

*Report of the
House Appropriations
Subcommittee*

on

Capital Outlay



House Bill 1500

February 6, 2005

**Respectfully Submitted by the House Appropriations Subcommittee
on Capital Outlay:**

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REPORT OF THE SUBCOMMITTEE

On

CAPITAL OUTLAY

Mr. Chairman and Members of the Committee:

On behalf of the Capital Outlay Subcommittee, I am pleased to offer budget recommendations that address the priorities of addressing cost overruns for previously approved projects and renovating and repairing our existing state facilities, especially the deferred capital maintenance backlog. The Subcommittee adopted two key priorities in meeting these priorities - **NO** new, tax-supported debt and **NO** general funds to plan new projects which would create an expensive obligation beyond this General Assembly.

As you know, Mr. Chairman, the cost of construction has increased significantly in the past year, due primarily to price increases in steel and concrete. As a result, the Subcommittee's largest recommendation is for \$58.1 million of general funds to address these cost overruns. The Subcommittee chose to handle this funding in a different way than the proposed budget. The proposed budget created an account under the control of central government. The Subcommittee's recommendations distribute the funds for the cost overruns to the project level, giving agencies the maximum flexibility to manage these projects, which will allow the projects to move forward in a timely manner.

Tackling the deferred maintenance backlog has been a central issue for this Subcommittee for several years. We heard testimony from our Auditor of Accounts who presented several recommendations on this issue. However, these recommendations reflect a significant departure from the present way we do business and until we get a better assessment from every agency on the magnitude of deferred maintenance, implementing these recommendations would be presumptuous. Therefore, Mr. Chairman, the Subcommittee recommends \$47.8 million of general funds for capital maintenance projects. This is \$2.4 million more than the proposed

budget with the increased funding allocated to the Department of Conservation and Recreation for the maintenance needs in our state parks.

In addition, Mr. Chairman, the Subcommittee recommends \$28.5 million for equipment for capital projects that are expected to open in the next two years. These funds provide the necessary lead time to acquire the equipment that ensures these buildings are ready to be utilized on schedule.

Also, Mr. Chairman, the Subcommittee recommends \$28.7 million for several high-priority projects that require immediate attention. These include \$7.4 million to fully fund Kilbourne Hall at Virginia Military Institute and \$3.1 million for repairs at the Southeast Virginia Training Center. In addition, while the proposed budget includes \$1.2 million for expansion of the Norfolk Forensic Lab, it does not address the need for a forensic lab in Northern Virginia. Therefore, the Subcommittee recommends \$2.0 million to establish the Northern Virginia Forensics Lab. The Subcommittee also recommends \$8 million in general funds for the first installment of the state share to acquire Rockingham Hospital at James Madison University.

The remaining capital recommendations proposed by the Subcommittee involve the use of about \$127.6 million of nongeneral funds and 9(d) revenue bonds, primarily at our public colleges and universities. Most of these projects are supported by gifts, federal funds, or auxiliary enterprises.

Finally, Mr. Chairman, the Subcommittee recommends several savings actions, the largest of which is \$7.6 million proposed to acquire the leasehold interest in Old City Hall. Instead, the Subcommittee recommends that the Department of General Services examine the feasibility of using nongeneral fund revenue bonds that would be supported by the organizations who presently lease space in the building. In addition, there are several equipment item amendments which reflect an adjustment for the original equipment requests for these particular projects and which were over-funded in the proposed budget.

The details of the Subcommittee's report are contained in the attachments. Committee staff will review our report and the attached listing of

our recommendations in greater detail, and we hope it will be your pleasure to adopt the report.

