

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: SB31

House of Origin	<u>X</u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Colgan

3. Committee: Finance

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

5. Summary/Purpose: This bill authorizes 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 \$350,565,000 plus financing costs for revenue-producing capital projects. Of this amount, \$45,630,000 relates to supplements for previously authorized projects. The remaining \$307,739,000 is for new capital projects.

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	Radford University
The College of William and Mary	Old Dominion University
Virginia Polytechnic Institute and State University	Virginia State University
Treasury Board	Department of the Treasury

10. Technical amendment necessary: No.

11. Other comments: Senate Bill 31 is identical to House Bill 31.

Date: 01/11/08/aps

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cc: Secretary of Finance