



Report of the Subcommittee on
Capital Outlay

Senate Finance Committee
Virginia General Assembly

February 21, 2010

Mr. Chairman:

As with the other subcommittee reports presented today, the Capital Outlay subcommittee's report reflects the austerity of the times. But austere times can offer the best opportunities for savings on commercial construction. Our recommendation of over \$1.1 billion for capital projects will take advantage of these once-in-a-lifetime savings and result in the creation of hundreds of jobs for the construction and maintenance of state facilities. The sweetness of the potential savings is countered, however, by the bitterness of financial reality. Given the current status of our debt capacity we have resisted the temptation to authorize even more debt. To do so would create the false expectation that projects would move forward in the near future.

The budget, as introduced, included a recommendation for the first review of the Commonwealth Debt Capacity Model since its inception. We endorse this review. It is our view that the voluntary restrictions Virginia has imposed on itself may be too restrictive, and can be revised within the prudent parameters expected of a solid AAA state.

Our report also recommends revisions to the priority order for issuance of approved debt. These revisions were developed in consultation with the administration and will give agencies and institutions the confidence they need to move forward on expenditures for higher education equipment and building maintenance – bolstering the educational opportunities for young Virginians while, at the same time, preserving and creating jobs.

Mr. Chairman, we believe that our recommended amendments are in the best interest of the Commonwealth. It is our hope it will be your pleasure to adopt them.

Respectfully Submitted,

The Honorable Henry L. Marsh III, Chairman

The Honorable Charles J. Colgan

The Honorable Emmett W. Hanger

The Honorable John C. Watkins

The Honorable Louise L. Lucas

**CAPITAL OUTLAY SUBCOMMITTEE
SPREADSHEET
(SB 29 and SB 30)**

Recommendations of the Capital Outlay Subcommittee

Line #	Description	General Fund				Nongeneral Fund			
		FY 2010	FY 2011	FY 2012	Biennium	FY 2010	FY 2011	FY 2012	Biennium
1									
2	ADMINISTRATION								
3	DGS: War Memorial								
4	Switch War Memorial Equipment to VPBA Bonds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Virginia Capital Projects Information Management System (VCPIMS)		\$1,600,000	\$400,000	\$2,000,000	\$0	\$0	\$0	\$0
6	HIGHER EDUCATION								
7	State Council on Higher Education in Virginia								
8	Establish Policies on Dormitories and Student Centers at 2-Year Institutions		LANGUAGE						
7	Christopher Newport University								
8	Planning-Student Success Center		\$0	\$0	\$0		\$500,000	\$0	\$500,000
9	Replace Roofs on Residence Halls 9(d)		\$0	\$0	\$0		\$3,000,000	\$0	\$3,000,000
10	The College Of William And Mary In Virginia								
11	Cooling Plant & Utilities (Phase II)	LANGUAGE				\$0			
12	George Mason University								
13	Renovate Labs (Prince William Campus)	\$0				\$10,000,000			
14	Repair Fitness & Aquatic Center HVAC	\$0				\$2,526,000			
15	Thompson Hall Equipment (Add to VCBA Equipment in CA)		\$0	\$0	\$0		\$500,000	\$0	\$500,000
16	Potomac Science Center (Modified Language)		LANGUAGE	\$0	\$0		\$0	\$0	\$0
17	GMU Arlington II 9(d)		LANGUAGE	\$0	\$0		\$0	\$0	\$0
18	Prince William Research Facilities (Modified Language)		\$1,500,000	\$0	\$1,500,000		\$0	\$0	\$0
19	James Madison University								
20	Off Campus Parking		\$0	\$0	\$0		\$2,500,000	\$0	\$2,500,000
21	Dining Services Renovation 9(d)		\$0	\$0	\$0		\$6,000,000	\$0	\$6,000,000
22	Longwood University								
23	Lankford Hall 9(d)		\$0	\$0	\$0		\$1,675,000	\$0	\$1,675,000
24	University Of Mary Washington								
25	Soccer Field 9(d)		\$0	\$0	\$0		\$2,500,000	\$0	\$2,500,000
26	Virginia Community College System								
27	NVCC Workforce Development Center (Woodbridge)		\$0	\$0	\$0		\$3,500,000	\$0	\$3,500,000
28	Virginia Military Institute								
29	Military & Leadership Field Training Grounds					\$5,000,000			
30	Virginia State University								
31	Carter Building Addition	\$0				\$4,650,000			
32	Virginia Tech								
33	Transfer Debt Authority to Center for Creative Technologies	LANGUAGE				\$0			
34	Southwest Virginia Higher Education Center								
35	Study of Medical Education Center	LANGUAGE							