House Bill 1500
Capital Outlay
Amendment

2004-06 BIENNIAL TOTAL

| | |
|--------------------|--------------------|
| General | Nongeneral |
| <u>Fund</u> | <u>Fund</u> |

Treasury Board

| | | |
|---|---|----------|
| Treasury Board Technical Language | 0 | Language |
| Treasury Board Carryforward (Program 143) | 0 | Language |
| Treasury Board Carryforward (Program 743) | 0 | Language |

Department Of General Services

| | | |
|----------------------------|-------------|------------|
| Replace Power Transformer | 350,000 | 0 |
| Replace Chiller | 625,000 | 0 |
| Capitol Equipment | 2,542,550 | 0 |
| VRS Parking Deck | 0 | Language |
| 8th / 9th St Parking Deck | 0 | 16,000,000 |
| Old City Hall Revenue Bond | (7,600,000) | 7,600,000 |

Department Of Veterans Services

| | | |
|---------------------------------|---|----------|
| Veterans Care Center Supplement | 0 | Language |
|---------------------------------|---|----------|

Department Of Agriculture and Consumer Services

| | | |
|--------------------------|---------|---|
| Harrisonburg Lab Overrun | 392,000 | 0 |
|--------------------------|---------|---|

Department of Forestry

| | | |
|--|---------|---|
| Grayson and Carroll Area Offices Overrun | 133,000 | 0 |
|--|---------|---|

The College Of William And Mary In Virginia

| | | |
|----------------------------|---|-----------|
| Parking Deck Supplement | 0 | 3,500,000 |
| Acquire Community Hospital | 0 | Language |
| Football Field Supplement | 0 | 3,250,000 |
| Historic Campus Repairs | 0 | 1,700,000 |
| Rec Sports Center | 0 | 2,750,000 |

George Mason University

| | | |
|---------------------------|-----------|-----------|
| Arlington II Overrun | 3,200,000 | 0 |
| Child Development Center | 0 | 1,800,000 |
| Patriot Center Supplement | 0 | 1,000,000 |
| North Loop Overrun | 378,000 | 0 |
| Fieldhouse Supplement | 0 | 600,000 |
| New Info Tech School | 0 | Language |
| Property Acquisition | 0 | 2,000,000 |

James Madison University

| | | |
|------------------------------|-----------|---|
| Harrison Hall Overrun | 180,000 | 0 |
| Storm Sewers Overrun | 90,000 | 0 |
| Steam Infrastructure Overrun | 90,000 | 0 |
| Property Acquisition | 8,000,000 | 0 |

Longwood University

House Bill 1500
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2004-06 BIENNIAL TOTAL
General **Nongeneral**
Fund **Fund**

| | | |
|---|-------------|------------|
| Bedford Wygal Overrun | 1,000,000 | 0 |
| Soccer fields capital project fund source | 0 | Language |
| Lancer Gymnasium and Willet Hall fund sourc | 0 | Language |
| University Of Mary Washington | | |
| James Monroe Center II Equipment | 500,000 | 0 |
| Lee Hall Overrun | 3,574,000 | 0 |
| James Monroe Center II Overrun | 1,100,000 | 0 |
| Norfolk State University | | |
| RISE Equipment Adjustment | (2,000,000) | 0 |
| Old Dominion University | | |
| Physical Science Building Scope Change | 0 | Language |
| Physical Science Overrun | 1,080,000 | 0 |
| Batten Arts Overrun | 735,000 | 0 |
| Hughes Hall Overrun | 446,000 | 0 |
| Tri-Cities Center Overrun | 444,000 | 0 |
| Teletechnet Classrooms Overrun | 256,000 | 0 |
| Health and PE Building Overrun | 170,000 | 0 |
| Parking Garage Technical Change | 0 | Language |
| Research Office Building Technical Change prc | 0 | Language |
| Construct New Dorm | 0 | 23,745,125 |
| Radford University | | |
| Russell Hall Overrun | 715,000 | 0 |
| Fine Arts Overrun | 2,150,000 | 0 |
| Porterfield Hall Overrun | 160,000 | 0 |
| University Of Virginia | | |
| Studio Art Overrun | 2,490,000 | 0 |
| Campbell Chiller Overrun | 1,270,000 | 0 |
| Acquire Advanced Research Technology Facili | 0 | 23,870,000 |
| North Garage Supplement | 0 | 6,400,000 |
| Arts Garage Supplement | 0 | 2,600,000 |
| Cavalier Substation Overrun | 900,000 | 0 |
| Cocke Hall Supplement | 0 | 2,000,000 |
| University Of Virginia Medical Center | | |
| Relocate Medical Center Clinic | 0 | 8,500,000 |
| Virginia Commonwealth University | | |
| Hibbs Building Equipment Adjustment | (100,000) | 0 |
| Massey Cancer Center NGF Authority | 0 | 6,000,000 |

