

Capital Outlay

The proposed capital outlay program for the 2010 Session is found in the budget bills (HB/SB 29 and HB/SB 30), for a total of \$1,940.8 million (all funds). Two thirds of this amount, or \$1,287.7 million, is from the general fund or general fund supported bonds. The remaining third, \$653.1 million, is from nongeneral funds or nongeneral fund supported bonds.

The general fund recommendations in the 2010-12 budget bill contain \$1,287.7 million for projects to be funded directly by the general fund or by general fund supported bonds issued by the Virginia Public Building Authority (VPBA) and the Virginia College Building Authority (VCBA). Of this amount, \$39.2 million is supported by general fund cash and \$1,248.5 million supported by VCBA and VPBA bonds. Restrictive language would limit the ability of these projects to move forward at the beginning of the biennium, subject to the development of a plan by the Secretary of Finance. This plan will recommend debt issuance that maintains debt capacity at or under levels identified by the most recent Debt Capacity Advisory Committee report.

Proposed general fund and tax-supported bond projects include \$1,087.6 million for new construction and renovation projects, \$26.7 million to provide equipment for buildings scheduled to be completed during the biennium, and \$23.3 million for planning.

All of the \$653.2 million for projects proposed to be supported from nongeneral fund sources are found in the budget bills, \$72.4 million for FY 2010 in HB/SB 29 and \$580.8 in HB/SB 30. Of this amount, \$236.6 million is to be funded directly with nongeneral fund cash, an additional \$206.9 million in 9(c) bond authority, and \$209.7 million in 9(d) bond authority for auxiliary enterprise and other nongeneral fund revenue-supported projects at the colleges and universities.

Proposed Capital Outlay Funding			
<u>Fund Type</u>	<u>HB/SB 29 FY 2010</u>	<u>HB/SB 30 2010-12</u>	<u>Total</u>
General Fund Cash	\$ 0.0	\$ 39.2	\$ 39.2
VPBA / VCBA Tax-Supported Bonds	0.0	1,248.6	1,248.6
9(c) Revenue Bonds	0.0	206.9	206.9
9(d) NGF Revenue Bonds	67.0	142.7	209.7
Nongeneral Fund Cash	<u>5.4</u>	<u>231.2</u>	<u>236.6</u>
TOTAL	\$72.4	\$1,868.5	\$1,940.9

The general fund amendments can be categorized into four major types of projects as indicated in the following table:

Proposed GF and General Fund Supported Bond Capital Amendments By Project Type		
<u>Major Category</u>	<u>\$ In Millions</u>	
	<u>GF</u>	<u>Bonds</u>
New Construction and Renovations	\$ 0.0	\$1,087.6
Maintenance Reserve	15.0	100.0
Energy Conservation	0.0	35.2
Equipment for Previously Approved Projects	0.9	25.8
Planning	<u>23.3</u>	<u>0.0</u>
Total, GF/GF Supported Capital Projects	\$39.2	\$1,248.6

Descriptions of the projects follow:

- **New Construction and Renovations on Previously Planned Projects.** Recommends \$1,087.6 million in tax-supported bonds for 29 renovations and new construction projects previously approved for detailed planning in Chapter 1 and Chapter 2 of the 2008 Special Session I. The table below lists the eligible projects.

Proposed GF Supported Bond Capital New Construction Projects	
Project Title	
Christopher Newport University	
Construct Integrated Science Center (Phase II)	
Construct Luter School of Business	
College of William and Mary	
Renovate Tucker Hall	

Proposed GF Supported Bond Capital New Construction Projects (*cont'd*)

Project Title

Construct Integrated Science Center (Phase III)

George Mason University

Renovate Fine Arts Building

Construct Campus Library Addition, Phase I

James Madison University

Renovate West Wing Rockingham Hospital

Renovate/Expand Duke Hall

Longwood University

Construct University Technology Center

Norfolk State University

Construct New Nursing and General Classroom Building

Renovate Wilder Center

Old Dominion University

Construct a Systems Research & Academic Building

Radford University

Construct New Computational Sciences Building

University of Mary Washington

Construct Information and Technology Convergence Center Phase I

University of Virginia

Renovate New Cabell Hall

Renovate Ruffner Hall

University of Virginia's College at Wise

Construct Library

Virginia Commonwealth University

Construct General Classroom Building

Virginia Community College System

Replace Tyler Academic Bldg. Northern VA Community College

Expand Brault Building, Northern VA Community College

Construct Learning Resources Bldg Southside Virginia

Construct Workflow Training Center, Woodbridge Campus, Northern VA
Community College