Recommendations of the Capital Outlay Subcommittee

Line #	Description	FY 2010	FY 2011	FY 2012	Biennium	FY 2010	FY 2011	FY 2012	Biennium
34	NATURAL RESOURCES								
35	Department Of Conservation and Recreation								
36	Biscuit Run State Park: Gift		LANGUAGE	\$0	\$0		\$0	\$0	\$0
37	PUBLIC SAFETY								
38	Department Of Veterans Services								
39	Far Southwestern Veterans Care Center	LANGUAGE	LANGUAGE	\$0	\$0		\$0	\$0	\$0
40	CENTRAL APPROPRIATIONS								
41	Central Maintenance Reserve								
42	Eliminate GF Maintenance Reserve	\$0	(\$15,000,000)	\$0	(\$15,000,000)	\$0	\$0	\$0	\$0
43	Revised Debt Priorities		LANGUAGE	\$0	\$0		\$0	\$0	\$0
44	JYF: Deferred Maintenance, Conservation		LANGUAGE	\$0	\$0		\$0	\$0	\$0
45	Capital Planning								
46	Switch Restoration for Capital Planning to Treasury Loans	\$0	(\$23,251,150)	\$0	(\$23,251,150)	\$0	\$23,251,150	\$0	\$23,251,150
47	TOTAL SPENDING	\$0	(\$35,151,150)	\$400,000	(\$34,751,150)	\$22,176,000	\$43,426,150	\$0	\$43,426,150

**CAPITAL OUTLAY SUBCOMMITTEE
MAJOR LANGUAGE AMENDMENTS
(SB 29)**

Education: Higher Education

The College Of William And Mary
In Virginia

Language

Language:

Page 290, following line 5, insert:

"C-19.16. New Construction: Cooling Plant
& Utilities (Phase II) (17651)

Fund Sources:

The College of William and Mary is authorized to modify the scope of the project Cooling Plant & Utilities (Phase II) (17651) to include all 27 buildings on the greater historic campus area."

Explanation:

(This amendment authorizes the College of William and Mary to modify the scope of the project Cooling Plant & Utilities (Phase II) (17651) to include all 27 buildings on the greater historic campus area.)

Education: Higher Education

Virginia Polytechnic Institute And
State University

Language

Language:

Page 296, following line 6, insert:

"C-91.30. Improvements: Center for
Creative Technologies

Fund Sources:

Notwithstanding any other provision of law, the Director, Department of Planning and Budget, shall transfer the amount appropriated in Chapter 1 and Chapter 2, 2008 Acts of Assembly, Special Session I for project 17660 (Construct Sciences Research Laboratory I) to project 16758 (Center for Creative Technologies.)"

Explanation:

(This amendment transfers the VCBA bond authority from the Sciences Research Laboratory I project at Virginia Tech to the Center for Creative Technologies. The private donation for the Sciences Research Laboratory I project is unavailable,

however there is a private donor for support of the Center for Creative Technologies.)

Capital Outlay - Special Projects Subcommittee

Item C-153.10 #1s

Public Safety

Department Of Veterans Services

Language

Language:

Page 299, following line 29, insert:

"C-153.10. New Construction:

Southwestern Virginia Veterans Care
Center

Fund Sources:

The Governor is authorized to request federal funds to construct a new veterans care center with up to 120 beds located in the far southwestern area of Virginia. After the United States Department of Veterans Affairs has determined that federal funds will be allocated for the new center, the Director, Department of Planning and Budget, shall approve a short-term, interest-free treasury loan in the amount of \$28,500,000 to the Department of Veterans Services for the state share of the construction. "

Explanation:

(This amendment authorizes the Governor to request federal funds for construction of a new veterans care center in far southwestern Virginia. A treasury loan in the amount of \$28.5 million is authorized if federal funds are approved.)