| House Bill 1500 Capital Outlay Amendment | 2004-06 BIENNIAL TOTAL | |
|--|-------------------------------|----------------------------|
| | General Fund | Nongeneral Fund |
| Ad Center NGF Authority | 0 | 7,000,000 |
| Nursing Building Overrun | 1,131,000 | 1,000,000 |
| Virginia Community College System | | |
| Fine Arts Equipment Adjustment, Blue Ridge | (200,000) | 0 |
| Workforce Development Center Supp, Lord Fa | 0 | 1,236,000 |
| Parking Lot, Blue Ridge | 0 | 1,700,000 |
| Virginia Military Institute | | |
| Fully Fund Kilbourne Hall | 3,700,000 | 0 |
| Virginia Polytechnic Institute And State University | | |
| Biology Building Equipment Adjustment | (2,250,000) | 0 |
| Virginia State University | | |
| Use of Maintenance Reserve | 0 | Language |
| Rogers Stadium Renovations | 0 | 2,600,000 |
| Handicapped Access Overrun | 74,000 | 0 |
| Sewer Lines Repair Overrun | 780,000 | 0 |
| Gandy Hall Overrun | 1,020,000 | 0 |
| Science and Technology Overrun | 1,999,000 | 0 |
| Science and Technology Equipment Adjustmer | (200,000) | 0 |
| Gandy Hall Temp Overrun | 25,000 | 0 |
| Acquire Generators | 1,000,000 | 0 |
| Gandy Hall Equipment | 689,000 | 0 |
| Jamestown-Yorktown Foundation | | |
| Ships NGF Supplement | 0 | 358,000 |
| Jamestown Ships Overrun | 645,000 | 0 |
| The Library Of Virginia | | |
| Gallery Renovation | 100,000 | 0 |
| Virginia Museum of Fine Arts | | |
| Museum Expansion Overrun | 912,000 | 0 |
| Parking Deck Overrun | 169,000 | |
| Cooling Tower Overrun | 85,000 | |
| Department Of Mental Health, Mental Retardation And Substance Abuse Serv: | | |
| Construct SVP Facility (PPEA) | (1,348,000) | 0 |
| Replace Hancock Geriatric (PPEA) | (901,000) | 0 |
| Southeast Va. Training Center Cook / Chill | 3,100,000 | 0 |
| Woodrow Wilson Rehabilitation Center | | |
| Complete Water Line Project | 1,200,000 | 0 |
| Department Of Conservation And Recreation | | |

House Bill 1500
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2004-06 BIENNIAL TOTAL
General **Nongeneral**
Fund **Fund**

| | | |
|--|--------------------|--------------------|
| Parks Maintenance | 2,400,000 | 0 |
| Redirect Parks Overrun | (10,500,000) | 0 |
| Department Of Game And Inland Fisheries | | |
| Adjust Project Scope | 0 | 400,000 |
| Property Acquisition | | Language |
| Virginia Museum Of Natural History | | |
| Reduce Equipment | (2,075,000) | 0 |
| Department Of Corrections | | |
| Storm and Water Line Repairs Overrun | 310,000 | 0 |
| Department Of Criminal Justice Services | | |
| Northern Virginia Forensic Lab | 1,991,800 | 0 |
| Department Of State Police | | |
| State Police Area Office | 500,000 | 0 |
| Central Capital Outlay | | |
| Redistribute Cost Overruns | (28,817,000) | 0 |
| Central Maintenance | 0 | Language |
| 9(D) Revenue Bonds | | |
| Amend Revenue Bond Authorization | 0 | Language |
| Totals | (1,189,650) | 127,609,125 |