

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6727

BILL NUMBER: SB 245

DATE PREPARED: Dec 15, 1999

BILL AMENDED:

SUBJECT: University bonding authorization.

FISCAL ANALYST: Mark Goodpaster

PHONE NUMBER: 232-9852

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: (A) This bill provides that the bonding authorization in the 1999 budget for the undergraduate business school at the Bloomington campus of Indiana University is for an addition instead of a renovation.

(B) It provides that the maximum amount of bonds that may be issued for the Purdue Memorial Union project is \$9,500,000 (instead of providing that the cost of the project may not exceed \$9,500,000).

(C) It eliminates a provision concerning bonding authority for the recreation-gymnasium project at the West Lafayette campus.

Effective Date: Upon passage.

Explanation of State Expenditures: (A) P.L. 273 -1999 (the Budget Bill) authorized Indiana University to issue and sell bonds for renovating the undergraduate business school. This bill changes the authorization to allow Indiana University to issue and sell bonds for building an addition to the current undergraduate business school rather than renovating the building.

(B) Under the Budget Bill, Purdue University was authorized to issue and sell bonds for remodeling the Purdue Memorial Union project on the West Lafayette campus. The cost of the project may not exceed \$9.5 million. This bill provides that the maximum debt that Purdue would be permitted to issue would be \$9.5 million and removes any limit on the project's cost. Under current law, gifts, bequests, and other contributions can also be used to pay for the cost of capital projects.

(C) The Budget Bill permits Purdue to issue bonds of \$5 million to remodel the Recreation Gymnasium at the West Lafayette campus. However, the Budget Bill also specifies that the project must be financed through lease purchase arrangements and that no bonding authority may be used to finance the costs. This bill would

eliminate the conflicting language and permit the project to be financed with debt incurred by Purdue.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana University, Purdue University

Local Agencies Affected:

Information Sources: IC 20-12-5.5; P.L. 273 -1999.