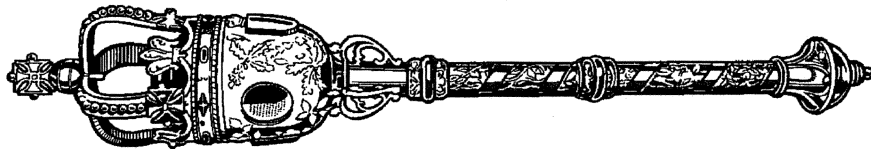


*Report of the
House Appropriations
Subcommittee*

on

Capital Outlay



House Bill 29

&

House Bill 30

February 17, 2008

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 revenue shortfall while prudently using tax-supported debt. First, Mr. Chairman, I would like to thank you for your leadership in the development of the 21st Century Capital Improvement Program, which you patroned in House Bill 1547. For the first time, the legislature will become a partner in the development of long-range capital plans. This will change the way that we evaluate capital needs and bring sound business practices to the capital outlay area. The fact that this came about in a truly bipartisan fashion and was reported unanimously speaks to the strength of the program.

Given our financial situation, the work of the Subcommittee was focused on helping us manage the revenue shortfall. As you will recall, there is more than \$1 billion in general fund projects funded in the 2006-08 biennium. The Subcommittee examined each of these projects and recommends three specific actions which will generate the necessary budgetary savings. First, we recommend that we cash flow 34 projects to free up \$177.9 million in fiscal year 2008. This action will not delay these projects, as the cash amounts specified will not be required until fiscal year 2010. A separate amendment restores these funds in fiscal year 2010. Second, the Subcommittee recommends freezing thirteen projects which have not yet gone to the bid award stage. This will free up \$141.2 million in fiscal year 2008. A separate amendment authorizes the restoration of these funds in fiscal year 2010, contingent on revenue collections. Finally, we recommend supplanting \$225.0 million of general funds with Virginia Public Building Authority bonds.

Mr. Chairman, as members of the Committee are aware, the maintenance reserve program provides funding to repair and replace building systems such as new roofing, heating, cooling and electrical systems. In order

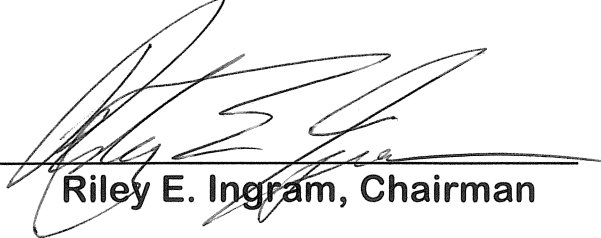
to systematically address this mounting backlog of capital maintenance projects, the Subcommittee recommends the creation of Maintenance Reserve Revolving Fund, leveraging \$75 million through a five-year financing mechanism with the Treasurer. This approach will allow us to elevate capital maintenance to a higher funding priority.

While much of the heavy lifting in capital outlay was accomplished in the 21st Century Capital Improvement Program, we are also pleased to recommend \$119.1 million in House Bill 30 for new construction and renovation projects in public safety, mental health and state parks. In addition, the Subcommittee recommendations reflect \$8.6 million to complete the acquisition of Rockingham Hospital by James Madison University, \$26.3 million for equipment for capital projects that are expected to open in the next two years, and \$47.1 million for cost overruns.

Being mindful of the total debt picture, I am pleased to report that the capital program I have just outlined requires \$721.3 million less in debt authorization than the introduced capital program.

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



Clarke N. Hogan



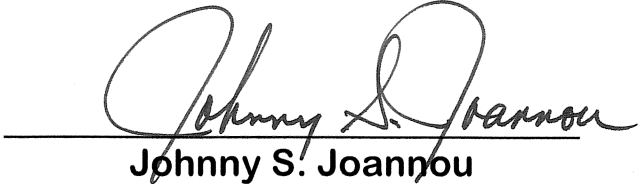
Beverly J. Sherwood



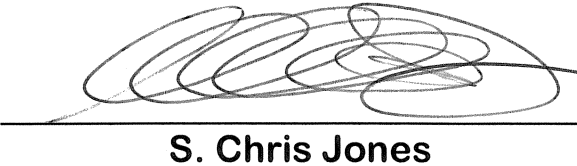
James M. Scott




R. Steven Landes



Johnny S. Joannou



S. Chris Jones



Robert H. Brink

House Bill 29
CAPITAL OUTLAY
Amendment

General Fund	Nongeneral Fund
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Treasury Board

Debt Service Adjustments	(2,154,700)	0
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General Conditions

