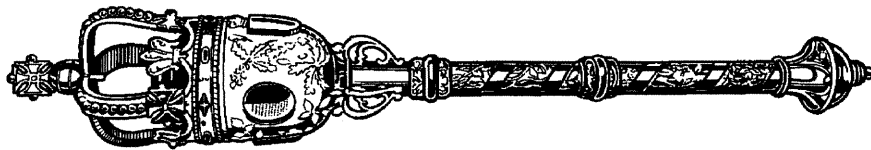


*Report of the
House Appropriations
Subcommittee*

on

Capital Outlay



House Bill 1650

February 4, 2007

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 meet the Committee's priorities of addressing the most pressing capital outlay needs such as cost overruns for previously approved projects and equipment for new facilities, while prudently using tax-supported debt to fully fund projects that were previously planned or high priorities of the Committee.

As you know, Mr. Chairman, the cost of construction has increased significantly in recent years. Most of the projects that have been impacted by these cost overruns are the very projects that the voters approved in the 2002 bond package. The Subcommittee believes it is prudent to use Virginia College Building Authority bonds to finance the cost overruns for those projects that were originally funded by debt. This is consistent with the Chairman's House Bill 1712 which the Committee unanimously reported. In addition, the Subcommittee recommends \$43.8 million in general funds for cost overruns in executive branch agencies for projects that were originally financed through general funds. This includes about \$14.0 million to renovate the Old Barracks at Virginia Military Institute.

We are also pleased to recommend \$46.3 million in general funds 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, our amendments recognize the \$168.8 million high-priority projects in higher education and state parks as provided for in House Bill 1712. The projects include \$42 million for the new School of Education at William and Mary; \$23 million for a new academic building at the Manassas Campus of Northern Virginia Community College; \$15 million to renovate the Brooks Library at Norfolk State University; \$15.3 million for an

addition to Bedford Hall at Longwood; and \$36 million for a new Information Technology Engineering building at the University of Virginia.

The recommendations of the Subcommittee redirect general funds to address other priorities. As a result of the Subcommittee's efforts, \$107.4 million of general fund can be redirected for Bay cleanup and the establishment of a revenue reserve fund. This was accomplished without eliminating any projects or exceeding the amount of debt originally proposed.

Finally, Mr. Chairman, the Subcommittee identified some other spending that recognizes the priorities and commitments of the Committee. Chief among these recommendations is \$5.0 million of general fund to begin building a new science center in Northern Virginia. This was a project that was approved by the voters in 2002.

In addition, \$7.6 million of general funds is recommended for critical repairs on Capitol Square. This includes \$4.5 million to supplement the State Capitol project due to cost overruns. As you recall, this was a \$100 million project, so the supplement represents less than a five percent overrun. This compares favorably to the 20 to 30 percent overruns reported by our higher education institutions. The Department of General Services (DGS) has excellently managed this project. One question Virginians need answered before we continue to invest hundreds of millions of dollars into capital outlay is whether our colleges and universities can manage their capital construction program with the same efficiency as DGS.

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.

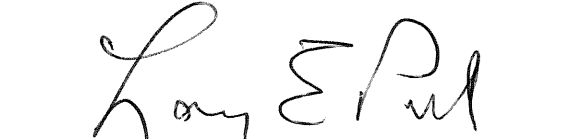
Respectfully Submitted by the House Appropriations Subcommittee
on Capital Outlay:



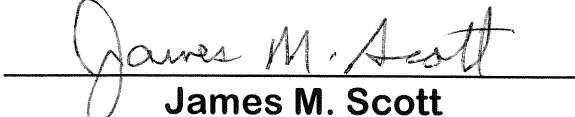
Riley E. Ingram, Chairman



Lionell Spruill, Sr.




