

*Report of the
House Appropriations
Subcommittee*

on

Capital Outlay



*House Bill 29
&
House Bill 30*

February 16, 2020

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 limiting our tax-supported debt burden while maintaining the principles of the Six-Year Capital Outlay Plan process in place since 2008. That process envisioned the legislature as a partner in the development of long-range capital plans and changed the way that we evaluate capital needs by bringing sound business practices to the capital outlay area. The Subcommittee's recommendations are intended to ensure that fidelity to that process is maintained.

The work of the Subcommittee was focused on reducing our tax-supported debt burden. As you know, Mr. Chairman, the introduced capital program called for \$2.4 billion in new tax-supported debt, the equivalent of nearly four years of debt capacity. However, being mindful of the state's debt capacity, the Subcommittee prioritized projects, examined cash flows and potential project phasing and also made some difficult project deferral choices. The end result, Mr. Chairman, is the Subcommittee's recommendations reduce overall tax-supported debt by over \$460 million.

The Subcommittee's recommendations still provide for significant investment in water quality projects and complete funding for projects that have been previously authorized, planned and are ready to proceed to construction.

Mr. Chairman, the Capital Outlay Subcommittee also reviewed the sixteen new projects proposed for planning using nearly \$23 million of general fund dollars. The Subcommittee recommends deferring planning on seven of these projects, authorizing two for preplanning only, and utilizing central planning fund and other nongeneral funds for three others. These recommendation's result in \$15 million of general fund savings.

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.

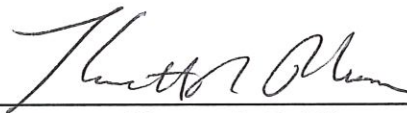
Respectfully Submitted by the House Appropriations Subcommittee on Capital
Outlay:



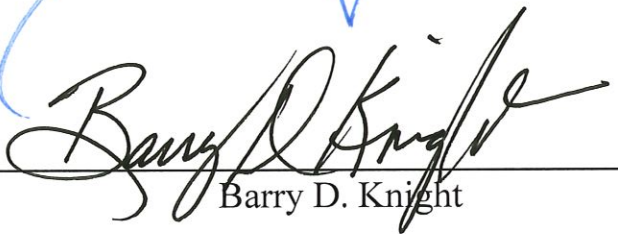
C. E. Hayes, Jr., Chair



David A. Reid



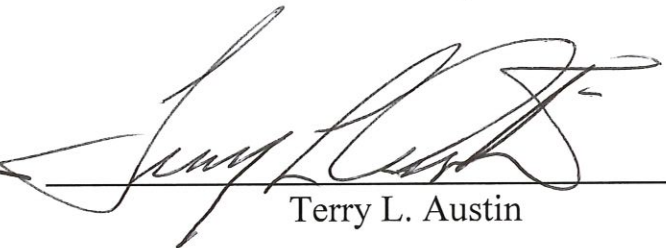
Kenneth R. Plum



Barry D. Knight



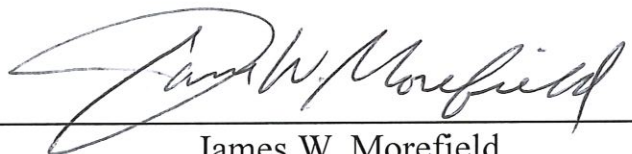
Paul E. Krizek



Terry L. Austin



Chris L. Hurst



James W. Morefield

House Bill 29 CAPITAL OUTLAY <u>Amendment</u>		General <u>Fund</u>	Nongeneral <u>Fund</u>
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George Mason University

School of Conflict Analysis	0	8,000,000
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Virginia Tech

Student Wellness Facilities	0	9,500,000
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Central Capital Outlay

GMU Equipment	0	11,315,000
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CWM Fine and Performing Arts Supplement	0	1,660,000
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UMW Seacobeck Hall	0	3,504,000
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Alexandria CSO		Language
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House Bill 30
CAPITAL OUTLAY
Amendment

General
Fund

Nongeneral
Fund

General Provisions

Use of Carryforward \$0 Language

Christopher Newport University

Planning Submission \$0 Language

College of William and Mary

Defer Project \$0 (\$3,750,000)

George Mason University

Improve Technology Infrastructure, Phase II \$0 (\$16,367,000)

Planning Academic VIII-STEM Language \$7,500,000

James Madison University

Planning Submission \$0 Language

Old Dominion University

ODU - Planning Submission Technical \$0 Language

ODU - Defer Project \$0 (\$5,241,702)

University of Virginia

Virginia Autonomous Systems and Technologies (VAST) Building \$10,000,000

Virginia Commonwealth University

Planning Submission Technical \$0 Language

Acquire ABC Property \$0 Language

Plan New Arts and Innovation Building Language \$5,000,000

Virginia Community College System

Defer New Project \$0 (\$16,000,000)

