

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2017 REGULAR SESSION**

MEASURE

2017 BR NUMBER **0069**

SENATE BILL NUMBER **13**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to the Bowling Green Veterans Center, making an appropriation therefor, and declaring an emergency.**

SPONSOR **Senator Wilson**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: **Veteran's Affairs**

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			
EXPENDITURES		\$897,000	\$897,000 *
NET EFFECT		(\$897,000)	(\$897,000)

() indicates a decrease/negative

*Assumes bonds are issued in fiscal year 2017-2018. These assumptions do not include any operating revenues received or expenditures incurred by the veterans center.

MEASURE'S PURPOSE:

The purpose of the measure is to authorize state matching funds for the Bowling Green Veterans Center so the project may be submitted to the United States Department of Veterans Affairs (USDVA). This allows the project to be placed on a waiting list to receive federal funding to construct the nursing home facility.

PROVISIONS/MECHANICS:

Section 1 authorizes the Department of Veterans Affairs \$19,500,000 of Federal Funds and \$10,500,000 of Bond Funds in fiscal year 2016-2017 for the construction of a veterans nursing home in Bowling Green. Section 1 specifies that no bonds will be issued until the USDVA has approved the Federal Funds for the project.

Section 2 provides that any debt service required for the issuance of bonds to construct the Bowling Green Veterans Center shall be deemed a necessary government expense and paid from the General Fund Surplus Account or the Budget Reserve Trust Fund.

Section 3 provides an emergency clause.

FISCAL EXPLANATION:

The measure is authorizing the Department of Veterans Affairs state matching funds for the Bowling Green Veterans Center. This will allow the project to be placed on a waiting list by the USDVA until Federal Funds become available. However, there is no fiscal impact until the Federal Funds become available and the bonds are issued.

Assuming the Bowling Green Veterans Center is approved for federal funding by the USDVA in the current biennium, the General Fund debt service on \$10,500,000 of Bond Funds will be \$897,000 per annum, given the debt assumptions used in the current biennium of 5.5 percent interest and a 20-year repayment term on newly issued bonds.

DATA SOURCE(S): LRC Budget Staff

PREPARER: Seth Dawson NOTE NUMBER: 16 REVIEW: JRS DATE: 1/12/2017