 2012 Fiscal Impact Statement

**1. Bill Number:** SB31

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

**2. Patron:** Colgan

**3. Committee:** Finance

**4. Title:** Higher Educational Institutions Bond Act of 2012

**5. Summary:** The bill authorizes the Treasury Board to issue bonds pursuant to Article X, Section 9 (c) of the Constitution of Virginia in an amount up to \$124,594,000 plus financing costs to finance revenue-producing capital projects at five institutions of higher education.

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. Fiscal Impact:** Preliminary. The substitute bill revises the amounts for five projects to match the amounts included in Senate Bill 30 or in the Governor's Executive Amendments to the budget. It is expected that these projects 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:**

George Mason University  
Radford University  
The College of William and Mary  
Department of the Treasury

James Madison University  
Old Dominion University  
Treasury Board

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

**11. Other Comments:** None.

**Date:** 01/26/12

**Document:** g:\aps\legislation\2012\SB31S1.doc