

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
 - Limited to 4% to 5% of project cost to take planning up to preliminary drawings
 - Allows for value engineering to take place
 - Obtain a more accurate cost estimate
 - 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
 - Review both preplanning and planning documents
 - Maintain the project database
 - Provide expert advice to the Governor and General Assembly
 - Value engineering
 - Review of cost overruns
- SCHEV Roles and Responsibilities
 - Serve on Six-Year Capital Improvement Plan Advisory Committee
 - Review for programmatic and space justification
 - Review does not exclude Governor and General Assembly from including projects that do not meet SCHEV specification

- Cost Overruns
 - 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