Cash Flow Projects	Language	0
Freeze Capital Projects	Language	0
Supplant GF	Language	0
Revert Unobligated Balances	Language	0

Department Of General Services

War Memorial	Language	0
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Virginia School For The Deaf And The Blind At Staunton

Reduce scope of consolidation project	(1,442,000)	0
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Old Dominion University

Webb Center	0	8,658,683
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Virginia Military Institute

Commandant's Quarters	0	1,200,000
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Jamestown-Yorktown Foundation

Yorktown Museum	0	1,590,000
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Central Capital Outlay

Maintenance reserve	Language	0
Eliminate maintenance reserve increase	(50,000,000)	0
Reduce maintenance reserve	(33,350,500)	0

Central Capital Outlay

Supplant GF with Bonds Companion	0	225,000,000
Renovate and Expand Bridgeforth Stadium	0	40,000,000
Residence Halls	0	Language
GMU Faculty and Staff Housing	0	Language

**House Bill 30
CAPITAL OUTLAY
Amendment**

General Fund	Nongeneral Fund
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Treasury Board		
Debt Service Adjustments	(21,017,555)	0
Central Appropriations		
Restore Frozen Projects in HB 29	0	Language
General Conditions		
Sewage Plant Restriction	0	Language
Department Of General Services		
Remove 8th and 9th	0	(185,100,000)
Remove Tax Building	0	(85,000,000)
Virginia School For The Deaf And The Blind At Staunton		
VSDB Safety	(669,000)	0
VSDB Abatement	(446,000)	0
VSDB Roof Repairs	(1,408,000)	0
Christopher Newport University		
Residential Housing	0	13,500,000
Land Acquisition	0	14,400,000
The College Of William And Mary In Virginia		
School of Education	0	(38,085,000)
George Mason University		
Defer equipment	0	(5,500,000)
Fairfax Admin Building	0	Language
Prince William Arts Center	0	1,000,000
Swing Space	0	6,000,000
SUB I	0	4,000,000
James Madison University		
Change project title to Construct Music Recital Hall	0	Language
Norfolk State University		
New Library	0	(45,139,000)
Radford University		
Business School	0	(34,702,000)
University Of Mary Washington		
Defer equipment	0	(1,500,000)
Provide NGF authority for the Melchers Welding Addition	0	800,000
University Of Virginia's College At Wise		
Multipurpose Building and Renovate Greear Gym	0	25,000,000
Virginia Commonwealth University		
School of Medicine	0	56,100,000
Virginia Community College System		

House Bill 30
CAPITAL OUTLAY
Amendment

General Fund	Nongeneral Fund
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Defer equipment	0	(8,600,000)
Defer equipment	0	(8,200,000)
Defer equipment	0	(2,800,000)
Defer equipment	0	(6,100,000)
Eliminate equipment	0	(700,000)
Eliminate equipment	0	(900,000)
Portsmouth Student Center	0	4,306,000
Chesapeake Student Center	0	20,753,000
Virginia Beach Student Center	0	6,560,000
Norfolk Student Center	0	3,825,000
Virginia Military Institute		
Eliminate equipment	0	(760,000)
Virginia Polytechnic Institute And State University		
Signature Engineering Building	0	35,000,000
Jamestown-Yorktown Foundation		
Yorktown Museum	(1,500,000)	(1,590,000)
Department Of Mental Health, Mental Retardation And Substance Abuse Services		
Defer Central Va. Training Center	0	(22,000,000)
Defer Southeastern Va. Training Center	0	(9,000,000)
Department Of Conservation And Recreation		
High Bridge Park	0	(4,500,000)
Powhatan Park	0	(3,000,000)
Land Acquisition	0	(50,000,000)
Andy Guest Cabins	0	2,425,000
Department Of Alcoholic Beverage Control		
Provide NGF maintenance reserve	0	800,000
Central Capital Outlay		
Maintenance Reserve	(50,000,000)	150,000,000
Cost Overruns	0	7,905,000
Restore Cash Flow	177,900,000	0
Implement House Bill 1547	10,850,000	0
9(d) Revenue Bonds		
9(d) Revenue Table	0	Language
VPBA Table	0	Language
VCBA Table	0	Language

General Conditions

General Conditions

Language

Language:

Page 231, after line 38, insert:

"R. On or before June 30, 2008, the State Comptroller shall revert to the general fund an amount estimated at \$177,900,000 from the following capital projects listed in the table below by agency, fund code, and project code listed; provided, however, that the Director, Department of Planning and Budget, may direct the restoration of any portion of the reverted amount if the Director shall subsequently verify an unpaid obligation which cannot be paid as a result of this reversion:

