

Capital Outlay

The budget proposed in HB/SB 30 for the 2006-08 biennium includes over \$2.1 billion in capital outlay funding. Of this amount, \$930.3 million is from the general fund, largely for new construction and renovation projects at higher education institutions. The budget also includes bonding authority for revenue generating projects totalling \$706.9 million. Finally, the budget includes \$90.0 million in Virginia Port Authority bonds for improvements at the Norfolk International Terminal.

Through separate legislation the Governor also proposes the use of about \$461.4 million in tax-supported debt. The Governor proposes about \$209.5 million in Virginia Public Building Authority (VPBA) bonds for mental health institutions and another \$201.9 million in VPBA debt for the completion of the State Agency Radio System (STARS). In addition, Part V of the budget bill proposes the use of \$50.0 million in Virginia College Building Authority (VCBA) debt for undesignated research projects.

Capital Outlay Funding (2006-08 biennium)	
<u>Fund Type</u>	<u>\$ Millions</u>
HB/SB 30	
General Fund	\$930.3
VPA Bonds	90.0
9(c) Revenue Bonds	240.2
9(d) NGF Revenue Bonds	466.6
Nongeneral Funds	<u>416.0</u>
Total HB/SB 30 Capital Funds	\$2,143.1
Separate Bond Authorizations	
Mental Health Facilities (VPBA)	\$209.5
STARS Radio (VPBA)	201.9
Research Projects (VCBA)	<u>50.0</u>
Total Separate Bond Authorization	\$461.4
GRAND TOTAL	\$2,604.5

Descriptions of selected projects follow.

- **Capital Project Cost Overruns and Supplements**

- **Project Supplements.** Proposes \$149.6 million GF to supplement previously approved capital projects that have experienced or are projected to experience significant cost increases in construction costs. The funding supplements include \$135.3 million for higher education institutions, about half of which is provided to the Virginia Community College System. No projects are specified for the Virginia Community College System; however, language requires that the projects be evaluated to include potential cost savings before funds are transferred. The language also requires that the projects maintain their original programmatic intent.

Also included is a proposed \$11.1 million for cost overruns to capital projects in the Department of Corrections, the Department of Agriculture and the Department of Forestry.

The remaining \$3.2 million GF is recommended for projected cost overruns at the Sitter-Barfoot Veterans' Center in Richmond which are ineligible for federal reimbursement.

HB/SB 30 GF Project Supplements 2006-08 Biennial Project Totals (\$ Millions)			
Title	Cost Overrun	Other & Scope	GF Total
Administration			
Department of Veterans Services			
New Veterans' Care Center Cost Overrun	3.2	0.0	3.2
Total: Office of Administration	<u>3.2</u>	<u>0.0</u>	<u>3.2</u>
Commerce and Trade			
Department of Agriculture and Consumer Services			
Harrisonburg Lab Cost Overrun	0.8	0.0	0.8
Forestry			
Abingdon Mechanic Shop and Cold Storage Supplement	0.2	0.0	0.2
Area Offices Grayson and Carroll Counties Supplement	<u>0.2</u>	<u>0.0</u>	<u>0.2</u>
Total: Office of Commerce & Trade	<u>1.1</u>	<u>0.0</u>	<u>1.1</u>

