

## Department of Planning and Budget 2011 Fiscal Impact Statement

**1. Bill Number:** HB1505

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

**2. Patron:** Putney

**3. Committee:** Appropriations

**4. Title:** Higher Educational Institutions Bond Act of 2011

**5. Summary:** Authorizes the Treasury Board to issue bonds pursuant to Article X, Section 9 (c) of the Constitution of Virginia in an amount up to \$64,579,000 plus financing costs to finance revenue-producing capital projects at Virginia Commonwealth University and Virginia State University.

The bonds are backed by the full faith and credit of the Commonwealth and therefore, constitute tax-supported debt. The bill also declares that an emergency exists and that the bill is effective upon passage.

**6. Budget Amendment Necessary:** No.

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

**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:**

Virginia Commonwealth University  
Virginia State University  
Treasury Board  
Department of the Treasury

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** House Bill 1505 is identical to Senate Bill 801.

**Date:** 01/13/11/aps

**Document:** g:\aps\legislation\2011\HB1505.doc