Virginia Military Institute

Renovate Science Building

Renovate Post Hospital

**Proposed GF Supported Bond Capital
New Construction Projects (*cont'd*)**

Project Title

Virginia State University

Construct Multipurpose Center

Virginia Polytechnic Institute and State University

Renovate Davidson Hall

Construct Chiller Plant

Construct Engineering Signature Building

Virginia Cooperative Extension and Agriculture Experiment Station

Construct Human and Agricultural Bioscience Building I

- **Central Maintenance Reserve.** Proposes \$15.0 million GF in FY 2011 and \$50.0 million in tax-supported bonds each year for state agencies and higher education institutions for capital maintenance reserve projects.
- **Energy Conservation Projects.** Proposes \$35.2 million in tax-supported debt for new energy conservation projects to be undertaken by the Department of General Services, the Department of Corrections, the Department of Game and Inland Fisheries, and institutions of higher education. Interest payments on these bonds will be partially offset by federal funds available under the American Recovery and Reinvestment Act of 2009 (ARRA).
- **Equipment Supplements**
 - *Equipment for Projects Nearing Completion.* Proposes \$0.9 million GF and \$25.8 million in tax-supported bonds to purchase furnishings and equipment for projects scheduled to come on-line in FY 2011 and FY 2012. The table below lists the eligible projects.

Equipment for Projects Nearing Completion

Department of General Services

War Memorial Education Wing

University of Virginia

Construct Information Technology Engineering

Virginia State University

Renovate Singleton Hall

Norfolk State University

Construct New Library

Longwood University

Renovate and Construct Addition to Bedford Hall

University of Mary Washington

Construct Dahlgren Campus

University of Virginia's College at Wise

Renovate Greear Gym and Construct Multipurpose Center

George Mason University

Construct Krasnow Addition, Phase II

Virginia Community College System

Renovate Burnette Hall, Parham Campus, J. Sargeant Reynolds

Renovate Phase I Facility, Downtown Campus, J. Sargeant Reynolds

Renovate Smith Building, Lord Fairfax

Renovate Academic Classrooms and Administrative Buildings, Rappahannock

Renovate Library, Chester Campus, John Tyler

Renovate Warren and Scott Halls, Dabney S. Lancaster

Construct Occupational Program Building, Culinary Arts Career Studies

Certificate Program, Central Virginia

Construct support services building, Woodbridge Campus, Northern Virginia

Renovate Hampton III Building, Thomas Nelson

Eastern Virginia Medical School

Construct Medical Education and Research Building

- Project Planning.** Proposes \$23.3 million GF to restore planning funds for 14 capital projects previously approved in Chapter 1 and Chapter 2 of the 2008 Special Session I. The general fund support for these projects had been eliminated in anticipation of funding with federal funds available under the American Recovery and Reinvestment Act of 2009 (ARRA). However, final rules for the use of the ARRA funds disallowed their use for this purpose. The table below summarizes the allocation for each project:

Proposed Restoration of GF Planning	
	<u>\$ millions</u>
Christopher Newport University	
Restore Planning for Luter School	\$ 1.1
College of William & Mary	
Restore Planning for Integrated Science Center	2.2
George Mason University	
Restore Planning Campus Library Addition, Phase I	2.0
James Madison	
Restore Planning Rockingham Hospital	2.3
Restore Planning Duke Hall	1.1
Radford University	
Restore Planning Computational Science Building	1.4
University of Mary Washington	
Restore Planning Technology Center	0.8
University of Virginia	
Restore Planning New Cabell Hall	0.8
Restore Planning Ruffner Hall	1.1
Virginia Tech	
Restore Planning Engineering Signature Building	1.1
Virginia Tech Agricultural Experiment Station	
Restore Planning Biosciences Building, Phase I	1.0
Virginia State	
Restore Planning Multipurpose Center	1.0
Jamestown/Yorktown	
Restore Planning Yorktown Museum	1.3
Science Museum of Virginia	
Restore Planning Belmont Bay	<u>6.0</u>
Total: Project Planning	\$23.3

- **Tax-Supported Debt Issuance Limitations.** Proposed language would preclude the issuance of the authorized tax supported debt for new construction and renovation projects, maintenance reserve, energy conservation, equipment supplements, or Higher Education Equipment Trust Fund (HEETF) allocations until the development of a plan by the Secretary of Finance prior to the 2011 Session. This plan will recommend debt

issuance that maintains debt capacity at or under levels identified by the most recent Debt Capacity Advisory Committee report as well as the stated prioritization of projects in the following order:

Priority 1: Maintenance Reserve

Priority 2: Higher Education Equipment Trust Fund (HEETF)

Priority 3: Equipment Supplements for Projects Nearing Completion

Priority 4; Energy Conservation

Priority 5: New Construction and Renovations on Previously Planned Projects

- **General Provisions.** Proposes new language in the general provisions of capital outlay to implement via the Appropriations Act Executive Order 69 (2008) and Executive Order 82 (2009) which pertain to sustainable community investment and green government.
- **Community College Student Housing.** Recommends \$32.0 million from nongeneral fund sources to construct a 300-bed student housing facility at the Alexandria Campus of Northern Virginia Community College.
- **Capital Lease Authorizations.** Language authorizing the following capital leases is included in the budget.

Agency	Capital Leases
Virginia Community College System	Northern Virginia Community College, Manassas Campus.
Department of Motor Vehicles	Consumer Service Centers in Williamsburg, Culpepper, and Suffolk.
Department of Social Services	Child support, regional, or day-care offices.