**CAPITAL OUTLAY SUBCOMMITTEE
MAJOR LANGUAGE AMENDMENTS
(SB 30)**

Education: Higher Education

State Council Of Higher Education
For Virginia

Language

Language:

Page 106, following line 3, insert:

"M. No later than October 1, 2010, the State Council of Higher Education for Virginia shall establish guidelines to govern recommendations on the construction of student housing, student centers, and other auxiliary facilities at two-year institutions of higher education. In developing these guideline the State Council shall not utilize previous authorizations as precedents."

Explanation:

(This amendment requires SCHEV to develop guidelines for the construction of auxiliary facilities by two-year institutions of higher education.)

Education: Higher Education

George Mason University

Language

Language:

Page 351, following line 14, insert:

"C-24.10. New Construction: Potomac
Science Center

Fund Sources:

George Mason University is authorized to enter into a public-private partnership for construction of the Potomac Science Center. The scope of the Center shall be limited to funds previously appropriated and such additional nongeneral funds and gifts as may be available to George Mason University for that purpose. In no case shall the terms of the public-private partnership obligate the Commonwealth to the appropriation of additional general funds."

Explanation:

(This amendment authorizes George Mason University to enter into a public-private partnership for construction of the Potomac Science Center.)

Education: Higher Education	FY 10-11	FY 11-12
George Mason University	\$1,500,000	\$0 GF

Language:

Page 351, following line 14, insert:

"C-24.10. New Construction: Prince William Research Facilities

William Research Facilities

Fund Sources: General \$1,500,000".

1. George Mason University, in collaboration with the University of Virginia, Virginia Tech, Virginia Commonwealth University and Eastern Virginia Medical School shall create a research consortium hereby known as the Virginia Immunology Center. The Virginia Immunology Center is authorized to solicit proposals under the Public-Private Education Facilities and Infrastructure Act (PPEA) to partner with private, for-profit companies to conduct research on vaccines for the treatment of multiple infectious diseases. In no case shall the terms of the public-private partnership obligate the Commonwealth to the appropriation of additional general funds.

2. \$1,500,000 general funds the first year is provided for George Mason University to upgrade laboratory facilities located on its Prince William County campus and to purchase the necessary antibody samples for immunology research. However, no funds authorized in this item shall be allotted or expended until the Virginia Immunology Center and consortium receives an acceptable PPEA proposal and submits the proposal to the Chairmen of the House Appropriations Committee and the Senate Finance Committee for its approval.

Explanation:

(This amendment authorizes George Mason University to enter into a public-private partnership for construction of research facilities on the Prince William campus.)

Education: Higher Education	
Southwest Virginia Higher Education Center	Language

Language:

Page 357, following line 23, insert:
"C-76.10. Study: Southwest Virginia
Higher Education Center

Fund Sources:

The Southwest Virginia Higher Education Center (SWVHEC) will study the feasibility of building a new facility that would be used in part to make leased space available to the King College medical school program. The State Council of Higher Education for Virginia (SCHEV) and the Department of the Treasury will provide input and recommendations on the study as to the feasibility of any arrangement for this project between SWVHEC and King College. SWVHEC will report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by September 1, 2010 their findings including formal guidance from SCHEV and the Department for the Treasury."

Explanation:

(This amendment provides study language to examine a potential arrangement between the Southwest Virginia Higher Education Center and King College in support of medical education in Southwest Virginia.)

Item C-84 #1s

Central Appropriations

Central Capital Outlay

Language

Language:

Page 361, line 10, after "Virginia Museum of Fine Arts" insert "and the Jamestown-Yorktown Foundation".

Page 361, after line 14, insert:

"3. The Jamestown-Yorktown Foundation may use an amount not to exceed 20 percent of its annual maintenance reserve allocation from this item for the conservation of artifacts owned by the Museum."

Explanation:

(This amendment allows unexpended maintenance reserve balances to be brought forward into the next biennium and allows up to 20 percent of the annual maintenance reserve allocation for the Jamestown-Yorktown Foundation to be used for conservation, as is currently permitted for the Virginia Museum of Fine Arts.)