Education			
Christopher Newport University			
Gosnold Hall Cost Overrun	2.3	0.0	2.3
Richard Bland College			
Renovate and Expand Art Building and Library Cost Overrun	0.4	0.0	0.4
Marine Science (VIMS)			
Marine Research Building Complex Cost Overrun	6.0	0.0	6.0
George Mason University			
Renovate Thompson, West and Pohick Cost Overrun	3.8	0.0	3.8
Construct Academic V, Fairfax Cost Overrun	3.6	0.0	3.6
Longwood University			
Stormwater Retention Improvements Cost Overrun	0.2	0.0	0.2
Bedford Wygal Connector Cost Overrun	2.1	0.0	2.1
Modernize Heat Plant, Phase II Cost Overrun	1.2	0.0	1.2
Renovate Lancer Gym and Willet Hall Supplement	0.1	0.0	0.1
University of Mary Washington			
James Monroe Campus Building 2 Cost Overrun	2.5	0.0	2.5
Norfolk State University			
Renovate Robinson Building Cost Overrun	1.8	0.0	1.8
RISE Center Cost Overrun	3.0	0.0	3.0
Police and Public Safety Building Cost Overrun	1.0	0.0	1.0
Radford University			
Renovate Young Hall Cost Overrun	1.0	0.0	1.0
University of Virginia			
Cavalier Substation Cost Overrun	0.9	0.0	0.9
Main Heating Plant Upgrade Phase II and Cost Overrun	7.2	0.0	7.2
Virginia Commonwealth University			
Massey Cancer Center Addition Cost Overrun	6.0	0.0	6.0
Construct School of Engineering Phase II Cost Overrun	1.5	0.0	1.5
Construct Medical Science Building, Phase II Supplement	0.0	12.4	12.4
Renovate Music Center Cost Overrun	0.7	0.0	0.7
Virginia Community College System			
Capital Project Cost Overruns, System-wide	59.2	0.0	59.2
Virginia Military Institute			
Mallory Hall Cost Overrun	2.9	0.0	2.9
Virginia Tech			
Institute for Critical Technology and Applied Science, Phase I Cost Overrun	4.0	0.0	4.0
Fine Arts Center / Henderson Hall Cost Overrun	3.9	0.0	3.9
Building Construction Lab Cost Overrun	0.8	0.0	0.8
Frontier Culture Museum			
Construct Maintenance Facility Cost Overrun	0.3	0.0	0.3
Gunston Hall			
Construct Addition to Ann Mason Building Cost Overrun	0.1	0.0	0.1
Jamestown/Yorktown			

Replace Sewer Pump Station Cost Overrun	0.2	0.0	0.2
Museum of Fine Arts			
Expand and Renovate Museum Cost Overrun	<u>6.3</u>	<u>0.0</u>	<u>6.3</u>
Total: Office of Education	122.9	12.4	135.3
Public Safety			
Corrections - Central Office			
James River Segregation Building Cost Overrun	0.4	0.0	0.4
Pocahontas Wastewater Treatment Plant Upgrade Cost Overrun	0.8	0.0	0.8
Steam and Water Line Repair and Replacement Cost Overrun	0.3	0.0	0.3
Upgrade Perimeter Detection System Supplement	0.0	1.0	1.0
Install Fire Safety Systems Supplement	0.0	0.6	0.6
Construct New Bridge and Entrance Road at Bland Cost Overrun	1.6	0.0	1.6
Haynesville Wastewater Treatment Plant Upgrade Cost Overrun	1.9	0.0	1.9
Remedy Environmental Deficiencies Supplement	0.0	1.2	1.2
Department of Juvenile Justice			
Renovate Beaumont Cottages Cost Overrun	0.8	0.0	0.8
Upgrade reception and Diagnostic Center Cost Overrun	<u>1.5</u>	<u>0.0</u>	<u>1.5</u>
Total: Office of Public Safety	7.2	2.7	10.0
Total: Project Supplements	134.5	15.1	149.6

- **Maintenance Reserve for State Agencies, Norfolk State and Virginia State**
 - *Maintenance Reserve.* Recommends \$150.0 million GF for capital maintenance projects at higher education institutions and state agencies. This includes a total of \$16.0 million allocated to Norfolk State and Virginia State Universities.

2006-2008 GF Maintenance Reserve

<u>Agency Name</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>Total</u>
Education			
Norfolk State University	\$ 4.3	\$ 4.3	\$ 8.6
Virginia State University	3.7	3.7	7.3
Central Capital Outlay			
Central Maintenance Reserve			
Department of General Services	2.8	2.8	5.5
Department of Veterans Services	0.1	0.1	0.1
Department of Agriculture and Consumer Services	0.4	0.4	0.7
Department of Forestry	0.2	0.2	0.4
Department of Mines, Minerals and Energy	0.1	0.1	0.1
Virginia School for the Deaf, Blind and Multi-Disabled at Hampton	0.3	0.3	0.6
Virginia School for the Deaf and the Blind at Staunton	0.3	0.3	0.6
Christopher Newport University	0.6	0.6	1.2
The College of William and Mary in Virginia	2.5	2.5	5.0
Richard Bland College	0.1	0.1	0.2
Virginia Institute of Marine Science	0.4	0.4	0.8
George Mason University	3.3	3.3	6.6
James Madison University	2.6	2.6	5.2
Longwood University	1.4	1.4	2.8
Old Dominion University	1.9	1.9	3.8
Radford University	1.0	1.0	2.0
University of Mary Washington	0.6	0.6	1.3
University of Virginia	7.4	7.4	14.8
University of Virginia's College at Wise	0.4	0.4	0.8
Virginia Commonwealth University	5.1	5.1	10.2
Virginia Community College System	7.3	7.3	14.5
Virginia Military Institute	1.2	1.2	2.4
Virginia Polytechnic Institute and State University	8.6	8.6	17.3
Frontier Culture Museum of Virginia	0.1	0.1	0.2
Gunston Hall	0.1	0.1	0.2
Jamestown-Yorktown Foundation	0.5	0.5	1.1
The Library of Virginia	0.0	0.0	0.0

