

Department of Planning and Budget

2018 Fiscal Impact Statement

1. Bill Number: SB658

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

2. Patron: Wagner

3. Committee: Passed both houses

4. Title: Literary Fund; application for loans by regional and joint schools.

5. Summary: Clarifies that school boards of school divisions participating in a regional or joint school may jointly apply to the Board of Education for a loan from the Literary Fund to benefit the regional or joint school.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Final. See Item 8.

8. Fiscal Implications: Current budget language specifies that the Department of Education may offer Literary Fund loans from the uncommitted balances of the Literary Fund after meeting the obligations of the interest rate subsidy sales and from the amounts set aside from the Literary Fund for Debt Service Payments for Education Technology. This bill could increase the amount of Literary Fund loan applications from local school divisions, but Literary Fund loans are authorized pursuant to available funds.

Article VIII, Section 8, of the Constitution of Virginia, states that as long as the principal of the Literary Fund totals as much as \$80 million, the General Assembly may set aside all or any part of additional moneys received into the Fund's principal for public school purposes, including the teachers retirement fund. Based on fall 2017 Literary Fund projections, SB30, 2018 General Assembly Session, appropriates \$146.3 million in FY 2019 and \$136.3 million in FY 2020 from the Literary Fund for school employee retirement contributions. Any increase in the amount of loans authorized could reduce the amount available for retirement contributions, which could increase the state general fund cost for these contributions. Any actual fiscal impact is indeterminate.

9. Specific Agency or Political Subdivisions Affected: Board of Education, Department of Education, Virginia Public School Authority, Department of the Treasury, local school divisions

10. Technical Amendment Necessary: No

11. Other Comments: None