

Capital Outlay

The capital outlay amendments provide a net increase of \$705.3 million in project funding. Specific actions include an increase of \$164.0 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; \$277.2 million in 9(d) bond authority for auxiliary enterprise and other nongeneral fund revenue-supported projects at the colleges and universities; and \$256.0 million in nongeneral fund cash projects.

Capital Outlay Amendments (by Fund Source)	
<u>Fund Type</u>	<u>\$ Millions</u>
Budget Bill:	
General Fund	\$164.0
VPBA Bonds	(\$2.5)
9 (c) Bonds	10.6
9 (d) Bonds	277.2
Nongeneral Funds	<u>256.0</u>
Total	\$705.3

Capital Outlay Amendments (by Category)	
<u>Category</u>	<u>GF</u>
Project Cost Overruns and Supplements	59,933,118
Maintenance Reserve State Facilities	45,267,000
Equipment for Previously Approved Projects	28,535,000
JMU Property Acquisition	8,000,000
VMI Kilbourne Hall Supplement	7,400,000
New Projects	<u>14,860,800</u>
Total	\$163,995,918
* Tables in Appendix D detail the capital outlay amendments.	

Selected Capital Outlay Actions

- **Department of General Services**
 - *8th Street / 9th Street Office Building and Parking Deck.* Provides authority to enter into a written agreement to construct office space and a parking deck under the Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA) to replace the 8th and 9th Street Office Buildings. Prior to beginning the project, the language specifies that a professional assessment be performed to determine the historical or architectural worth of these buildings and whether an alternative disposition of the buildings is feasible. In addition, the amendment eliminates \$2.5 million in previously authorized tax-supported debt for the demolition of the 8th Street Office Building.

- **Capital Project Cost Overruns**
 - *Project Supplements.* Provides \$59.9 million GF to supplement previously approved capital projects that have experienced significant cost increases in building materials, primarily steel and concrete. The funding supplements include \$25.0 million for the Virginia Community College System and \$7.0 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.

The remaining \$27.9 million is provided for the capital projects in four-year colleges and universities, the Department of Agriculture, the Department of Forestry and the Department of Corrections. Language in Central Capital Outlay authorizes the Director of the Department of Planning and Budget to transfer unobligated amounts from these projects once they are under contract to address other cost overruns.

- **Central Capital Outlay, Norfolk State and Virginia State Maintenance Reserve**
 - *Maintenance Reserve.* Provides \$42.9 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 \$88.2 million GF made available in the first year to address deferred maintenance statewide.

- **Virginia Military Institute**
 - *Kilbourne Hall Complex Renovation.* Provides an additional \$7.4 million GF to fully fund the renovation of 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.
 - *Old Barracks Renovation and Addition.* Provides \$1.9 million GF to begin the renovation of the Old Barracks as well as provide for an addition to the facility.
- **James Madison University**
 - *Acquire Rockingham Memorial Hospital.* Provides \$8.0 million GF and \$10 million in 9(d) revenue bonds to begin the purchase of the property and facilities of the Rockingham Memorial Hospital. The amounts represent the first installment of the purchase which has a total cost of \$50.6 million. Of this amount, \$10 million will be paid from nongeneral fund sources. This acquisition will enable the university to increase its capacity for future enrollment growth.
- **Department of Criminal Justice Services**
 - *Northern Virginia Forensic Lab.* Provides \$2.0 million GF to purchase property in Prince William County to serve as the site for a new forensic laboratory. Language also provides flexibility for the Governor to initiate a public-private partnership for the construction of the new lab.
- **Department of Conservation and Recreation**
 - *Capital Maintenance.* Provides \$2.4 million GF to address deferred maintenance requirements in state parks. This is a supplement to the amounts included as part of central maintenance reserve.
- **Department of Mental Health**
 - *Southeastern Virginia Training Center Equipment.* Provides \$3.1 million GF to replace food service equipment and address health safety concerns in the Southeastern Virginia Training Center.

- **Equipment Supplements**

- *Equipment for Various Agencies.* Provides \$28.5 million GF to purchase furnishings and equipment for projects scheduled to open in the upcoming biennium. The table below summarizes the allocations.

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	1.1
Norfolk State University	
Education Building	0.2
Robinson Technology Building	0.5
RISE Building	2.0
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	2.7
Phase I Classrooms	2.7
Virginia State	
Science and Technology Building	2.0
Gandy Hall	0.7
Department of Conservation and Recreation	
Various State Parks	2.7
Virginia Museum of Natural History	
New Museum	<u>2.1</u>
Total Equipment Supplements	\$ 28.5