The Science Museum of Virginia	0.8	0.8	1.6
Virginia Museum of Fine Arts	0.9	0.9	1.8
Southwest Virginia Higher Education Center	0.1	0.1	0.1
Department of Taxation	0.4	0.4	0.7
Department of Mental Health, Mental Retardation and Substance Abuse Services	6.3	6.3	12.6
Woodrow Wilson Rehabilitation Center	1.1	1.1	2.2
Department for the Blind And Vision Impaired	0.2	0.2	0.5
Department of Conservation And Recreation	0.6	0.6	1.3
Marine Resources Commission	0.1	0.1	0.1
Virginia Museum of Natural History	0.1	0.1	0.1
Department of Corrections	4.5	4.5	9.1
Department of Emergency Management	0.1	0.1	0.1
Department of Forensic Science	0.1	0.1	0.1
Department of Juvenile Justice	1.8	1.8	3.7
Department of Military Affairs	0.5	0.5	1.0
Department of State Police	<u>0.2</u>	<u>0.2</u>	<u>0.5</u>
Total: Central Maintenance Reserve	\$ 67.0	\$ 67.0	\$ 134.0
Total: Maintenance Reserve	\$..75.0	\$ 75.0	\$ 150.0

- **Equipment Supplements**

- *Equipment for Various Agencies.* Proposes \$41.9 million GF to purchase furnishings and equipment for projects scheduled to come on-line in FY2007. The table below summarizes the allocation for each project.

Equipment Supplements
(\$ in millions)

<u>Agency/Project</u>	<u>Amount</u>
Department of General Services	
Washington Building	\$ 4.8
George Mason University	
Thompson, West, Pohick Halls	0.5
James Madison University	
Miller Hall	2.3
Longwood University	
Jarman Building	1.5
Bedford Wygal Connector	1.6
Old Dominion University	
Physical Science Building	0.8
Batten Arts and Letters Building	1.8
Tri-Cities Center	1.4
Radford University	
Fine Arts Center	0.7
Richard Bland College	
Art Building	0.3
Virginia Commonwealth University	
School of Engineering, Phase II	1.6
Hibbs Building	0.1
Sanger Hall	0.8
Franklin Terrace	0.1
Music Center	0.1
School of Nursing	0.3
Virginia Community College System	
Parham Road Campus Phase IV, J. Sargeant Reynolds	2.1
Learning Resource Center, Southwest Virginia	1.0
Regional Automotive Technology and Workforce Center, Chesapeake Campus, Tidewater	1.2
Instructional Labs, Chester Campus, John Tyler	0.6
Learning Resource Center, Patrick Henry	0.3
Phase III Building, Alexandria Campus, Northern Virginia	1.7
Webber Hall, Virginia Western	1.7
Science Building I, Virginia Beach Campus, Tidewater	5.9

Science and Technology Building, Piedmont Virginia	0.8
Workforce Center, Parham Campus, J. Sargeant Reynolds	0.2
Workforce Development Center, Eastern Shore	0.4
Workforce Center, Middletown Campus, Lord Fairfax	0.7
Science Building, Blue Ridge	0.2
Galax Hall, Wytheville	0.3
Virginia Tech	
Biology Building	2.3
Infectious Disease Facility	3.1
Virginia State	
Gandy Hall	<u>0.7</u>
Total Equipment Supplements	\$ 41.9

- **Virginia Community College System**
 - *New Projects.* Proposes \$149.1 million GF in new construction and renovation projects at the community college system.