Lacey E. Putney



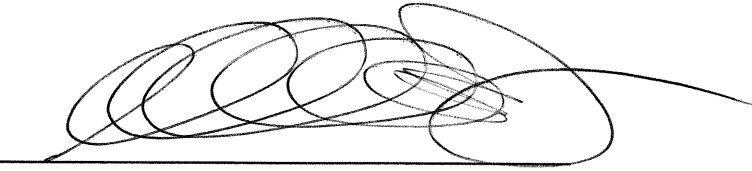
James M. Scott



R. Steven Landes



Robert H. Brink



S. Chris Jones

House Bill 1650
CAPITAL OUTLAY
Amendment

| General Fund | Nongeneral Fund |
|-------------------------|----------------------------|
|-------------------------|----------------------------|

Department Of General Services

| | | |
|---------------------------------|-------------|---|
| Washington Building | 400,000 | 0 |
| War Memorial | (1,500,000) | 0 |
| Capitol Square Critical Repairs | 7,600,000 | 0 |

Department Of Forestry

| | | |
|----------------------------|-----------|---|
| Brumley Tract State Forest | 1,600,000 | 0 |
|----------------------------|-----------|---|

Virginia School For The Deaf And The Blind At Staunton

| | | |
|---------------------|-------------|---|
| Remove New Planning | (3,500,000) | 0 |
|---------------------|-------------|---|

Christopher Newport University

| | | |
|---------------------|-------------|------------|
| Library/Info Tech | 0 | HB 1712 |
| Residence Hall V | 0 | 7,667,000 |
| Freeman Gym | 0 | 18,600,000 |
| Remove New Planning | (4,125,000) | 0 |

The College Of William And Mary In Virginia

| | | |
|---------------------|-------------|---------|
| School of Education | (5,350,000) | HB 1712 |
|---------------------|-------------|---------|

George Mason University

| | | |
|-------------------------------|--------------|-------------|
| Patriot Center | 0 | 2,900,000 |
| Biocontainment | 0 | Language |
| Conference Center | 0 | 40,000,000 |
| Fairfax Research I Supplement | 450,000 | 450,000 |
| Arlington II | (22,615,000) | HB 1712 |
| Parking Deck III | 0 | 10,856,000 |
| Student Housing VII Technical | 0 | (6,000,000) |
| Student Union III | 0 | 6,000,000 |

James Madison University

| | | |
|------------------------------|--------------|-----------|
| CISAT Library | (4,730,000) | HB 1712 |
| Center for the Arts | (10,622,000) | HB 1712 |
| Music Hall | (6,426,000) | HB 1712 |
| East Campus Land Acquisition | 0 | 9,000,000 |
| Baseball Complex | 0 | 5,000,000 |
| Dining Facility | 0 | 3,000,000 |

Longwood University

| | | |
|---------------------------|--------------|---------|
| Bedford Hall | (11,480,122) | HB 1712 |
| Lankford Hall Fund Source | 0 | 0 |
| Remove New Planning | (1,396,000) | 0 |

Norfolk State University

| | | |
|----------------|-------------|---------|
| Brooks Library | (1,500,000) | HB 1712 |
|----------------|-------------|---------|

House Bill 1650
CAPITAL OUTLAY
Amendment

| <u>General</u> <u>Fund</u> | <u>Nongeneral</u> <u>Fund</u> |
|---|--|
|---|--|

| | | |
|--|--------------|------------|
| Alternative Finance Authority | 0 | Language |
| Old Dominion University | | |
| Fine Arts | 0 | HB 1712 |
| Physical Science | 0 | HB 1712 |
| Batten Arts | 250,000 | 0 |
| Radford University | | |
| Davis Hall | 462,200 | 0 |
| Porterfield Hall | 307,600 | 0 |
| University Of Mary Washington | | |
| Lee Hall Overrun | 0 | HB 1712 |
| Graduate Center | (2,000,000) | HB 1712 |
| Recreation Field | 0 | 2,000,000 |
| Residence Halls | 0 | 35,000,000 |
| Alternative Financing | 0 | Language |
| University Of Virginia | | |
| Fayerweather Hall | (3,222,000) | HB 1712 |
| South Chiller | (5,433,000) | HB 1712 |
| Acquire research facility | 0 | 35,100,000 |
| McLeod Hall | (3,600,000) | HB 1712 |
| IT Engineering | (1,500,000) | HB 1712 |
| University Of Virginia's College At Wise | | |
| Drama Building | (3,000,000) | HB 1712 |
| Virginia Commonwealth University | | |
| MSB II | (12,000,000) | 0 |
| Music Center | (1,700,000) | 0 |
| Virginia Community College System | | |
| Eliminate Duplicate TNCC Equipment | (520,000) | 0 |
| Reduce Tri-Cities Equipment | (900,000) | 0 |
| Manassas Phase III Academic | 0 | 498,200 |
| Virginia Polytechnic Institute And State University | | |
| ICTAS Phase I | (2,990,000) | HB 1712 |
| Hampton Roads Center Overrun | 500,000 | 0 |
| Virginia State University | | |
| Eliminate Proposed Use GF for NGF Maintenance | 0 | Language |
| Eliminate Proposed Use of GF for Parking | 0 | Language |
| Remove McDaniel Planning | (750,000) | 0 |
| Parking Lot | 0 | 3,000,000 |

