



Report of the Subcommittee on
Capital Outlay

Senate Finance Committee
Virginia General Assembly

February 8, 2015



SENATE OF VIRGINIA

Senate Finance Committee

2015 Report of the Capital Outlay Subcommittee The Honorable Frank M. Ruff Jr., Chairman February 8, 2015

Chairman Colgan, Chairman Stosch, and Members of the Committee:

The Capital Outlay Subcommittee has worked diligently to make progress toward addressing the capital needs of the Commonwealth.

We heard presentations on debt capacity, the Northern Virginia and Hampton Roads Veterans Care Centers, the status of the existing project pools, the proposed use of debt to finance local elections equipment, and capital project cash flow requirements.

Based on the information provided to the Subcommittee, we are proposing recommendations of almost \$99.5 million in GF cash, almost \$96.0 million in VCBA/VPBA debt, \$10.0 million for an additional 9(d) project at the College of William and Mary, and \$132.4 million in nongeneral funds for higher education capital projects and the federal matching funds for the Veterans Care Centers.

From these amounts, the Subcommittee is recommending almost \$180.0 million for the construction of 10 projects at higher education institutions and the veterans care centers; \$13.8 million to plan an additional nine projects at educational institutions; \$23.4 million for supplements, improvements, and furnishings; and \$177,000 for one land acquisition. The Subcommittee feels it is important to continue to move projects through planning and construction in a logical fashion so that projects are in the pipeline and ready to go in future years. This is in keeping with our six-year capital outlay planning process.

I referenced the Northern Virginia and Hampton Roads Veterans Care Centers earlier. The Subcommittee recommends

including \$67.0 million for these two projects. The Committee passed multiple bills related to these projects including, Senator Watkins' General Obligation Bond Bill. Therefore, the Subcommittee elevated these projects by providing direct funding for each of them and writing language that illustrates our commitment for these projects to the federal government.

Also within the previously mentioned totals, the Subcommittee begins to address prior concerns regarding cash flow in the planning pool and deferred maintenance. Subcommittee recommendations tackle this by adding \$10.0 million in GF cash to start to move the previously authorized planning projects forward more quickly and an additional \$5.0 million in GF cash for maintenance reserve, for a total of \$85 million for this purpose in the second year.

The Subcommittee also proposes \$10.0 million in the second year for the Stormwater Local Assistance Fund. This is also about honoring our commitments in other areas of the budget including natural resources. Toward this goal, there are multiple small projects under the Department of Conservation and Recreation that were included in the amounts above.

In addition, the Subcommittee thoughtfully considered the proposed request to fund \$28.0 million for local elections equipment. Although the purpose was to solve a potential problem, the Subcommittee felt that now was not the time to set a precedent by providing funding that has not been allocated from State funds in the past.

In conclusion, the Capital Outlay Subcommittee has proposed a plan to continue strategic investments in multiple areas of the budget while prudently using less than one-quarter of our remaining debt capacity for the current year.

This completes the report of your subcommittee and we hope it will be the pleasure of the committee to adopt our amendments.

**February 8, 2015 Report of the Senate Finance Committee - CAPITAL OUTLAY
Summary of Recommended Amendments to SB 800, As Introduced**

1 Part 2. Capital Project Expenses	Biennial GF \$	Biennial Other NGF \$	Biennial 9(d) Bonds \$	Biennial VCBA/VPBA \$	Biennial Total \$
2 CWM - Design and Construct Integrative Wellness Center	\$0	\$0	\$10,000,000	\$0	\$10,000,000
3 GMU - Utility Distribution Infrastructure Improvements	\$3,400,000	\$0	\$0	\$0	\$3,400,000
4 LU - Planning for New Academic Building	\$0	\$1,331,116	\$0	\$0	\$1,331,116
5 LU - Planning for New Admissions Office	\$0	\$831,440	\$0	\$0	\$831,440
6 LU - Biomass Boiler Supplement	\$5,615,056	\$355,122	\$0	\$0	\$5,970,178
7 UVA - Rotunda Supplement	\$7,088,814	3,544,537	\$0	\$0	\$10,633,351
8 VCU: Planning Allied Health Building	\$0	\$2,500,000	\$0	\$0	\$2,500,000
9 VMI - Modify Stonewall Jackson House Museum Facilities	\$0	\$208,000	\$0	\$0	\$208,000
10 VMI - Move Funds Between Years for Post Facilities, Phase III	\$0	\$0	\$0	\$0	\$0
11 VT - Ext. Improve Kentland Facilities	\$7,600,000	\$0	\$0	\$0	\$7,600,000
12 SMV - Pre-Planning for Parking Facility	\$250,000	\$0	\$0	\$0	\$250,000
13 DCR - Improvements Occoneechee State Park Spray Ground	\$1,500,000	\$0	\$0	\$0	\$1,500,000
14 DCR - Acquisition Natural Tunnel State Park	\$177,000	\$0	\$0	\$0	\$177,000
15 DCR - Improvements New Cabin Furnishings	\$280,000	\$0	\$0	\$0	\$280,000
16 DCR - Improvements State Park Yurts	\$1,453,463	\$0	\$0	\$0	\$1,453,463
17 DVS - Veterans Care Centers	\$0	\$123,597,832	\$0	\$67,000,000	\$190,597,832
18 Central Capital Outlay - Increase Maintenance Reserve	\$5,000,000	\$0	\$0	\$0	\$5,000,000
19 Central Capital Outlay - Increase Stormwater Local Assistance Fund	\$0	\$0	\$0	\$10,000,000	\$10,000,000
20 Capital Outlay Pool - Additional Projects	\$48,227,000	\$0	\$0	\$46,970,000	\$95,197,000
21 Planning Pool - Funding and Additional Projects	\$18,898,000	\$0	\$0	\$0	\$18,898,000
22 CO - Language -Planning Funds for CCAM AMAAC and Regional Centers of Excellence	\$0	\$0	\$0	\$0	\$0
23 Strike Language for Item Funded Separately	\$0	\$0	\$0	\$0	\$0
24 Redirect Debt From - Replace Voting Equipment Statewide	\$0	\$0	\$0	(\$28,000,000)	(\$28,000,000)
25 9(d) Revenue Bond Language	\$0	\$0	\$0	\$0	\$0
26 FY 2014-2016 Total Capital Outlay Subcommittee	\$99,489,333	\$132,368,047	\$10,000,000	\$95,970,000	\$337,827,380
27 Other Amendments Related to Capital Outlay:					
28 DOC - Brunswick Demolition Language	\$0	\$0	\$0	\$0	\$0
29 DGIF - Surplus Property Language	\$0	\$0	\$0	\$0	\$0

