

*Report of the
House Appropriations
Subcommittee*

on

Capital Outlay



House Bill 1650

February 4, 2007

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 meet the Committee's priorities of addressing the most pressing capital outlay needs such as cost overruns for previously approved projects and equipment for new facilities, while prudently using tax-supported debt to fully fund projects that were previously planned or high priorities of the Committee.

As you know, Mr. Chairman, the cost of construction has increased significantly in recent years. Most of the projects that have been impacted by these cost overruns are the very projects that the voters approved in the 2002 bond package. The Subcommittee believes it is prudent to use Virginia College Building Authority bonds to finance the cost overruns for those projects that were originally funded by debt. This is consistent with the Chairman's House Bill 1712 which the Committee unanimously reported. In addition, the Subcommittee recommends \$43.8 million in general funds for cost overruns in executive branch agencies for projects that were originally financed through general funds. This includes about \$14.0 million to renovate the Old Barracks at Virginia Military Institute.

We are also pleased to recommend \$46.3 million in general funds 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, our amendments recognize the \$168.8 million high-priority projects in higher education and state parks as provided for in House Bill 1712. The projects include \$42 million for the new School of Education at William and Mary; \$23 million for a new academic building at the Manassas Campus of Northern Virginia Community College; \$15 million to renovate the Brooks Library at Norfolk State University; \$15.3 million for an

addition to Bedford Hall at Longwood; and \$36 million for a new Information Technology Engineering building at the University of Virginia.

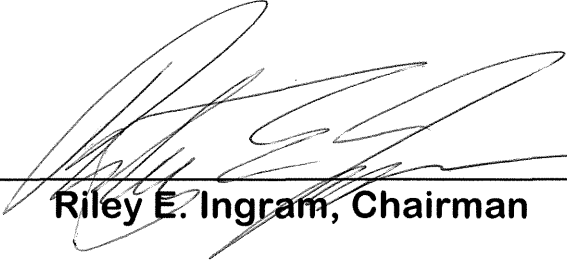
The recommendations of the Subcommittee redirect general funds to address other priorities. As a result of the Subcommittee's efforts, \$107.4 million of general fund can be redirected for Bay cleanup and the establishment of a revenue reserve fund. This was accomplished without eliminating any projects or exceeding the amount of debt originally proposed.

Finally, Mr. Chairman, the Subcommittee identified some other spending that recognizes the priorities and commitments of the Committee. Chief among these recommendations is \$5.0 million of general fund to begin building a new science center in Northern Virginia. This was a project that was approved by the voters in 2002.

In addition, \$7.6 million of general funds is recommended for critical repairs on Capitol Square. This includes \$4.5 million to supplement the State Capitol project due to cost overruns. As you recall, this was a \$100 million project, so the supplement represents less than a five percent overrun. This compares favorably to the 20 to 30 percent overruns reported by our higher education institutions. The Department of General Services (DGS) has excellently managed this project. One question Virginians need answered before we continue to invest hundreds of millions of dollars into capital outlay is whether our colleges and universities can manage their capital construction program with the same efficiency as DGS.

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.

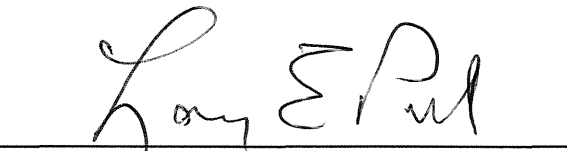
**Respectfully Submitted by the House Appropriations Subcommittee
on Capital Outlay:**



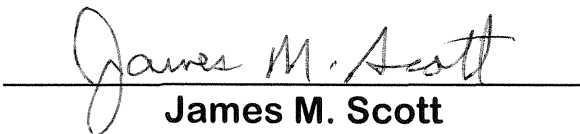
Riley E. Ingram, Chairman



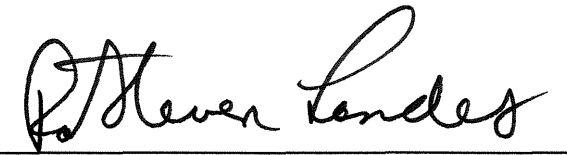
Lionell Spruill, Sr.