Agency Code	Project Code	Fund Code
204	16784	0100
204	17278	0100
207	16528	0100
208	16758	0100
208	17291	0100
209	17155	0100
211	17304	0100
212	17305	0100
214	17323	0100
215	16803	0100
215	16594	0100
216	16806 / 16807	0100
217	16814	0100
238	16495	0100
242	16828 / 17414	0100
247	16607	0100
247	16832	0100
247	17365	0100
247	16745	0100
247	17486	0100
247	16523	0100
260	16611	0100

260	16843	0100
260	16836	0100
260	16851	0100
260	16849	0100
260	17375	0100
260	17380	0100
260	17167	0100
777	16723	0100
799	16991	0100
799	17267	0100
"		

Explanation:

(This amendment reverts general fund from capital projects provided in Chapter 847, Acts of Assembly. The reversion is based on each project's cash flow requirements which indicate that these amounts will not be required until fiscal year 2010. A companion amendment in House Bill 30 restores these funds in fiscal year 2010.)

Capital Outlay Subcommittee

Item C-0 #2h

General Conditions

General Conditions

Language

Language:

Page 231, after line 38, insert:

"R. 1. On or before June 30, 2008, the State Comptroller shall revert to the general fund an amount estimated at \$141,200,000 from the following capital projects listed in the table below by agency, fund code, and project code. The Director, Department of Planning and Budget, may direct the restoration of any portion of the reverted amount if the Director shall subsequently verify an unpaid obligation which cannot be paid as a result of this reversion.

Agency Code	Project Code	Fund Code
212	17306	0100
236	17452	0100
246	17362	0100
246	17451	0100
260	17377	0100

260	17378	0100
260	17379	0100
260	17383	0100
260	17384	0100
260	17386	0100
260	17387	0100
268	17489	0100
702	17231	0100

2. In addition, no state agency, department or institution shall enter, renew or extend any contract for work on any aspect of a capital project funded by the general fund. Any such contract shall be submitted to the Director of the Department of Planning and Budget for prior written approval. Any amounts to be paid on existing contracts for general fund capital projects may be made only upon presentation of proper documentation to the Director of actual obligations and expenses which are due and owing under a contract entered prior to the effective date of this Act."

Explanation:

(This amendment reverts general fund from capital projects provided in Chapter 847, Acts of Assembly. The projects are frozen at the current project stage until funding is restored.)

Capital Outlay Subcommittee

Item C-0 #3h

General Conditions

General Conditions

Language

Language:

Page 231, after line 38, insert:

"R. On or before June 30, 2008, the State Comptroller shall revert to the general fund an amount estimated at \$225,000,000 from the following capital projects listed in the table below by agency, fund code, and project code listed; provided, however, that the Director, Department of Planning and Budget, may direct the restoration of any portion of the reverted amount if the Director shall subsequently verify an unpaid obligation which cannot be paid as a result of this reversion:

Agency Code	Project Code	Fund Code
207	16283	0100
208	17120	0100

211	17303	0100
211	17304	0100
236	16721	0100
268	16522	0100
720	17456	0100
720	16973	0100
778	17459	0100
123	17245	0100
156	17250	0100
194	16967	0100
194	17182	0100
203	17229	0100
208	16714	0100
214	17448	0100
214	17449	0100
246	16830	0100
260	16836	0100
260	16848	0100
260	17117	0100
260	17375	0100
263	17230	0100
292	17453	0100
425	17455	0100
720	17227	0100
720	17228	0100
777	15203	0100
777	15204	0100
777	17254	0100
799	15755	0100
799	16732	0100
799	16990	0100
799	16993	0100
799	17263	0100
799	17264	0100
799	17265	0100

".

Explanation:

(This amendment reverts general fund from capital projects provided in Chapter 847, Acts of Assembly. A companion amendment in item C-326.20 restores the funding through proceeds from the Virginia College Building Authority.)

Central Appropriations	FY 08-09	FY 09-10	
Central Capital Outlay	\$0	(\$50,000,000)	GF
	\$75,000,000	\$75,000,000	NGF

Language:

Page 477, line 23, strike "\$0" and insert "\$75,000,000".

Page 477, line 23, strike "\$50,000,000" and insert "\$75,000,000".

Page 477, line 24, strike "General" and insert "Bond Proceeds".

Page 477, line 26, strike "general fund" and insert:

"bond proceeds of the Virginia Public Building Authority".

Page 477, strike lines 31 through 50.

