

## Capital Outlay

The capital outlay amendments for FY 2002 provide a net increase of \$376.3 million in project funding – mostly for previously approved projects that were delayed last year. Specific actions include \$262.6 million in state-supported debt, through the Virginia College Building Authority and the Virginia Public Building Authority, largely to address general fund projects frozen through Executive Order 74 last year.

The adopted budget provides \$50.4 million in 9 (c) and 9 (d) bond authority for auxiliary enterprise projects at colleges and universities. The budget also includes \$135.0 million in state-supported debt for the Virginia Port Authority.

<b>CAPITAL AMENDMENTS FOR 2002 BUDGET BILL</b>	
	<b><u>\$ in millions</u></b>
General Funds	(\$66.7)
VCBA Bonds	206.4
VPBA Bonds	56.2
VPA Bonds	135.0
9(d) Bonds	45.1
9(c) Bonds	5.3
Nongeneral Funds	<u>(5.0)</u>
<b>Total</b>	<b>\$376.3</b>

### **Executive Order 74 (01)**

To address declining revenues, in March 2001 the Governor issued Executive Order 74 to freeze \$274.5 million of general fund projects authorized in 2000-02 and in prior biennia. The frozen projects were those that were not yet under contract or which had unneeded balances. Included in this amount was \$25.0 million for maintenance reserve projects.

Over the summer and fall of 2001, the Governor restored funding to selected projects through an administrative appeals process. As of October, 2001, \$108.7 million in general fund projects had been restored.

<b>CAPITAL PROJECTS IN EXECUTIVE ORDER 74</b>		
	<b>Frozen</b>	<b>Restored</b>
Higher Education	\$214.5	\$81.3
Other Education	30.2	24.9
Health & Human Resources	6.1	0.7
Public Safety	9.5	1.2
General Government	10.1	0.2
Commerce & Trade	1.9	0.2
Natural Resources	<u>2.2</u>	<u>0.0</u>
<b>Total</b>	<b>\$274.5</b>	<b>\$108.7</b>

The budget as adopted provides \$206.4 million in Virginia College Building Authority (VCBA) debt. This amount supplants \$72.2 million of previously restored projects with VCBA bonds. In addition, \$99.9 million of VCBA bonds are provided in order to advance frozen projects that were not restored by the Governor on appeal. Finally, \$34.3 million of VCBA bonds are provided to supplement frozen and existing projects due to increases in project costs or equipment previously removed from the projects.

The budget also provides \$56.2 million of Virginia Public Building Authority (VPBA) debt. The VPBA bonds also are used to supplant previously restored projects (\$21.4 million), to advance frozen projects not restored (\$20.3 million), and to supplement frozen projects (\$14.5 million).

Not all frozen projects were restored through debt funding. The \$25.0 million for Maintenance Reserve projects is not restored, and the funds were reverted to the general fund balance.

Other capital outlay projects included in the budget as adopted are described below:

- **University of Virginia**
  - ***Supplement to Clark Hall Project.*** Provides \$5.0 million in VCBA bond authority to supplement an existing project. The supplement will address high bids and unanticipated rock excavation.
- **Radford University**
  - ***Norwood Street Safety.*** Provides \$1.6 million in VCBA bond authority for the re-alignment of Route 11. The project will eliminate pedestrian safety issues on the campus.
- **Jamestown-Yorktown Foundation**
  - ***Café and Visitor Center.*** Provides \$415,000 in VPBA bond authority for communications and visitor orientation technology in the Visitor Center.
- **Department of Conservation and Recreation**
  - ***Daniel Boone Wilderness Trail.*** Provides \$1.6 million in federal funds for construction of a trail at Wilderness Road State Park, along with the construction of restrooms, picnic shelters, and a maintenance facility.
- **Virginia Port Authority**
  - ***Improve Norfolk International Terminal.*** Provides authorization for the issuance of up to \$135.0 million in Commonwealth Port Fund bonds. The funds would be used to upgrade and improve the facilities at the south terminal of Norfolk International. Language in the budget provides that the bonds will be backed by the Commonwealth Port Fund, the Transportation Trust Fund, and the General Fund.
- **Central Appropriations**
  - ***Maintenance Reserve.*** Reduces from \$50.0 million to \$25.0 million the amount available for maintenance reserve projects at state agencies. The funding is used for such items as the installation of new roofing, needed electrical repairs, and the repair of heating and cooling systems. These funds were frozen under Executive Order 74.