

Department of Planning and Budget 2014 Fiscal Impact Statement

1. Bill Number: SB394

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

2. Patron: Stosch

3. Committee: Appropriations

4. Title: Higher Educational Institutions Bond Act of 2014

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 \$245,020,705 plus financing costs to finance revenue-producing capital projects at five institutions of higher education.

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. Fiscal Impact. Preliminary. The projects listed in this bill are included in Senate Bill 30 and House Bill 30, as amended by the Senate and House of Delegates. It is expected that these projects will generate sufficient nongeneral fund revenues to pay operating expenses and debt service.

8. Fiscal Implications: The substitute bill adds two projects, one at Christopher Newport University and one at James Madison University, which increase the total amount to be issued by \$90,236,705 to the introduced bill. 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:

Christopher Newport University
College of William and Mary
James Madison University

Old Dominion University
Virginia Commonwealth University

10. Technical Amendment Necessary: No

11. Other Comments: House Bill 869 (enrolled) is identical to Senate Bill 394.

Date: 2/26/14