



Report of the Subcommittee on
Capital Outlay

Senate Finance &
Appropriations Committee
Virginia General Assembly

February 5, 2023



SENATE OF VIRGINIA

Senate Finance & Appropriations Committee

2023 Report of the Capital Outlay Subcommittee

The Honorable R. Creigh Deeds, Chair

February 5, 2023

Co-Chairs and Members of the Committee:

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

As you will recall, the introduced budget proposed almost \$915.0 million over the biennium in additional capital outlay spending with almost \$605.0 million in general fund cash, \$212.0 million in nongeneral fund cash, and \$98.0 million in 9(d) bond proceeds. As introduced, the total general fund cash for capital outlay totaled almost \$2.7 billion and includes zero tax-supported debt for state capital outlay projects. This really underscores the Commonwealth's abundant resources to meet our operating commitments while still being able to pay-as-you go for capital.

Over the past year, we have understood the cost increases to projects as contracts were signed. These projects continue to represent our commitments and in most cases the cost increases are solely due to inflation and supply chain issues. Last year, the General Assembly took the sensible first step by including \$350.0 million for project supplements, and we fully endorse the Governor's proposed additional \$400.0 million for this purpose.

The Subcommittee balanced the need for additional capital outlay with the many unknowns in our currently committed projects. The priority of the Commonwealth should always be focused on maintaining our existing capital infrastructure and to resist the desire to move construction projects forward before we have sufficiently preserved our existing buildings. Therefore, your

Subcommittee concentrated our attention on projects related to improvements, deferred maintenance, and critical agency 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 \$4.0 billion in authorized but unissued debt, we must continue managing the pipeline for construction projects and refrain from using additional debt capacity when interest rates are higher and there is uncertainty in the economy.

Our recommended amendments increase overall general fund cash in capital outlay by \$92.1 million as compared to the introduced budget.

- We provide \$50.0 million for additional project supplements, bringing the total supplement pool to \$800.0 million over the biennium.
- We support projects focused on improvements and infrastructure upgrades.
- We recommend an additional \$8.6 million from the general fund for detail planning for five higher education projects.
- We recommend \$20.0 million from the general fund for local stormwater assistance projects to meet our environmental protection goals.

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

Report of the Subcommittee on Capital Outlay
(Proposed Amendments to SB 800 as Introduced, 2023 Session)

SB 800, General Fund

Amendments		Biennial GF	Biennial NGF	Biennial 9(c) Bonds	Biennial 9(d) Bonds	Biennial VCBA/VPBA	Biennial Total
1	Capital Outlay						
2	DGS - Improve and Convey Property in Clarke County	\$ 1,900,000	\$ -	\$ -	\$ -	\$ -	\$ 1,900,000
3	FMA - Rehabilitation Historic Buildings	7,039,000	-	-	-	-	7,039,000
4	FMA - Repairs Visitor Center and Casemate Museum	100,000	-	-	-	-	100,000
5	FMA - Install Security Systems	510,000	-	-	-	-	510,000
6	WM - Improvements: Renovate Historic Campus	4,900,000	1,300,000	-	-	-	6,200,000
7	GMU - Deferred Maintenance	8,000,000	-	-	-	-	8,000,000
8	JMU - Construct Village Student Housing Phase 1	-	13,500,000	-	-	-	13,500,000
9	VMI - Renovate Financial Aid and Admissions Offices (Planning)	202,400	-	-	-	-	202,400
10	VT - Carilion School of Medicine and Fralin Biomedical Research Institute (Planning)	-	2,952,640	-	-	-	2,952,640
11	UVA - Improve Student Mental Health Facility	2,900,000	-	-	-	-	2,900,000
12	UVA - Construct Center for Arts (Planning)	-	15,300,000	-	-	-	15,300,000
13	SMV - Demolish Workers Compensation Building	2,500,000	-	-	-	-	2,500,000
14	DOC - Capital Infrastructure Fund	(10,000,000)	-	-	-	-	(10,000,000)
15	DVS - Renovation of Sitter and Barfoot Veterans Care Center (Pre-Planning)	250,000	-	-	-	-	250,000
16	DVS - Construct Replacement Veterans Care Center Facility in Roanoke (Pre-Planning)	250,000	-	-	-	-	250,000
17	VPA - Local Dredging Projects	(5,000,000)	-	-	-	-	(5,000,000)
18	Planning Pool	8,560,000	-	-	-	-	8,560,000
19	VMI - Improve New Market Battlefield State Historical Park (Planning)	-	-	-	-	-	-
20	VMI - Improve Hinty Hall and Facility Infrastructure (Planning)	-	-	-	-	-	-
21	CNU - Plant Operations and Warehouse Replacement (Planning)	-	-	-	-	-	-
22	VSU - Construct BOLT Leadership Center for Social Responsibility (Planning)	-	-	-	-	-	-
23	UMW - Construct New Police Station (Planning)	-	-	-	-	-	-
24	IALR - Center for Manufacturing Advancement (Pre-Planning)	-	-	-	-	-	-
25	Stormwater Local Assistance Fund	20,000,000	-	-	-	-	20,000,000
26	Capital Project Supplements	50,000,000	-	-	-	-	50,000,000
27	Various Language Amendments	-	-	-	-	-	Lang.
28	Total, Capital Outlay	\$ 92,111,400	\$ 33,052,640	\$ -	\$ -	\$ -	\$ 125,164,040
29							