House Bill 1650
CAPITAL OUTLAY
Amendment

| General Fund | Nongeneral Fund |
|-------------------------|----------------------------|
|-------------------------|----------------------------|

| | | |
|---|---------------|-------------|
| Trinkle Hall | 0 | 3,000,000 |
| Southwest Virginia Higher Education Center | | |
| Center New Addition Cost Overrun | 0 | HB 1712 |
| The Science Museum Of Virginia | | |
| Belmont Bay Science Center | 5,000,000 | 0 |
| Department Of Mental Health, Mental Retardation And Substance Abuse Services | | |
| Central Virginia Training Center | 0 | Language |
| Southeastern Virginia Training Center | 0 | Language |
| Department Of Conservation And Recreation | | |
| State Parks Cabins and Campgrounds | (15,000,000) | HB 1712 |
| High Bridge State Park | 1,000,000 | 0 |
| Department Of State Police | | |
| State Police Area 19 Headquarters | 275,000 | 0 |
| Department Of Veterans Services | | |
| Cemetery Acquisition | 583,000 | 0 |
| 9(D) Revenue Bonds | | |
| Eliminate Unnecessary Capital Project Language Table | 0 | Language |
| Eliminate Unnecessary Capital Project Language Table | 0 | Language |
| GRAND TOTAL | (107,431,322) | 176,071,200 |
| Part IV Language | | |
| Modifications to State Facilities | Language | 0 |

Capital Outlay Subcommittee

Item C-4 #1h

Administration

FY 06-07

FY 07-08

Department Of General Services

\$0

(\$1,500,000) GF

Language:

Page 527, line 39, strike "\$1,500,000" and insert "\$0".

Page 527, strike lines 46 and 47 and insert:

"2. That upon certification by the Secretary of Administration that \$2 million in private funds have been raised, are available, and will be used to support construction of an educational wing for the Virginia War Memorial, the State Treasurer shall advance a loan of \$3.5 million to the Department of General Services for the state share of the construction in the form of a short-term treasury loan, with no interest."

Page 528, strike lines 1 through 3.

Explanation:

(This amendment provides the authorization for full funding for the construction of an educational wing on the Virginia War Memorial upon certification by the Secretary of Administration that \$2 million in private funds have been raised, are available, and will be used to support construction.)

Capital Outlay Subcommittee

ItemC-247.30 #1h

Health And Human Resources

Department Of Mental Health,
Mental Retardation And Substance
Abuse Services

Language

Language:

Page 585, after line 3, insert:

"3S. The Department of Mental Health and Mental Retardation shall ensure that the bed count for this project remains at or above the current level of patients at the facility."

Explanation:

(This amendment is self-explanatory.)

Capital Outlay Subcommittee

Health And Human Resources

Department Of Mental Health,
Mental Retardation And Substance
Abuse Services

Language

Language:

Page 585, after line 15, insert:

"3. The Department of Mental Health, Mental Retardation and Substance Abuse Services shall not proceed beyond planning for this project without the approval of the General Assembly."

Explanation:

(This amendment is self-explanatory.)

Capital Outlay Subcommittee

Item 4-4.03 #1h

Capital Projects

Modifications or Alterations to State-Owned Facilities

Language

Language:

Page 637, after line 16, insert:

"§ 4-4.03 Modifications or Alterations to State-Owned Facilities

a. Effective July 1, 2006, other than for legislatively-approved capital outlay projects, no changes, alterations or modifications to the interior or the exterior of state-owned facilities may be initiated except:

1) to correct life or health safety concerns validated by the Department of General Services,

2) to satisfy the requirements of a court order, or

3) with the written approval of the Governor.

b. Any building interior or exterior change, alteration or modification that has been initiated since July 1, 2006, shall be restored to its original state within 45 days."

Explanation:

(This amendment is self-explanatory.)