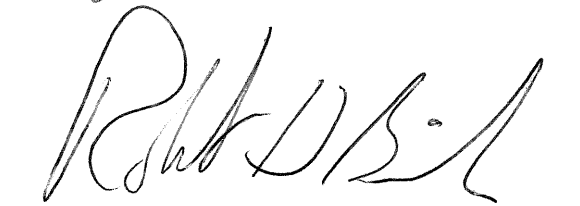
Lacey E. Putney



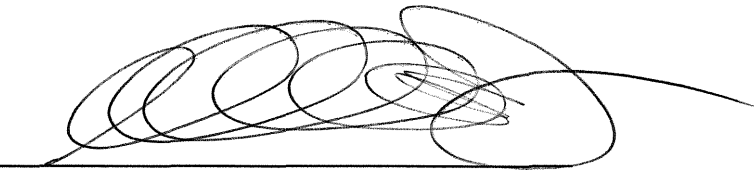
James M. Scott



R. Steven Landes



Robert H. Brink



S. Chris Jones

House Bill 1650
CAPITAL OUTLAY
Amendment

General Fund	Nongeneral Fund
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Department Of General Services

Washington Building	400,000	0
War Memorial	(1,500,000)	0
Capitol Square Critical Repairs	7,600,000	0

Department Of Forestry

Brumley Tract State Forest	1,600,000	0
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Virginia School For The Deaf And The Blind At Staunton

Remove New Planning	(3,500,000)	0
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Christopher Newport University

Library/Info Tech	0	HB 1712
Residence Hall V	0	7,667,000
Freeman Gym	0	18,600,000
Remove New Planning	(4,125,000)	0

The College Of William And Mary In Virginia

School of Education	(5,350,000)	HB 1712
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George Mason University

Patriot Center	0	2,900,000
Biocontainment	0	Language
Conference Center	0	40,000,000
Fairfax Research I Supplement	450,000	450,000
Arlington II	(22,615,000)	HB 1712
Parking Deck III	0	10,856,000
Student Housing VII Technical	0	(6,000,000)
Student Union III	0	6,000,000

James Madison University

CISAT Library	(4,730,000)	HB 1712
Center for the Arts	(10,622,000)	HB 1712
Music Hall	(6,426,000)	HB 1712
East Campus Land Acquisition	0	9,000,000
Baseball Complex	0	5,000,000
Dining Facility	0	3,000,000

Longwood University

Bedford Hall	(11,480,122)	HB 1712
Lankford Hall Fund Source	0	0
Remove New Planning	(1,396,000)	0

Norfolk State University

Brooks Library	(1,500,000)	HB 1712
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House Bill 1650
CAPITAL OUTLAY
Amendment

<u>General</u> <u>Fund</u>	<u>Nongeneral</u> <u>Fund</u>
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Alternative Finance Authority	0	Language
Old Dominion University		
Fine Arts	0	HB 1712
Physical Science	0	HB 1712
Batten Arts	250,000	0
Radford University		
Davis Hall	462,200	0
Porterfield Hall	307,600	0
University Of Mary Washington		
Lee Hall Overrun	0	HB 1712
Graduate Center	(2,000,000)	HB 1712
Recreation Field	0	2,000,000
Residence Halls	0	35,000,000
Alternative Financing	0	Language
University Of Virginia		
Fayerweather Hall	(3,222,000)	HB 1712
South Chiller	(5,433,000)	HB 1712
Acquire research facility	0	35,100,000
McLeod Hall	(3,600,000)	HB 1712
IT Engineering	(1,500,000)	HB 1712
University Of Virginia's College At Wise		
Drama Building	(3,000,000)	HB 1712
Virginia Commonwealth University		
MSB II	(12,000,000)	0
Music Center	(1,700,000)	0
Virginia Community College System		
Eliminate Duplicate TNCC Equipment	(520,000)	0
Reduce Tri-Cities Equipment	(900,000)	0
Manassas Phase III Academic	0	498,200
Virginia Polytechnic Institute And State University		
ICTAS Phase I	(2,990,000)	HB 1712
Hampton Roads Center Overrun	500,000	0
Virginia State University		
Eliminate Proposed Use GF for NGF Maintenance	0	Language
Eliminate Proposed Use of GF for Parking	0	Language
Remove McDaniel Planning	(750,000)	0
Parking Lot	0	3,000,000

