



Report of the Subcommittee on
Capital Outlay

Senate Finance &
Appropriations Committee
Virginia General Assembly

February 20, 2022



SENATE OF VIRGINIA

Senate Finance & Appropriations Committee

2022 Report of the Capital Outlay Subcommittee

The Honorable R. Creigh Deeds, Chair

February 20, 2022

Madam Chair and Members of the Committee:

The Capital Outlay Subcommittee again worked diligently to review the introduced budget as it relates to capital outlay.

As you will recall, the introduced budget included almost \$3.7 billion over the biennium for capital outlay with more than \$2.5 billion in general fund cash, \$989.0 million in nongeneral fund cash, and \$157.0 million in 9(c) and 9(d) bond proceeds. The amount of general fund cash funding for capital projects is quite astonishing, and, in many ways, spending it in capital reflects the one-time nature of the Commonwealth's available resources.

We studied the increasing costs to projects in progress and the projects in the pipeline due to inflation and supply chain issues. And quite simply, we will not know the full impact of these inflationary pressures until the projects are awarded contracts. The Subcommittee balanced the need for additional capital projects with the significant unknowns for our currently committed projects. As always, we maintained our long-standing practice of strong-fiscal management and resisted the urge to issue more debt even if it is available in our Debt Capacity model. With over \$5.0 billion in authorized but unissued debt, we must continue managing the pipeline for construction projects and refrain from using additional debt capacity in times where economic conditions may be volatile.

Our recommended amendments increase overall general fund cash in capital outlay by almost \$23.0 million as compared to the introduced budget.

- We recommend allocating an additional \$50.0 million from the general fund to supplement existing projects with cost overruns, totaling \$150.0 million over the biennium.
- We recommend \$85.0 million from the general fund to address maintenance reserve backlogs at our state parks.
- We recommend planning for the replacement of the State Police Training Academy.
- We endorse projects focused on infrastructure/life safety projects.
- We also recommend deferring several construction projects at the community colleges until we can better understand their enrollment and instead recommend detailed planning for these projects.

Madam Chair, this completes the report of the Subcommittee on Capital Outlay, and I would like to conclude by expressing my appreciation to the members of the Subcommittee for their diligent efforts in shaping these recommendations.

Respectfully Submitted,

The Honorable R. Creigh Deeds, Chair

The Honorable Thomas K. Norment, Jr., Vice-Chair

The Honorable Janet D. Howell

The Honorable Richard L. Saslaw

The Honorable Emmett W. Hanger, Jr.

The Honorable Mamie E. Locke

**February 20, 2022 Report of the Senate Finance and Appropriations Committee - CAPITAL OUTLAY
Summary of Recommended Amendments to SB 29 and SB 30, As Introduced**

SB 30:								
Line #	Amendment #	Short Title	Biennial GF \$	Biennial NGF \$	Biennial 9(c) Bonds \$	Biennial 9(d) Bonds \$	Biennial VCBA/VPBA \$	Biennial Total \$
1	C-3.10 #1s	CO - DOF - Acquire Conway Robinson State Forest Border Tract	\$2,500,000					\$2,500,000
2	C-13 #1s	CO - NSU - Redirect Construct Residential Housing Funding	(\$58,331,500)					(\$58,331,500)
3	C-14 #1s	CO - NSU - Redirect Construct New Dining Facility Funding	(\$52,210,750)					(\$52,210,750)
4	C-42.10 #1s	CO - DCR - State Park Maintenance Reserve	\$85,000,000					\$85,000,000
5	C-49.10 #1s	CO - DCR - Widewater State Park Phase II Construction	\$10,000,000					\$10,000,000
6	C-50 #1s	CO - DCR - Acquisition of Land for State Parks (Technical)						\$0
7	C-51.10 #1s	CO - DCR - Acquisition Culpeper Battlefields State Park						\$0
8	C-52.10 #1s	CO - DWR - Maintenance Reserve		\$3,000,000				\$3,000,000
9	C-52.20 #1s	CO - DWR - Improvements Wildlife Management Areas		\$2,000,000				\$2,000,000
10	C-52.30 #1s	CO - DWR - Improvements Repair and Upgrade Dams		\$4,000,000				\$4,000,000
11	C-52.40 #1s	CO - DWR - Improvements Boating Access		\$2,500,000				\$2,500,000
12	C-74 #1s	CO - Central Capital - Planning	\$18,431,550					\$18,431,550
13	C-75 #1s	CO - Central Capital - 2022 Public Educational Institution Construction Pool	\$5,895,000					\$5,895,000
14	C-77.5 #1s	CO - Central Capital - Supplement UVA Alderman Library Renewal	\$11,300,000					\$11,300,000
15	C-79 #1s	CO - Central Capital - Supplement Authorized Capital Project	\$50,000,000					\$50,000,000
16	C-80 #1s	CO - Central Capital - Reduce Local Water Quality and Supply Projects	(\$50,000,000)					(\$50,000,000)
17		Language Amendments						
18		TOTAL	\$22,584,300	\$11,500,000	\$0	\$0	\$0	\$34,084,300

