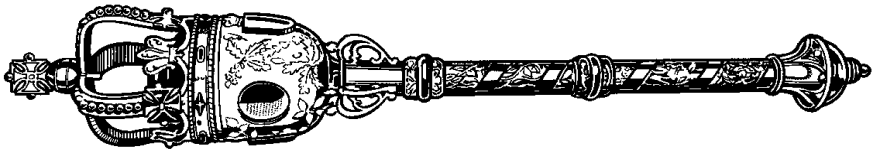
Report of the House Appropriations Subcommittee

on

Capital Outlay



House Bill 1500

February 6, 2005

Respectfully Submitted by the House Appropriations Subcommittee on Capital Outlay:

Lacey E. Putney, Chairman	**R. Steven Landes**
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REPORT OF THE SUBCOMMITTEE
On
CAPITAL OUTLAY

Mr. Chairman and Members of the Committee:

On behalf of the Capital Outlay Subcommittee, I am pleased to offer budget recommendations that address the priorities of addressing cost overruns for previously approved projects and renovating and repairing our existing state facilities, especially the deferred capital maintenance backlog. The Subcommittee adopted two key priorities in meeting these priorities – **NO** new, tax-supported debt and **NO** general funds to plan new projects which would create an expensive obligation beyond this General Assembly.

As you know, Mr. Chairman, the cost of construction has increased significantly in the past year, due primarily to price increases in steel and concrete. As a result, the Subcommittee's largest recommendation is for $58.1 million of general funds to address these cost overruns. The Subcommittee chose to handle this funding in a different way than the proposed budget. The proposed budget created an account under the control of central government. The Subcommittee's recommendations distribute the funds for the cost overruns to the project level, giving agencies the maximum flexibility to manage these projects, which will allow the projects to move forward in a timely manner.

Tackling the deferred maintenance backlog has been a central issue for this Subcommittee for several years. We heard testimony from our Auditor of Accounts who presented several recommendations on this issue. However, these recommendations reflect a significant departure from the present way we do business and until we get a better assessment from every agency on the magnitude of deferred maintenance, implementing these recommendations would be presumptuous. Therefore, Mr. Chairman, the Subcommittee recommends $47.8 million of general funds for capital maintenance projects. This is $2.4 million more than the proposed

budget with the increased funding allocated to the Department of Conservation and Recreation for the maintenance needs in our state parks.

In addition, Mr. Chairman, the Subcommittee recommends $28.5 million for equipment for capital projects that are expected to open in the next two years. These funds provide the necessary lead time to acquire the equipment that ensures these buildings are ready to be utilized on schedule.

Also, Mr. Chairman, the Subcommittee recommends $28.7 million for several high-priority projects that require immediate attention. These include $7.4 million to fully fund Kilbourne Hall at Virginia Military Institute and $3.1 million for repairs at the Southeast Virginia Training Center. In addition, while the proposed budget includes $1.2 million for expansion of the Norfolk Forensic Lab, it does not address the need for a forensic lab in Northern Virginia. Therefore, the Subcommittee recommends $2.0 million to establish the Northern Virginia Forensics Lab. The Subcommittee also recommends $8 million in general funds for the first installment of the state share to acquire Rockingham Hospital at James Madison University.

The remaining capital recommendations proposed by the Subcommittee involve the use of about $127.6 million of nongeneral funds and 9(d) revenue bonds, primarily at our public colleges and universities. Most of these projects are supported by gifts, federal funds, or auxiliary enterprises.

Finally, Mr. Chairman, the Subcommittee recommends several savings actions, the largest of which is $7.6 million proposed to acquire the leasehold interest in Old City Hall. Instead, the Subcommittee recommends that the Department of General Services examine the feasibility of using nongeneral fund revenue bonds that would be supported by the organizations who presently lease space in the building. In addition, there are several equipment item amendments which reflect an adjustment for the original equipment requests for these particular projects and which were over-funded in the proposed budget.

The details of the Subcommittee's report are contained in the attachments. Committee staff will review our report and the attached listing of

our recommendations in greater detail, and we hope it will be your pleasure to adopt the report.

House Bill 1500 Capital Outlay Amendment	2004-06 BIENNIAL TOTAL General Fund	 Nongeneral Fund
Treasury Board		
Treasury Board Technical Language	0	Language
Treasury Board Carryforward (Program 143)	0	Language
Treasury Board Carryforward (Program 743)	0	Language
Department Of General Services		
Replace Power Transformer	350,000	0
Replace Chiller	625,000	0
Capitol Equipment	2,542,550	0
VRS Parking Deck	0	Language
8th / 9th St Parking Deck	0	16,000,000
Old City Hall Revenue Bond	(7,600,000)	7,600,000
Department Of Veterans Services		
Veterans Care Center Supplement	0	Language
Department Of Agriculture and Consumer Services		
Harrisonburg Lab Overrun	392,000	0
Department of Forestry		
Grayson and Carroll Area Offices Overrun	133,000	0
The College Of William And Mary In Virginia		
Parking Deck Supplement	0	3,500,000
Acquire Community Hospital	0	Language
Football Field Supplement	0	3,250,000
Historic Campus Repairs	0	1,700,000
Rec Sports Center	0	2,750,000
George Mason University		
Arlington II Overrun	3,200,000	0
Child Development Center	0	1,800,000
Patriot Center Supplement	0	1,000,000
North Loop Overrun	378,000	0
Fieldhouse Supplement	0	600,000
New Info Tech School	0	Language
Property Acquisition	0	2,000,000
James Madison University		
Harrison Hall Overrun	180,000	0
Storm Sewers Overrun	90,000	0
Steam Infrastructure Overrun	90,000	0
Property Acquisition	8,000,000	0
Longwood University		