Capital Outlay Subcommittee

Item C-32.06 #1s

Veterans Affairs and Homeland Security

FY 14-15

FY 15-16

Department Of Veterans Services	\$0	\$0 GF
	\$0	\$190,597,832 NGF

Language:

Page 484, after line 15, insert:

"C-32.06. Veterans Care Centers Project Pool		\$190,597,832
Fund Sources: Federal Trust		\$123,597,832
Bond Proceeds		\$67,000,000".

"Veterans Care Centers Project Pool	\$0	\$190,597,832
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Fund Sources: Federal Trust	\$0	\$123,597,832
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Bond Proceeds	\$0	\$67,000,000
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A. Subject to the conditions set out in Paragraph C of this Item, the Virginia Public Building Authority (VPBA), pursuant to § 2.2-2260 et. seq., Code of Virginia, is authorized to issue bonds or notes in an aggregate principal amount not to exceed \$67,000,000 plus amounts to fund related issuance costs, and other financing expenses in accordance with § 2.2-2260 et. seq., Code of Virginia.

B. For the purpose of certifying the availability of state matching funds to the U.S. Department of Veterans Affairs, the amount authorized above provides state support estimated at \$33,000,000 for the Hampton Roads Veterans Care Center and \$34,000,000 for the Northern Virginia Veterans Care Center. Federal funding is currently estimated at \$60,618,036 for the Hampton Roads Veterans Care Center and \$62,979,796 for the Northern Virginia Veterans Care Center.

C. Any issuance of bonds pursuant to this Item is contingent upon certification from the Virginia Department of Veterans Services to the State Treasurer and the Director, Department of Planning and Budget that a federal grant or grants have been awarded for the Hampton Roads Veterans Care Center and/or the Northern Virginia Veterans Care Center projects. Upon that same certification, the Director,

Department of Planning and Budget shall appropriate up to the amounts provided above the allocable authorizations related to bond proceeds and federal grant funds to the Virginia Department of Veterans Services so that the project or projects may proceed without further action by the Commonwealth, in accordance with 38 CFR 59.50 and 38 CFR 59.70(b)."

Explanation:

(This amendment provides funding of \$67.0 million in VPBA bond proceeds for the Northern Virginia and Hampton Roads Veterans Care Centers. The projects had previously been funded with treasury loans.)

Capital Outlay Subcommittee

Item C-43 #2s

Central Appropriations	FY 14-15	FY 15-16	
Central Capital Outlay	\$30,563,000	\$17,664,000	GF
	\$0	\$46,970,000	NGF

Language:

- Page 490, line 46, strike "\$119,421,164" and insert "\$149,984,164".
- Page 490, line 46, strike "\$0" and insert "\$64,634,000".
- Page 490, at line 47, after "Fund Sources:" insert "General \$30,563,000 \$17,664,000".
- Page 490, line 49, strike "\$0" and insert "\$46,970,000".
- Page 490, line 56, strike "\$55,135,664" and insert "\$102,105,664".
- Page 491, line 10, after "appropriated" insert "\$30,563,000 from the general fund,".
- Page 491, line 11, after "year" insert "and \$17,664,000 from the general fund and \$46,970,000 from bond proceeds the second year".
- Page 491, after line 32, insert:
"Radford University Renovate Whitt Hall
Virginia Commonwealth University Renovate Sanger Hall, Phase II
Virginia Commonwealth University Renovate Raleigh Building
Virginia Community College System Replace Phase I Academic and Administration Building, Eastern Shore
Virginia Community College System Renovate Engineering and Industrial Technology Building, Danville
Virginia Polytechnic Institute and State University Renovate/Renew Academic Buildings".

Explanation:

(This amendment adds six projects at higher education institutions that are ready to proceed to construction to the Capital Outlay Project Pool.)

Capital Outlay Subcommittee

Item C-44 #1s

Central Appropriations

FY 14-15

FY 15-16

Central Capital Outlay

\$10,000,000

\$8,898,000 GF

Language:

Page 492, line 32, strike "\$13,276,000" and insert "\$23,276,000".

Page 492, line 32, strike "\$0" and insert "\$8,898,000".

Page 493, after line 5, insert:

"204 College of William and Mary Construct West Utilities Plan

211 Virginia Military Institute Expand Post Infrastructure Improvements Phase I, II, and III

247 George Mason University Construct Robinson Hall Demolition, New Academic and Research Facility, and Harris Theater Addition

260 Virginia Community College System Renovate Bird and Renovate and Expand Nicholas Center, Chester Campus, John Tyler".

Page 493, after line 8, insert:

"268 Virginia Institute of Marine Science Construct Facilities Management Building".

Explanation:

(This amendment provides an additional \$10.0 million GF in the first year and \$8.9 million GF in the second year to the Planning Pool for additional capital outlay projects and to provide more cash to the fund overall.)
