

## Department of Planning and Budget 2007 Fiscal Impact Statement

**1. Bill Number** SB 770

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

**2. Patron** Chichester

**3. Committee** Appropriations

**4. Title** Higher Education 9(c) Issuance Bill

**5. Summary/Purpose:** This introduced bill authorized the issuance of general obligation bonds subject to the provisions of Article X, Section 9(c) of the Constitution of Virginia in an amount not to exceed \$98,883,000 plus financing costs for revenue-producing capital projects. The Senate substitute adds two projects, one at Christopher Newport University and one at Old Dominion University, and reduces funding for a project at George Mason University which increases the authorization to issue bonds for a total of \$103,550,000.

The bonds are backed by the full faith and credit of the Commonwealth and therefore, constitute tax-supported debt. The bill also states that an emergency exists and that the bill is in force from its passage.

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

**7. Budget amendment necessary:** No.

**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	James Madison University
Old Dominion University	Virginia State University
Virginia Polytechnic Institute and State University	Virginia Commonwealth University
Christopher Newport University	Treasury Board
Department of the Treasury	

**10. Technical amendment necessary:** No.

**11. Other comments:** According to the Department of the Treasury, financial feasibility studies have been submitted by the impacted institutions.

**Date:** 02/7/07 / aps

**Document:** g:\aps\legislation\2007\SB770S1.doc

c: Secretary of Finance