Six-Year Capital Outlay Plan
HB / SB 5001

Collaborative, nonpartisan effort by members of the House, Senate and the Governor to craft a business-like approach of setting forth a 6-year capital outlay plan

• Greater accountability through preplanning and detail planning
• Better cost estimates from the preplanning and detail planning should lead to getting cost overruns under control
• Will result in projects being built faster because there will be a shorter time between project approval and funding

Comprehensive bill providing for the needs of higher education, mental health, state parks, public safety, education, agriculture, and economic development

• Rebuilds and renovates Western State Hospital, Central Virginia Training Center and Southeastern Virginia Training Center
• Constructs two new state parks at High Bridge and Powhatan and provides for new cabins at Andy Guest State Park
• Constructs a new school for the Deaf, Blind, and Multi-disabled in Staunton

Higher education projects address enrollment and research needs at our colleges and universities

Provides for an economic stimulus of about $1.5 billion over the two-year period comprising 75 projects

• Another 26 projects are approved for detailed planning with a construction value estimated at $853.2 million
• Seven projects are approved for preplanning with a construction value estimated at $298.2 million
• The bill has an emergency clause
Capital Plan Structure

Six-Year Plan

- Develop a six-year plan in stand alone bill
- A Six-Year Capital Improvement Plan Advisory Committee will convene annually
  - Committee comprised of executive and legislative branch staff
  - Purpose to identify projects for consideration by the Governor and General Assembly for inclusion in the six-year plan
- Governor will submit a bill to develop and recommend revisions to the six-year plan with final approval by the General Assembly
- The Capital Improvement Plan will be the basis for the capital appropriations submitted by the Governor to the General Assembly

Project Planning and Pre-Planning

- Within a biennium the Governor and General Assembly will designate projects to be either pre-planned or planned up to preliminary drawings for consideration of funding subsequent fiscal years
- Preplanning
  - Limited to the lesser of 1% of project cost or $250,000
  - Spell out project scope, general cost estimate and methodology and programmatic need
  - Agencies will be allowed to use NGF to advance preplanning and be eligible for reimbursement if the project is funded
  - The intent is to gain further information to determine if the project should be advanced for greater authorization
• Planning
  o Limited to 4% to 5% of project cost to take planning up to preliminary drawings
  o Allows for value engineering to take place
  o Obtain a more accurate cost estimate
  o For projects that receive planning funds, the intent would be to fund the project, however legislative approval is required

• Planning and Pre-planning will be funded from a pool of dollars that will be replenished upon project approval and funding

Key Roles

• Process is intended to be pre-appropriation for institutions exempt from capital outlay process under Level 2 or 3 in order to maintain decentralization initiatives

• Dept. of General Services
  o Review both preplanning and planning documents
  o Maintain the project database
  o Provide expert advice to the Governor and General Assembly
  o Value engineering
  o Review of cost overruns

• SCHEV Roles and Responsibilities
  o Serve on Six-Year Capital Improvement Plan Advisory Committee
  o Review for programmatic and space justification
  o Review does not exclude Governor and General Assembly from including projects that do not meet SCHEV specification
• Cost Overruns
  o Prior to requesting supplemental general fund for projects agencies and institutions are:
    ▪ Required to value engineer
    ▪ Required to look to other fund sources
    ▪ Required to adjust project scope and size

• Project Construction Method language to allow companies with experience in design-bid-build to be considered for CM at risk or other construction methods
Funding Highlights

Higher Education
- $1.0 billion for 57 higher education projects that will move forward immediately
- $27.7 million to complete detail planning on 21 projects with an estimated construction value of $632.9 million
- $1.3 million to preplan five projects with an estimated construction value of $230.6 million
- Total value of higher education projects is about $1.9 billion

Mental Health
- $209.4 million for six projects that will move forward immediately
  - $110.0 million to replace Western State Hospital
  - $43.0 million for Central Virginia Training Center
  - $23.9 million for Southeastern Virginia Training Center with the requirement that a cost benefit analysis be conducted to determine if renovation or new construction is more appropriate
- $483,000 to preplan two community housing projects related to Central Virginia Training Center and Southeastern Virginia Training Center

State Parks
- $17.4 million for three projects that will move forward immediately
  - $7.5 million to construct Phase I of High Bridge State Park
  - $7.5 million to construct Phase I of Powhatan State Park
  - $2.4 million for new cabins at Andy Guest State Park
Other Key Projects

- $71.3 million to construct a consolidated School for the Deaf, Blind and Multi-Disabled at Staunton
- $16.0 million for the Wallops Island Flight Facilities Improvements
- $8.7 million to plan for a new correctional center in Charlotte County

Debt Capacity

- Virginia retains significant debt capacity
- Debt capacity after accounting for all the actions taken in HB 29, HB 30 and HB 5001 will be approximately $577 million per year for the next 10 years