Community College/Project	<u>Amount</u>
Blue Ridge	
Construct Information Technology Building	\$ 7.0
J. Sargeant Reynolds	
Renovate Burnette Hall, Parham Campus	9.4
John Tyler	
Construct Phase II Building, Midlothian Campus	18.9
New River	
Renovate Instructional Labs	1.5
Northern Virginia	
Construct Phase VI Academic Building, Annandale Campus	27.4
Construct Phase III Building, Loudoun Campus	27.6
Paul D. Camp	
Renovate Hobbs Campus	0.5
Piedmont Virginia	
Handicapped Accessibility	0.2
Southside Virginia	
Construct Student Services Building, Christanna Campus	8.7
Systemwide	
Renovate Mechanical Systems	11.6
Tidewater	
Construct Regional Health Professions Center, Phase I, Virginia Beach Campus	19.4
Virginia Highlands	
Renovate Instructional and Student Center Building	1.1
Virginia Western	
Construct Anderson Hall Replacement	<u>15.8</u>
Total VCCS New Construction and Renovations Projects	\$ 149.1

- **George Mason University**
 - *Academic VI and Research II.* Proposes \$25.0 million GF and \$25.3 million of nongeneral funds and 9(d) bonds to construct a new 120,000 square foot academic and research facility on the Fairfax campus.
- **University of Virginia**
 - *New Heating Plant.* Proposes \$19.7 million GF and \$5.2 million in 9(d) bonds to complete the upgrade of the heating plant to comply with federal clean air laws and standards. The general fund amount includes \$7.2 million to supplement phase I of this project to address cost overruns.
- **Virginia Tech**
 - *Heating Plant Upgrade.* Proposes \$17.3 million GF and \$11.5 million in 9(d) bonds to upgrade the campus heating plant to meet recent expansions and make the plant more energy efficient.
- **Higher Education Nongeneral Fund Projects**
 - *Blanket Authorization.* Proposes expanding the authority to all higher education institutions to initiate certain nongeneral capital projects and exempt them from the review and approval process. Previously, this authority was limited to nine institutions that met eligibility criteria and had a signed memorandum of agreement with the Secretary of Administration.
- **Department of Corrections**
 - *Prison Infrastructure.* Provides \$18.8 million GF for the following projects:
 - Upgrade electrical system at various correctional institutions (\$623,000);
 - Upgrade locking systems and door replacements at various correctional institutions (\$1.3 million);
 - Repair and replace roofs at various correctional institutions (\$7.3 million);
 - Upgrade elevators at Marion Correctional Center (\$593,000);

- Replace mechanical rooms at Deep Meadow Correction Center (\$1.3 million)
 - Replace HVAC systems at Powhatan Medical Building (\$2.0 million); and
 - Infrastructure upgrades and maintenance facility at Deerfield Correctional Center (\$5.7 million).
- **Department of Conservation and Recreation**
 - *State Parks.* Proposes \$20.4 million GF for construction of new cabins and campgrounds at four state parks – Shenandoah River, Natural Tunnel, Occoneechee and James River.
 - **Virginia Port Authority**
 - *Improve Norfolk International Terminal.* Proposes authorization for the issuance of up to \$90.0 million in Commonwealth Port Fund bonds. The funds would be used for the expansion of the facilities at the north terminal.

Capital Bond Program

Part V of HB/SB 30 authorizes the use of \$50.0 million in tax-supported VCBA debt as matching dollars for unspecified higher education research projects. In addition, through two pieces of separate legislation, the Governor proposes \$461.4 million in projects for the replacement of three mental health institutions and the completion of the State Agency Radio System (STARS). Debt service for those projects is contained in HB/SB 30. No debt service is provided in HB/SB 30 for the \$50.0 million in VCBA authorization or the conditional VPBA authorization to replace Western State Hospital, included in HB/SB 29.

Capital Bond Proposals

Title	<u>VPBA</u> <u>Bonds</u>	<u>VCBA</u> <u>Bonds</u>	<u>VPBA Bonds</u>	
	HB/SB 29	Part V HB/SB 30	HB 76	HB 83 /SB 27
Health & Human Resources				
Mental Health (Central Office)				
Replace Western State Hospital (VPBA or Capital Lease)	80.5	0.0	0.0	0.0
Replace Eastern State Hospital	0.0	0.0	59.7	0.0
Replace Southeastern Virginia Training Center	0.0	0.0	55.4	0.0
Replace Central Virginia Training Center	<u>0.0</u>	<u>0.0</u>	<u>94.4</u>	<u>0.0</u>
Total: Office of Human Resources	80.5	0.0	209.5	0.0
Public Safety				
State Police				
State Agency Radio System (STARS) Phase II	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>201.9</u>
Total: Office of Public Safety	0.0	0.0	0.0	201.9
Other				
Research Facilities	<u>0.0</u>	<u>50.0</u>	<u>0.0</u>	<u>0.0</u>
Total: Central Appropriations	0.0	50.0	0.0	0.0
Total: 2006-2008 Bond Proposals	80.5	50.0	209.5	201.9