Page 478, strike lines 1 through 26 and insert:

Agency Name	Project Code	FY 2009	FY 2010
Department of General Services	14260	2,638,000	2,785,000
Department of Veterans Services	17073	48,000	50,000
Department of Agriculture and Consumer Services	12253	354,000	374,000
Department of Forestry	13986	190,000	200,000
Department of Mines, Minerals and Energy	13096	64,000	67,000
Virginia School for the Deaf and the Blind at Staunton	14082	4,247,000	301,000
Christopher Newport University	12719	575,000	607,000
The College of William and Mary in Virginia	12713	2,366,000	2,498,000
Richard Bland College	12716	76,000	80,000
Virginia Institute of Marine Science	12331	401,000	424,000
George Mason Univeristy	12712	3,154,000	3,330,000
James Madison University	12718	2,452,000	2,589,000
Longwood University	12722	1,308,000	1,381,000
Norfolk State University	12724	4,111,000	4,340,000
Old Dominion University	12710	1,811,000	1,912,000
Radford University	12731	933,000	985,000
University of Mary Washington	12723	606,000	640,000
University of Virginia	12704	7,054,000	7,447,000
University of Virginia's College at Wise	12706	373,000	394,000

Virginia Commonwealth University	12708	4,848,000	5,118,000
Virginia Community College System	12611	6,904,000	7,289,000
Virginia Military Institute	12732	1,160,000	1,225,000
Virginia Polytechnic Institute and State University	12707	8,221,000	8,679,000
Virginia State University	12733	3,489,000	3,684,000
Frontier Culture Museum of Virginia	15045	105,000	111,000
Gunston Hall	12382	76,000	80,000
Jamestown-Yorktown Foundation	13605	514,000	543,000
The Library of Virginia	17423	3,000	3,000
The Science Museum of Virginia	13634	763,000	805,000
Virginia Museum of Fine Arts	13633	871,000	919,000
Southwest Virginia Higher Education Center	16499	64,000	67,000
Department of Taxation	15994	336,000	355,000
Department of Mental Health, Mental Retardation and Substance Abuse Services	10880	6,001,000	6,336,000
Woodrow Wilson Rehabilitation Center	10885	1,038,000	1,096,000
Department for the Blind and Vision Impaired	13942	220,000	233,000
Department of Conservation and Recreation	16646	609,000	643,000
Marine Resources Commission	16498	61,000	65,000
Virginia Museum of Natural History	14439	67,000	70,000
Department of Corrections	10887	4,326,000	4,567,000
Department of Emergency Management	15989	61,000	65,000
Department of Forensic Science	16320	69,000	73,000
Department of Juvenile Justice	15081	1,758,000	1,857,000
Department of Military Affairs	10893	457,000	483,000
Department of State Police	10886	218,000	230,000
Total		\$75,000,000	\$75,000,000" .

Page 478, line 53, after "deficiencies", insert:

", including restoration of major state-owned capital assets used in exhibition spaces of art museums,".

Page 479, after line 4, insert:

"F. Out the amount allocated for the Virginia School for the Deaf and Blind at Staunton (14082), \$3,965,000 the first year is designated for roof repairs, safety hazard repairs, and lead paint and asbestos abatement."

Explanation:

(This amendment creates the Maintenance Reserve Revolving Fund.)

Central Appropriations	FY 08-09	FY 09-10
Central Capital Outlay	\$0	\$177,900,000 GF

Language:

Page 479, after line 50, insert:

"C-177.10. Restore Capital Project Cash \$177,900,000

Flows

Fund Sources: General \$177,900,000".

The Director, Department of Planning and Budget, shall restore amounts estimated at \$177,900,000 to the following capital projects listed in the table below by agency, fund code, and project code.

Agency Code	Project Code	Fund Code
204	16784	0100
204	17278	0100
207	16528	0100
208	16758	0100
208	17291	0100
209	17155	0100
211	17304	0100
212	17305	0100
214	17323	0100
215	16803	0100
215	16594	0100
216	16806 / 16807	0100
217	16814	0100
238	16495	0100
242	16828 / 17414	0100
247	16607	0100
247	16832	0100
247	17365	0100
247	16745	0100
247	17486	0100
247	16523	0100
260	16611	0100
260	16843	0100
260	16836	0100
260	16851	0100

260	16849	0100
260	17375	0100
260	17380	0100
260	17167	0100
777	16723	0100
799	16991	0100
799	17267	0100".

Explanation:

(This amendment restores funds reverted from capital projects in House Bill 29. The reversion was based on each project's cash flow requirements which indicated that these amounts were not required until fiscal year 2010.)