House Bill 1500 Capital Outlay Amendment	2004-06 BIENNIAL TOTAL General Fund	 Nongeneral Fund
Bedford Wygal Overrun	1,000,000	0
Soccer fields capital project fund source	0	Language
Lancer Gymnasium and Willet Hall fund sourc	0	Language
University Of Mary Washington		
James Monroe Center II Equipment	500,000	0
Lee Hall Overrun	3,574,000	0
James Monroe Center II Overrun	1,100,000	0
Norfolk State University		
RISE Equipment Adjustment	(2,000,000)	0
Old Dominion University		
Physical Science Building Scope Change	0	Language
Physical Science Overrun	1,080,000	0
Batten Arts Overrun	735,000	0
Hughes Hall Overrun	446,000	0
Tri-Cities Center Overrun	444,000	0
Teletechnet Classrooms Overrun	256,000	0
Health and PE Building Overrun	170,000	0
Parking Garage Technical Change	0	Language
Research Office Building Technical Change prc	0	Language
Construct New Dorm	0	23,745,125
Radford University		
Russell Hall Overrun	715,000	0
Fine Arts Overrun	2,150,000	0
Porterfield Hall Overrun	160,000	0
University Of Virginia		
Studio Art Overrun	2,490,000	0
Campbell Chiller Overrun	1,270,000	0
Acquire Advanced Research Technology Facili	0	23,870,000
North Garage Supplement	0	6,400,000
Arts Garage Supplement	0	2,600,000
Cavalier Substation Overrun	900,000	0
Cocke Hall Supplement	0	2,000,000
University Of Virginia Medical Center		
Relocate Medical Center Clinic	0	8,500,000
Virginia Commonwealth University		
Hibbs Building Equipment Adjustment	(100,000)	0
Massey Cancer Center NGF Authority	0	6,000,000

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Ad Center NGF Authority	0	7,000,000
Nursing Building Overrun	1,131,000	1,000,000
Virginia Community College System		
Fine Arts Equipment Adjustment, Blue Ridge	(200,000)	0
Workforce Development Center Supp, Lord Fa	0	1,236,000
Parking Lot, Blue Ridge	0	1,700,000
Virginia Military Institute		
Fully Fund Kilbourne Hall	3,700,000	0
Virginia Polytechnic Institute And State University		
Biology Building Equipment Adjustment	(2,250,000)	0
Virginia State University		
Use of Maintenance Reserve	0	Language
Rogers Stadium Renovations	0	2,600,000
Handicapped Access Overrun	74,000	0
Sewer Lines Repair Overrun	780,000	0
Gandy Hall Overrun	1,020,000	0
Science and Technology Overrun	1,999,000	0
Science and Technology Equipment Adjustmer	(200,000)	0
Gandy Hall Temp Overrun	25,000	0
Acquire Generators	1,000,000	0
Gandy Hall Equipment	689,000	0
Jamestown-Yorktown Foundation		
Ships NGF Supplement	0	358,000
Jamestown Ships Overrun	645,000	0
The Library Of Virginia		
Gallery Renovation	100,000	0
Virginia Museum of Fine Arts		
Museum Expansion Overrun	912,000	0
Parking Deck Overrun	169,000	
Cooling Tower Overrun	85,000	
Department Of Mental Health, Mental Retardation And Substance Abuse Serv		
Construct SVP Facility (PPEA)	(1,348,000)	0
Replace Hancock Geriatric (PPEA)	(901,000)	0
Southeast Va. Training Center Cook / Chill	3,100,000	0
Woodrow Wilson Rehabilitation Center		
Complete Water Line Project	1,200,000	0
Department Of Conservation And Recreation		

House Bill 1500 Capital Outlay Amendment	2004-06 BIENNIAL TOTAL General Fund	 Nongeneral Fund
Parks Maintenance	2,400,000	0
Redirect Parks Overrun	(10,500,000)	0
Department Of Game And Inland Fisheries		
Adjust Project Scope	0	400,000
Property Acquisition		Language
Virginia Museum Of Natural History		
Reduce Equipment	(2,075,000)	0
Department Of Corrections		
Storm and Water Line Repairs Overrun	310,000	0
Department Of Criminal Justice Services		
Northern Virginia Forensic Lab	1,991,800	0
Department Of State Police		
State Police Area Office	500,000	0
Central Capital Outlay		
Redistribute Cost Overruns	(28,817,000)	0
Central Maintenance	0	Language
9(D) Revenue Bonds		
Amend Revenue Bond Authorization	0	Language
Totals	(1,189,650)	127,609,125