

## Department of Planning and Budget 2023 Fiscal Impact Statement

**1. Bill Number:** SB1094

**House of Origin**    ☐ Introduced    ☒ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:**    Norment

**3. Committee:** Finance and Appropriations

**4. Title:**    Treasury Board; powers and duties.

**5. Summary:** Provides that the Treasury Board shall have the power and duty to approve the terms and structure of bonds, public-private partnerships, or other financing arrangements executed by private foundations for housing or other capital projects with respect to which an educational institution that is not a covered institution as defined in § 23.1-1000 is obligated to provide financial or other types of support. Recommendations to the Governor on proposed bond issues and other financing arrangements shall also be reported to the Chairmen of the Senate Committee on Finance and Appropriations and the House Committee on Appropriations.

**6. Budget Amendment Necessary:** See Item 8.

**7. Fiscal Impact Estimates:** Indeterminate; see Item 8.

**8. Fiscal Implications:** The impact of this bill is indeterminate, as it is unknown how many new transactions will need to be reviewed by Treasury Board as a result of the proposed legislation.

Treasury is authorized to charge entities that utilize alternative financing structures requiring Treasury Board approval up to 10 basis points of the amount financed in addition to a share of direct costs of issuance, with such amounts to be paid into the general fund pursuant to § 3-1.01, paragraph H. 3. of the Appropriation Act. Due to the unknown number and value of newly impacted transactions, any impact to general fund revenue from such charges is indeterminate. Treasury assesses charges to the entity that is executing the transaction. Because the transactions impacted by the bill are executed by private foundations, the private foundation would be responsible for any charges.

If the number of additional transactions in need of review is large enough, it is possible that additional staffing at the Department of the Treasury may be needed. However, if this were to be the case, general fund revenue generated from the charges discussed above would be expected to offset any additional expenses Treasury would incur. In such case, general fund appropriation to support any additional staff necessary would need to be provided to

Treasury. As written, the bill is expected to apply to public institutions of higher education except for those with tier 3 status. With the exclusion of institutions with tier 3 status, Treasury believes it is unlikely that additional staff would be needed.

**9. Specific Agency or Political Subdivisions Affected:** Treasury Board, Department of the Treasury, institutions of higher education.

**10. Technical Amendment Necessary:** No

**11. Other Comments:** This bill is similar HB 1912. Similar requirements are also proposed in § 4-4.01, paragraph v., of the introduced budget HB 1400/SB 800.

2/3/2023