

Department of Planning and Budget 2006 Fiscal Impact Statement

1. Bill Number HB1383

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

2. Patron Cox

3. Committee Appropriations

4. Title Veterans care center; construction in Hampton Roads.

5. Summary/Purpose:

Authorizes the Governor to request federal funds to construct a new veterans care center in the Hampton Roads area, and requires the State Treasurer to issue a short-term treasury loan in the amount of \$14.6 million for the state share of construction costs, once the United States Department of Veterans Affairs has determined that federal funds will be allocated for the new center.

6. Fiscal Impact Estimates are:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2006-07	0	0	
2007-08	0	0	
2008-09	\$15,000,000	0	General
	\$27,000,000	0	Nongeneral
2009-10	\$15,000,000	250	Nongeneral
2010-11	\$15,000,000	250	Nongeneral
2011-12	\$15,000,000	250	Nongeneral

7. Budget amendment necessary: No

8. Fiscal implications: Construction of a new 240-bed Veterans Care Center in Hampton Roads will cost approximately \$41.5 million, with the Commonwealth of Virginia paying 35 percent of the project cost (\$14,532,801) and the federal government paying 65 percent (\$26,989,488). Commitment of state funding will move the project up on the United States Department of Veterans Affairs priority list. The project is presently ranked 128th out of 129 projects on the USDVA priority list for grant funding. Studies completed in 1998 and 2006 highlight the need for a veterans care center in the Hampton Roads area. Commonwealth of Virginia support – through a treasury loan or a general fund appropriation – will be required to support care center operations until reimbursement from federal fund and providers is received to provide start up funding. Reaching this break-even point is expected to take from 6-12 months. The operating costs of \$15 million are estimated based on the operating costs of the Roanoke Veterans Care Center. After the break-even point is reached, all operating should be obtained from federal reimbursements.

9. Specific agency or political subdivisions affected: Department of Veterans Services

10. Technical amendment necessary: No

11. Other comments: none

Date: February 15, 2006 CAB

Document: G:\Fis 2006\Veterans\Hb1383.Doc Carol Bell

cc: Secretary of Public Safety