

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: SB801

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

2. Patron: Colgan

3. Committee: Finance

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: Senate Bill 801 is identical to House Bill 1505.

Date: 01/13/11/aps

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