House Bill 1650
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Amendment

General Fund	Nongeneral Fund
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Trinkle Hall	0	3,000,000
Southwest Virginia Higher Education Center		
Center New Addition Cost Overrun	0	HB 1712
The Science Museum Of Virginia		
Belmont Bay Science Center	5,000,000	0
Department Of Mental Health, Mental Retardation And Substance Abuse Services		
Central Virginia Training Center	0	Language
Southeastern Virginia Training Center	0	Language
Department Of Conservation And Recreation		
State Parks Cabins and Campgrounds	(15,000,000)	HB 1712
High Bridge State Park	1,000,000	0
Department Of State Police		
State Police Area 19 Headquarters	275,000	0
Department Of Veterans Services		
Cemetery Acquisition	583,000	0
9(D) Revenue Bonds		
Eliminate Unnecessary Capital Project Language Table	0	Language
Eliminate Unnecessary Capital Project Language Table	0	Language
GRAND TOTAL	<u>(107,431,322)</u>	<u>176,071,200</u>
 Part IV Language		
Modifications to State Facilities	Language	0

Administration

FY 06-07

FY 07-08

Department Of General Services

\$0

(\$1,500,000) GF

Language:

Page 527, line 39, strike "\$1,500,000" and insert "\$0".

Page 527, strike lines 46 and 47 and insert:

"2. That upon certification by the Secretary of Administration that \$2 million in private funds have been raised, are available, and will be used to support construction of an educational wing for the Virginia War Memorial, the State Treasurer shall advance a loan of \$3.5 million to the Department of General Services for the state share of the construction in the form of a short-term treasury loan, with no interest."

Page 528, strike lines 1 through 3.

Explanation:

(This amendment provides the authorization for full funding for the construction of an educational wing on the Virginia War Memorial upon certification by the Secretary of Administration that \$2 million in private funds have been raised, are available, and will be used to support construction.)

Health And Human Resources

Department Of Mental Health,
Mental Retardation And Substance
Abuse Services

Language

Language:

Page 585, after line 3, insert:

"3S. The Department of Mental Health and Mental Retardation shall ensure that the bed count for this project remains at or above the current level of patients at the facility."

Explanation:

(This amendment is self-explanatory.)

Health And Human Resources

Department Of Mental Health,
Mental Retardation And Substance
Abuse Services

Language

Language:

Page 585, after line 15, insert:

"3. The Department of Mental Health, Mental Retardation and Substance Abuse Services shall not proceed beyond planning for this project without the approval of the General Assembly."

Explanation:

(This amendment is self-explanatory.)

Capital Outlay Subcommittee

Item 4-4.03 #1h

Capital Projects

Modifications or Alterations to State-Owned Facilities

Language

Language:

Page 637, after line 16, insert:

"§ 4-4.03 Modifications or Alterations to State-Owned Facilities

a. Effective July 1, 2006, other than for legislatively-approved capital outlay projects, no changes, alterations or modifications to the interior or the exterior of state-owned facilities may be initiated except:

- 1) to correct life or health safety concerns validated by the Department of General Services,
- 2) to satisfy the requirements of a court order, or
- 3) with the written approval of the Governor.

b. Any building interior or exterior change, alteration or modification that has been initiated since July 1, 2006, shall be restored to its original state within 45 days."

Explanation:

(This amendment is self-explanatory.)