Workforce Center (Norfolk) (\$5,000,000) Language

Replace HVAC Franklin Campus, Paul D. Camp \$0 \$2,200,000

Virginia Tech

Defer New Project \$0 (\$3,100,000)

Plan Randolph Hall Replacement Language \$11,000,000

Virginia Cooperative Extension and Agricultural Experiment Station

Defer New Project \$0 (\$10,000,000)

Virginia Museum of Fine Arts

Repairs and Structural Issues \$0 \$2,750,000

Department of Behavioral Health and Developmental Services

Phase Infrastructure Repairs \$0 (\$13,000,000)

Phase Safety Repairs \$0 (\$6,000,000)

House Bill 30
CAPITAL OUTLAY
Amendment

General
Fund

Nongeneral
Fund

Department of Conservation and Recreation

DCR - Phase Infrastructure Repairs	\$0	(\$12,500,000)
DCR - Phase Dam Repairs	\$0	(\$10,000,000)
DCR - Phase Cabin Renovations	\$0	(\$15,000,000)
DCR - Defer New Project	\$0	(\$10,000,000)
DCR - Defer New Project	\$0	(\$41,900,000)

Marine Resources Commission

Phase Oyster Reef Restoration	\$0	(\$5,000,000)
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Virginia Commercial Space Flight Authority

Accomack Regional Airport Hanger	\$0	\$2,000,000
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Central Capital Outlay

Maintenance Reserve	Language	\$13,000,000
Equipment Funding for Three VMI Projects	\$0	\$4,165,000
Central Capital - Adjust Planning Pool	(\$9,864,421)	\$2,767,750
Central Capital - VPBA Capital Pool Adjustments	Language	(\$21,424,000)
Central Capital - VCBA Bond Pool Adjustments	Language	(\$90,371,000)
Central Capital - Phase Water Projects	Language	(\$210,000,000)
Central Capital - Defer Portion of Workforce Projects	\$0	(\$11,000,000)
Central Capital - CHKD Technical Language	\$0	Language

Part IV

Delete Outdated Language (Technical)	\$0	Language
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Committee Approved Amendments to House Bill 30, as Introduced

Item C-64 #1h

Central Appropriations	FY20-21	FY21-22
Central Capital Outlay	\$7,000,000	\$6,000,000 NGF

Language:

Page 495, line 34, strike "\$130,000,000" and insert "\$137,000,000".

Page 495, line 34, strike "\$130,000,000" and insert "\$136,000,000".

Page 496, line 10, strike "\$11,932,172 and "\$11,932,172" and insert: "\$18,932,172" and "\$18,932,172".

Page 497, line 53, after "allocation", insert:

"and any balances left from prior maintenance reserve allocations".

Page 498, strike lines 5 through 8.

Page 498, line 9, strike "3." and insert "2."

Page 498, after line 23, insert:

"3. The Frontier Culture Museum may use an amount not to exceed 20 percent of its annual maintenance reserve allocation from this item for the conservation of art and artifacts."

Page 498, after line 43, insert:

"M. Out of the amount allocated for the Department of General Services, \$2,000,000 the first year and \$2,000,000 the second year is designated for building and utility repairs at Fort Monroe. After determining those buildings and utilities to be repaired, and the priority in which repairs will be undertaken within the available allocation in this Item, the Fort Monroe Authority shall present an annual plan to the Director, Department of Planning and Budget. The Fort Monroe Authority is authorized to use a portion of this funding allocation to secure the services of a project manager for overseeing and coordinating the on-site efforts involving the various repairs at Fort Monroe. The project manager shall work in consultation and coordination with the Department of General Services. The Department of General Services shall act as fiscal agent for the authorized funds."

Explanation:

(This amendment provides additional funding for security infrastructure in and around Capitol Square which was authorized but not adequately funded in the introduced budget. The amendment also restores language included by the 2019 General Assembly that was inadvertently not included in the introduced budget.)

Item C-66 #1h

Central Appropriations	FY20-21	FY21-22
Central Capital Outlay	(\$9,864,421)	\$0 GF
	\$2,767,750	\$0 NGF

Committee Approved Amendments to House Bill 30, as Introduced

Language:

Page 499, line 41, strike "\$16,956,290" and insert "\$9,859,619".

Page 499, line 43, strike "\$16,956,290" and insert "\$7,091,869".

Page 499, line 44, after "fund", insert:

"and \$2,767,750 from the Central Planning Fund (09650), established under authority of § 2.2-1520, Code of Virginia".

Page 499, line 44, strike "This".

Page 499, strike lines 45 and 46.

Page 500, strike lines 1 through 6.

Page 500, after line 8, insert:

"194 Department of General Services Renovate the Pocahontas Building for Supreme Court Swing Space and Other Tenants

215 Norfolk State University Renovate / Replace Fine Arts Building".

Page 500, strike lines 13 through 20.