Item C-42.10 #1s

CO - DCR - State Park Maintenance Reserve

Natural and Historic Resources	FY22-23	FY23-24
Department of Conservation and Recreation	\$85,000,000	\$0 GF

Language:

Page 535, after line 24, insert:

"C-42.10 Maintenance Reserve: State Park Deferred Maintenance	\$85,000,000	\$0
Fund Sources: General	\$85,000,000	\$0 "

Explanation:

(This amendment provides \$85.0 million GF the first year to the Department of Conservation and Recreation for Virginia State Park and outdoor recreation area deferred maintenance and construction needs.)

Item C-49.10 #1s

CO - DCR - Widewater State Park Phase II Construction

Capital Projects	FY22-23	FY23-24
Department of Conservation and Recreation	\$10,000,000	\$0 GF

Language:

Page 536, after line 6, insert:

"C-49.10 New Construction: Construct new facilities and trails at Widewater State Park Phase II	\$10,000,000	\$0
Fund Sources: General	\$10,000,000	\$0 "

Explanation:

(This amendment provides \$10.0 million GF the first year to fund the completion of Phase II of the Widewater State Park construction including roads, trails, picnic areas, parking, sewer, stormwater, electricity, water treatment, campsites, cabins, bathhouses, and a canoe launch.)

CO - Central Capital - Planning

Central Appropriations	FY22-23	FY23-24
Central Capital Outlay	\$18,431,550	\$0 GF

Language:

Page 543, line 2, strike "\$77,815,000" and insert "\$96,246,550".

Page 543, after line 15, insert:

"156	Department of State Police	Replace training academy (18541)".
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Page 543, after line 19, insert:

"211	Virginia Military Institute	Construct Moody Hall".
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Page 543, after line 40, insert:

"260	Virginia Community College System	Renovate Main Academic Building, Downtown Campus, J. Sargeant Reynolds CC
260	Virginia Community College System	Renovate A.L. Philpott Technical Center & MET Complex Building 1, Patrick and Henry CC
260	Virginia Community College System	Renovate/Retrofit Walker Building, Norfolk Campus, Tidewater CC
260	Virginia Community College System	Renovate Learning Resource Center (LRC), Virginia Highlands CC
260	Virginia Community College System	Renovate and Expand Rooker for Advanced Manufacturing and Credentialing Center, New River CC
260	Virginia Community College System	Replace Buchanan and Tazewell Halls, Southwest Virginia CC".

Page 543, strike lines 43 - 44.

Explanation:

(This amendment adds \$18.4 million GF the first year to support detailed planning for the replacement of the State Police training academy, construction of Moody Hall at Virginia Military Institute, and six community college projects. The amendment also defers planning on the Southern Virginia Mental Health Institute.)

Item C-75 #1s

CO - Central Capital - 2022 Public Educational Institution Construction Pool

Central Appropriations	FY22-23	FY23-24
Central Capital Outlay	\$5,895,000	\$0 GF

Language:

Page 544, line 7, strike "\$423,948,000" and insert "\$429,843,000".

Page 544, after line 18, insert:

"213	Norfolk State University	Renovate and Replace Fine Arts Building (18543)".
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Page 544, after line 19, insert:

"215	University of Mary Washington	Construct Fine and Performing Arts Center (18544)".
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Page 544, strike lines 32 - 37.

Page 544, strike lines 40 - 48.

Explanation:

(This amendment provides \$5.9 million GF to the 2022 Public Educational Institution Construction Pool for the renovation and replacement of the fine arts building at Norfolk State University, and the construction of the fine and performing arts center at the University of Mary Washington. The amendment also defers six projects in the Virginia Community College System.)

Item C-79 #1s

CO - Central Capital - Supplement Authorized Capital Projects

Central Appropriations	FY22-23	FY23-24
Central Capital Outlay	\$50,000,000	\$0 GF

Language:

Page 545, line 41, strike "\$50,000,000" and insert "\$100,000,000".

Page 545, line 43, strike "\$50,000,000 the first year" and insert "\$100,000,000 the first year".

Explanation:

(This amendment provides \$50.0 million GF the first year to supplement previously authorized capital projects, increasing the supplement pool to \$150.0 million GF over the biennium.)