Central Appropriations

Central Capital Outlay

Language

Language:

Page 363, strike lines 9 to 24, and insert:

"D.1. The Secretary of Finance shall prepare and submit a plan to the Governor and the Chairmen of the House Appropriations Committee and the Senate Finance Committee on or before the beginning of the 2011 General Assembly Session to schedule the issuance of debt for authorized projects. The plan prepared by the Secretary of Finance shall take into account the most recent recommendations of the Debt Capacity Advisory Committee released prior to the start of the 2011 General Assembly Session and make recommendations on the issuance of bonds for affected projects to stay at or below the limits on debt capacity established by the Debt Capacity Advisory Committee. Furthermore, the plan shall recommend a schedule for issuance of debt that funds projects in the following priority order:

Priority 1: Projects under contract on the effective date of this Act,

Priority 2: Maintenance Reserve,

Priority 3: Higher Education Equipment Trust Fund,

Priority 4: Equipment for Previously Funded Projects,

Priority 5: Projects funded by previous Acts of the General Assembly, but not under contract on the effective date of this Act,

Priority 6: Improvements: Energy Conservation projects authorized in item C-84 of this Act,

Priority 7: Construction funds for projects authorized in this Act.

2. Prior to the submission of the report by the Secretary of Finance the priority order set out in paragraph D.1. shall be used to schedule the issuance of debt under the December 2009 recommendations of the Debt Capacity Advisory Committee."

Explanation:

(This amendment establishes priorities for the projects to be funded from VCBA and VPBA debt. This prioritization will assure that agencies and institutions can proceed with planned expenditures for higher education equipment and maintenance of buildings pending the review of the Commonwealth's debt capacity by the Secretary of Finance.)

Central Appropriations

Central Capital Outlay

Language

Language:

Page 363, following line 24, insert:

"E.1. The State Treasurer is authorized to advance treasury loans that shall not exceed the costs of planning for each of the following projects:

Christopher Newport University

Restore Planning for Luter School \$ 1,100,230

College of William & Mary

Restore Planning for Integrated Science Center \$2,200,230

George Mason University

Restore Planning Campus Library Addition, Phase I \$1,999,205

James Madison University

Restore Planning Rockingham Hospital \$2,322,811

Restore Planning Duke Hall \$1,100,230

Radford University

Restore Planning Computational Science Building \$1,449,000

University of Mary Washington

Restore Planning Technology Center \$755,333

University of Virginia

Restore Planning New Cabell Hall \$791,277

Restore Planning Ruffner Hall \$1,100,230

Virginia Tech

Restore Planning Engineering Signature Building \$1,100,230

Virginia Tech Agricultural Experiment Station

Restore Planning Biosciences Building, Phase I \$1,000,000

Virginia State University

Restore Planning Multipurpose Center \$1,000,000

Jamestown/Yorktown Foundation

Restore Planning Yorktown Museum \$1,332,374

Science Museum of VirginiaRestore Planning Belmont Bay \$6,000,000**Total: Project Planning**

\$23,251,150

2. On or before June 30, 2010, the State Comptroller shall revert the unexpended balance in the Central Capital Planning Fund (Fund/Fund Detail 0965) estimated at \$7,553,536 to the general fund. The State Treasurer is authorized to advance treasury

loans that shall not exceed the costs of planning for each project from which funds are reverted pursuant to this paragraph.

3. Such treasury loans as are advanced pursuant to this item shall be repaid from the general fund, or proceeds of Virginia Public Building Authority, or Virginia College Building Authority Bonds upon authorization of construction funding."

Explanation:

(This amendment captures savings of \$30.8 million (all funds) previously appropriated for planning of capital projects and transfers these savings to the general fund. Treasury loans are authorized to replace the reverted planning funds.)

Item C-85 #1s

Central Appropriations

Central Capital Outlay

FY 10-11

\$500,000

FY 11-12

\$0 NGF

Language:

Page 362, following line 2, insert:
Thompson Hall (xxxxx)

Explanation:

(This amendment provides \$500,000 from VCBA bond proceeds to George Mason University for equipment for Thompson Hall.)