CO - Detail Planning Pool

Central Appropriations	FY22-23	FY23-24
Central Capital Outlay	\$8,560,000	\$0 GF

Language:

Page 628, line 53, strike "\$6,168,800" and insert "\$14,728,800".

Page 629, line 1, strike "\$6,168,800" and insert "\$14,728,800".

Page 629, after line 12, insert:

"211 Virginia Military Institute Improve New Market Battlefield State Historical Park
211 Virginia Military Institute Improve Hinty Hall and Facility Infrastructure"

Page 629, after line 13, insert:

"212 Virginia State University Construct Bolt Leadership Center for Social
Responsibility

215 University of Mary Washington Construct Police Station

242 Christopher Newport University Replace Plant Operations and Warehouse
Building"

Page 629, after line 21, insert:

"E. The Institute for Advanced Learning and Research is authorized to begin pre-
planning for an expansion at the Center for Manufacturing Advancement.".

Page 629, strike lines 22 through 37.

Explanation:

(This amendment authorizes five additional projects for detail planning, authorizes pre-
planning for an expansion at the Institute for Advanced Learning and Research, and
defers two pre-planning studies.)

CO - Seat of Government

Central Appropriations

Central Capital Outlay	Language
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Language:

Page 635, after line 58, insert:

"C. The Director of the Department of Planning and Budget and the Director of the
Department of General Services shall notify the Clerk of the House and Clerk of the
Senate, pursuant to funding authorized in paragraph E. 1. of Item C-39.40 of Chapter 1

of the Acts of Assembly of 2014, Special Session I and paragraph 11 of Chapters 759 and 769 of the Acts of Assembly of 2016, on the issuance of a certificate of occupancy (CO-13.3) for Old City Hall under project code 194-18081-001. Upon issuance of the certificate and without any delay of such issuance, the occupancy of Old City Hall shall be controlled by the Committee on Joint Rules and administered by the Clerk of the House and Clerk of the Senate. Pursuant to paragraph 11 of Chapters 759 and 769 of the Acts of Assembly of 2016, the Auditor of Public Accounts shall monitor and report any noncompliance with these provisions to the Committee on Joint Rules."

Explanation:

(This amendment transfers authority of Old City Hall under project code 194-18081-001 to the Joint Committee on Rules once the Director of the Department of Planning and Budget and the Director of the Department of General Services notify the Clerks of the House and Senate of a certificate of occupancy.)
