1998 Session

Budget Bill - HB30 (Chapter 464)

General Conditions

§ 2-0. GENERAL CONDITIONS

A.1. The General Assembly hereby authorizes the capital projects listed in this act. The amounts hereinafter set forth are appropriated to the state agencies named for the indicated capital projects. Amounts so appropriated and amounts reappropriated pursuant to Item C-7 of this act shall be available for expenditure during the current biennium, subject to the conditions controlling the expenditures of capital project funds as provided by law. Reappropriated amounts, unless otherwise stated, are limited to the unexpended appropriation balances at the close of the previous biennium, as shown by the records of the Department of Accounts.

2. The Director of the Department of Planning and Budget may transfer appropriations listed in Part 2 of this act from the second year to the first year in accordance with § 4-1.03 a.3. of this act.

B. The five-digit number following the title of a project is the code identification number assigned for the life of the project.

C. Except as herein otherwise expressly provided, appropriations or reappropriations for structures may be used for the purchase of equipment to be used in the structures for which the funds are provided, subject to guidelines prescribed by the Governor.

D. Notwithstanding any other provisions of law, requests for appropriations for capital projects shall be subject to the following:

1. Appropriations or reappropriations of funds made pursuant to this act for planning of capital projects shall not constitute implied approval of construction funds in a future biennium. Funds, other than the reappropriations referred to above, for the preparation of capital project proposals and preplanning studies must come from the affected agency's existing resources.

2. The agency shall submit a capital project proposal for all requested capital projects. Such proposals shall be submitted to the Director, Department of Planning and Budget, for review and approval in accordance with guidelines prescribed by the Director. Projects shall be developed to meet agency functional and space requirements within a cost range comparable to similar public and private sector projects.

3. Any preplanning studies subsequently prepared shall be submitted to the Director, Department of General Services, for review in accordance with such guidelines. Unless otherwise determined by the Director, Department of Planning and Budget, such preplanning studies are required for all projects for which appropriations have been made and which meet the criteria for preplanning studies specified in the instructions for the preparation of the Executive Budget.

4. Capital project proposals and preplanning studies shall be submitted to the House Appropriations Committee and the Senate Finance Committee at the same time they are submitted as specified above. No action shall be taken on requests for appropriations until required capital project proposals and preplanning studies are received by these committees.

5. No capital project for which appropriations for planning are contained in this act, nor any project for which appropriations for planning have been previously approved, shall be considered for construction funds until preliminary plans and cost estimates are reviewed by the Department of General Services for compliance with paragraph D.3. above. The purpose of this review is to avoid unnecessary expenditures for each project.

6. All requests for appropriations for capital projects by institutions of higher education shall comply, where applicable, with the Alternative Construction and Financing Guidelines of the Secretary of Finance dated July 1, 1992, and any subsequent amendments thereto.

7. As part of any request for appropriations for an armory, the Department of Military Affairs shall obtain a written

commitment from the host locality to share in the operating expense of the armory.
E. Directors or superintendents of institutions or state facilities will certify to the Director, Department of General Services by June 30 of each year, that necessary roof repairs to buildings under their control have been given first priority for repair or renovation and that to the best of their knowledge all necessary roof repairs have been accomplished or the necessary funds requested before requesting funds for other renovations or construction.
F. Expenditures from Items in this act identified as "Maintenance Reserve" are to be made only for the maintenance of property, plant and equipment to the extent that funds included in the appropriation to the agency for this purpose in Part 1 of this act are insufficient. Such expenditures shall be subject to rules and regulations prescribed by the Governor. Only facilities supported wholly or in part by the general fund shall utilize general fund maintenance reserve appropriations. Facilities totally supported by nongeneral funds shall accomplish maintenance through the use of nongeneral funds.
G. The Department of Planning and Budget shall maintain a preplanning process as part of the Commonwealth's approach to capital outlay planning and budgeting. The purpose of this process shall be to define each proposed capital project in terms of its scope, size, and cost. For this purpose, the Department may require agencies and institutions to submit either a preplanning study, including preliminary schematics for the project, or other information as necessary to identify the design parameters, including any special features and requirements associated with the project and a realistic project budget. The Department of Planning and Budget shall review its approach to capital outlay planning and budgeting from time to time and report any proposed change to the Chairmen of the House Appropriations and Senate Finance Committees prior to its implementation. Such report shall include an analysis of the impact of the suggested change on affected agencies and institutions.
H. Conditions Applicable to Bond Projects
1. The General Assembly hereby authorizes the capital projects listed in §§ 2-2 and 2-3 for the indicated institutions of higher education and hereby appropriates and reappropriates therefor sums from the sources and in the amount indicated plus amounts needed to fund issuance costs, reserve funds, and other financing expenses. The issuance of bonds in a principal amount plus amounts needed to fund issuance costs, reserve funds, and other financing expenses for any project listed in §§ 2-2 and 2-3 is hereby authorized.
2. The issuance of bonds for any project listed in § 2-2 is to be separately authorized pursuant to Article X, Section 9(c), of the Constitution of Virginia.
3. The issuance of bonds for any project listed in Item C-8 or C-9 shall be authorized pursuant to § 23-19 of the Code of Virginia.
4. In the event that the cost of any capital project listed in §§ 2-2 and 2-3 shall exceed the amount appropriated therefor, the Director, Department of Planning and Budget, is hereby authorized, upon request of the affected institution, to approve an increase in appropriation authority of not more than ten percent of the amount designated in §§ 2-2 and 2-3 for such project, from any available nongeneral fund revenues, provided that such increase shall not constitute an increase in debt issuance authorization for such capital project. Furthermore, the Director, Department of Planning and Budget, is hereby authorized to approve the expenditure of all interest earnings derived from the investment of bond proceeds in addition to the amount designated in §§ 2-2 and 2-3 for such capital project.
5. The interest on bonds to be issued for these projects may be subject to inclusion in gross income for federal income tax purposes.
6. Inclusion of a project in this act does not imply a commitment of state funds for temporary construction financing. In the absence of such commitment, the institution may be responsible for securing short-term financing and covering the costs from other sources of funds.
7. In the event that the Treasury Board determines not to finance all or any portion of any project listed in Item C-8 of § 2-2 of this act with the issuance of bonds pursuant to Article X, Section 9(c), of the Constitution, and notwithstanding any provision of law to the contrary, this act shall constitute the approval of the General Assembly to finance all or such portion of any project listed in Item C-9 under the authorization of § 2-3 of this act.
8. The General Assembly further declares and directs that, notwithstanding any other provision of law to the contrary, 50 percent of the proceeds from the sale of surplus real property pursuant to § 2.1-504, Code of Virginia, et seq., which pertain to the general fund, and which were under the control of an institution of higher education prior to the sale, shall be deposited in a special fund set up on the books of the Comptroller, which shall be known as the Higher Education Capital Projects Fund. Such sums shall be held in reserve, and may be used, upon

appropriation, to pay debt service on bonds for the 21st Century College Program as authorized in Item C-7.10 of Chapter 924 of the Acts of Assembly of 1997.

I. Nothing in §§ 2-0 and 4-4.00 of this act shall be deemed to override the provisions of §§ 2.1-483.1 and 62.1-132.6, Code of Virginia, amended by Chapter 488, 1997 Acts of Assembly relating to Virginia Port Authority capital projects and procurement activities.