Page 500, line 21, after "of", insert:

"General Services / Department of".

Page 500, line 22, after "Statewide", insert:

"(Pre-planning Only)".

Page 500, strike lines 24 through 26.

Page 500, strike lines 31 through 32.

Page 500, line 40, after "recommendation.", insert:

"However, no planning documents pursuant to this item for the Construct Fine and Performing Arts Center at the University of Mary Washington or the Renovate / Replace Fine Arts Building at Norfolk State University shall be submitted to the Governor or the General Assembly prior to July 1, 2022."

Page 500, after line 45, insert:

"G. Out of the amounts identified in Item 402 Q of this act, \$1,500,000 is allocated for planning the Deerfield Correctional Center Expansion project."

Explanation:

(This amendment makes several changes to the proposed project planning pool to include deferral of several projects, supplant of general fund with the central planning fund and the addition of renovation for swing space at the Pocahontas Building.)

Item C-67 #1h

Central Appropriations

FY20-21

FY21-22

Central Capital Outlay

(\$21,424,000)

\$0 NGF

Language:

Page 500, line 46, strike "\$310,258,070" and insert "\$288,834,070".

Committee Approved Amendments to House Bill 30, as Introduced

Page 501, line 1, strike "\$218,808,753" and insert "\$187,784,753"

Page 501, strike lines 40 through 43.

Page 501, line 44, strike "202 The Library of Virginia" and insert:
"194 Department of General Services".

Page 501, after line 46, insert:

"194 Department of General Services Town of Crewe Water Supply".

Explanation:

(This amendment makes changes to the proposed VPBA Bond Pool by deferring two projects and reducing debt by \$31 million. In addition, the amendment adds a new project for the Department of General Services related to improvements for the Town of Crewe water supply and correcting issues that could impact Piedmont Geriatric Hospital, Virginia Center for Behavioral Rehabilitation I, Nottoway Correctional, and the new Virginia Center of Behavioral Rehabilitation II. Finally, the amendment changes the responsible agency for a third project to the Department of General Services.)

Item C-68 #1h

Central Appropriations	FY20-21	FY21-22
Central Capital Outlay	(\$90,371,000)	\$0 NGF

Language:

Page 502, line 1, strike "\$780,461,508" and insert "\$690,090,508".

Page 502, line 37, strike "\$780,461,508" and insert "\$90,371,000".

Page 502, strike line 42.

Page 502, strike lines 44 through 47.

Page 503, strike line 13.

Page 503, strike line 16.

Page 503, strike lines 28 and 29.

Explanation:

(This amendment defers six projects reducing proposed debt by \$90.4 million.)

Item C-70 #1h

Central Appropriations	FY20-21	FY21-22
Central Capital Outlay	(\$210,000,000)	\$0 NGF

Language:

Page 504, line 3, strike "\$367,000,000" and insert "\$157,000,000".

Page 504, line 6, strike "\$367,000,000" and insert "\$157,000,000".

Committee Approved Amendments to House Bill 30, as Introduced

Page 504, line 13, strike "\$182,000,000" and insert "\$92,000,000".

Page 504, line 23, after "2.", insert "a."

Page 504, line 24, strike "\$65,000,000" and insert "\$25,000,000".

Page 504, after line 31, insert:

"b. The appropriation in paragraph C.2.a. is the second three allocations for the Combined Sewer Overflow for the City of Alexandria. It is the intent of the General Assembly to provide the third and final allocation in the 2022-2024 biennium."

Page 504, line 33, strike "\$120,000,000" and insert "\$40,000,000".

Explanation:

(This amendment phases funding for water quality projects to better reflect cash flow requirements over the current biennium.)

Item C-72 #1h

Central Appropriations

Central Capital Outlay

Language

Language:

Page 505, after line 14, insert:

"A.1. Pursuant to § 2.2-2260 et seq. of the Code of Virginia, the Virginia Public Building Authority is authorized to issue bonds in an aggregate amount not to exceed \$33,400,000 plus amounts needed to fund issuance costs, reserve funds, original issue discount, interest prior to and during acquisition, construction, or renovation and for one year after completion thereof, and other financing expenses, in order to finance the capital costs of the Department of Behavioral Health's share of the construction costs of a new mental health hospital for children to be constructed in Norfolk, Virginia by the Children's Hospital of the Kings Daughters (CHKD). The General Assembly hereby appropriates the proceeds from any such bonds for the foregoing project. Debt service on any such bonds for such project shall be provided from appropriations to the Treasury Board."

Page 505, strike lines 15 through 17 and insert:

"2. Funding in paragraph A.1. shall be contingent upon CHKD entering into a".

Explanation:

(This amendment makes technical language changes recommended by bond counsel to the proposed item.)
