

Capital Outlay

The Governor’s proposed capital outlay amendments include a net increase of \$561.6 million in project funding. Specific actions include an increase of \$166.5 million from the state general fund largely for cost overruns on previously approved projects and for funding of capital maintenance reserve, \$10.6 million in 9(c) bond authority, \$159.4 million in 9(d) bond authority for auxiliary enterprise and other nongeneral fund revenue-supported projects at the colleges and universities, and \$225.1 million in nongeneral fund cash projects.

Capital Outlay Proposed Amendments (by Fund Source)	
<u>Fund Type</u>	<u>\$ Millions</u>
Budget Bill:	
General Funds	\$166.5
9 (c) Bonds	10.6
9 (d) Bonds	159.4
Nongeneral Funds	<u>225.1</u>
Total	\$561.6

Tables at the end of this narrative detail the proposed projects.

Selected Capital Outlay Actions

- **Department of General Services**
 - *Purchase Old City Hall.* Proposes \$7.6 million GF in the second year to obtain leasehold interest in Old City Hall and a 105-space parking lot on Broad Street directly across from the building.
- **Equipment Supplements**
 - *Equipment for Various Agencies.* Provides \$31.6 million GF to purchase furnishings and equipment for projects scheduled to open in the upcoming biennium. The table below summarizes the allocation for each project.

Equipment Supplements
(\$ in millions)

<u>Agency/Project</u>	<u>Amount</u>
Department of Forestry	
Abingdon Mechanic Shop and Cold Storage and Grayson and Carroll Counties Area Offices	\$ 0.1
Christopher Newport University	
Library / Information Technology Center	1.8
Virginia Institute of Marine Science	
Marine Research Building	0.4
University of Mary Washington	
James Monroe Center Campus	0.6
Norfolk State University	
Education Building	0.2
Robinson Technology Building	0.5
RISE Building	4.0
Old Dominion University	
Physical Sciences Building	3.9
Virginia Commonwealth University	
Hibbs Building	0.2
Hibbs Building Classrooms	0.5
Virginia Community College System	
Fine Arts Building, Blue Ridge	1.2
Various Campus Facilities, Dabney S. Lancaster	0.5
Virginia Military Institute	
Nichols Engineering Building	3.2
Virginia Tech	
Biology Building	5.0
Phase I Classrooms	2.7
Virginia State	
Science and Technology Building	2.0
Department of Conservation and Recreation	
Various State Parks	2.7
Virginia Museum of Natural History	
New Museum	<u>2.1</u>
Total Equipment Supplements	\$ 31.6

- **Longwood University**
 - *Willett Hall Addition.* Proposes \$0.6 million GF to construct an addition to Willett Hall for the Athletic Training Education Program to meet accreditation for space requirements.
- **Virginia Military Institute**
 - *Kilbourne Hall Complex Renovation.* Recommends an additional \$3.7 million GF to renovate the Kilbourne Hall Complex. The 2004 General Assembly provided \$9.1 million GF for this project along with authorization for \$9.1 million NGF in anticipation that federal funding might be available to supplement the project. Because the institution was unsuccessful in attracting federal funds for this purpose, additional general fund support is required in order to complete the project.
- **Capital Project Cost Overruns**
 - *Project Supplements.* Recommends \$69.3 million GF to supplement previously approved capital projects that have experienced significant cost increases in building materials primarily steel and concrete. The proposed increase includes \$25.0 million for the Virginia Community College System and \$15.5 million for the Department of Conservation and Recreation. No projects are specified in the Virginia Community College System or the Department of Conservation and Recreation; however language in each area requires that the projects be evaluated to include potential cost savings before transferring funds to a particular project. The language also requires that the projects maintain their original programmatic intent. In addition to the amounts above, \$28.8 million is recommended in Central Capital Outlay for the remaining capital projects in higher education institutions, the Department of Agriculture, the Department of Forestry and the Department of Corrections. While specific projects are listed in the central capital outlay item, no specific amounts are allocated to each project. Language authorizes the Director of the Department of Planning and Budget to transfer amounts as necessary from the \$28.7 million to address the cost overruns for the projects listed.
- **Central Capital Outlay, Norfolk State and Virginia State Maintenance Reserve**

- *Maintenance Reserve.* Proposes \$45.4 million GF the first year for deferred maintenance projects at state agencies, including new roofing, electrical repairs, and replacement of heating systems. In addition, language acknowledges that the second year appropriation was transferred administratively to the first year. In total this results in \$90.7 million GF made available in the first year to address deferred maintenance statewide.