

Department of Planning and Budget 2013 Fiscal Impact Statement

1. Bill Number: HB2343-ER

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: Sherwood

3. Committee: Passed Both Houses

4. Title: Issuance of bonds for purpose of grant payments to school divisions for security equipment.

5. Summary: Requires the Virginia Public School Authority (VPSA) to issue bonds for the funding of matching grants to local public school divisions for the purchase and installation of security equipment in public schools. The security equipment must be designed to improve and help ensure the safety of students attending public schools in Virginia. The Authority cannot issue more than \$6 million in bonds in any fiscal year of the Commonwealth, and no more than an aggregate principal amount of \$30 million in bonds may be outstanding at any time under the program. A local school division would be eligible to receive up to \$100,000 in security equipment grants each fiscal year. Local school divisions would apply to the Department of Education for the grants, which would be awarded on a competitive basis. The local school division would be required to match 25 percent of the grant amount. The Superintendent of Public Instruction would be authorized to reduce the required match for local school divisions with a composite index of local ability-to-pay less than 0.2000. The School for the Deaf and the Blind is eligible for the grant program but is exempt from the match requirement. The provisions of the bill are contingent upon funding for such purposes being included in the general appropriation act passed by the 2013 Session of the General Assembly, which becomes law.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final. See item 8.

8. Fiscal Implications: The budget approved by the House and Senate includes an additional \$1.3 million from the general fund in fiscal year 2014 to finance the debt service payments on \$6.0 million in equipment notes issues by the VPSA for the security equipment grant program, consistent with this legislation. The additional general fund appropriation will be used to supplant an equivalent amount from the Literary Fund currently used to support teacher retirement payments. The debt service payments for the security equipment grant program will be supported by the \$1.3 million made available in the Literary Fund as a result of the additional general fund appropriation. The debt service is based on a repayment

schedule of five years and the \$6.0 million in bond revenue will support grants of up to \$100,000 per school division each year.

- 9. Specific Agency or Political Subdivisions Affected:** Virginia Public School Authority, Department of Education, Virginia School for the Deaf and the Blind, and local school divisions.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** None.

Date: 2/4/13

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