

Capital Outlay and General Government Subcommittee

Overview of Proposed Budgets

SB 29 (Amendments to 2016-18 Budget)
SB 30 (2018-20 Biennial Budget)

January 11, 2018

Capital Outlay

Capital Outlay Funding – SB 29 & SB 30

Fund Type (\$ in millions)	SB 29	SB 30
General Fund Cash	\$0	\$15.0
VPBA/VCBA Tax-Supported Bonds	(\$12.5)	\$453.7
9(c) Revenue Bonds	0	\$21.0
9(d) Revenue Bonds	0	\$260.7
Nongeneral Fund Cash	<u>0</u>	<u>\$223.6</u>
Total	(\$12.5)	\$974.0

- \$252.0 million in VPBA/VCBA bonds over the biennium for Central Maintenance Reserve.
- \$52.1 million the first year in VPBA/VCBA bonds for furnishings and equipment for capital projects nearing completion.
- \$51.6 million in tax-supported debt for the replacement or renovation of six projects (within this amount is \$20.0 million for the Combined Sewer Overflow Matching Fund for the City of Alexandria).
- \$45.4 million the first year in VCBA/VPBA bonds to supplement existing capital outlay pools.
- \$32.6 million in VPBA/VCBA bonds over the biennium for five stand-alone agency projects.
- \$20.0 million in VPBA bonds to construct/renovate VDOT facilities (related to planning cash swap for dredging in Hampton Roads).
- \$15.0 million GF over the biennium for the planning of five additional projects.

New Planning Projects – Central Capital

Agency	Project Title
Department of State Police	Replace Training Academy
Wilson Workforce & Rehab. Center	Renovate Watson Theater and Activities Building, Phase 3
Dept. of Behavioral Health & Develop. Services	Replace Central State Hospital
Department of Corrections	Expand and Renovate Deerfield Correctional Center
Institute for Advance Learning & Research	Construct Center for Manufacturing Advancement
Total	\$15,000,000 GF

Equipment for Projects Nearing Completion

Agency	Title
James Madison University	Construct New College of Business Renovate Wilson Hall
Longwood University	Construct New Academic Building
Radford University	Renovate Curie and Reed Halls
University of Mary Washington	Construct Jepson Science Center Addition
University of Virginia	Renovate Gilmer Hall & Chemistry Building Renovate Space for the Cent. for Human Therapeutics
Virginia Commonwealth University	Construct School of Allied Health Professions Building
Virginia Community College System	Construct Bioscience Building, Blue Ridge Construct Academic Building, Fauquier, Lord Fairfax
Depart. of Behavioral Health & Develop. Serv.	Expand Western State Hospital
School for the Deaf and Blind	Renovate Bradford Hall
Total for FY 2019 (Bonds)	\$52,088,000

2018 Session Capital Construction Pool

Agency	Project Title
Virginia Museum of Fine Arts	Replace Roof and Drains on Pauley Center Replace Air Handling Units
Department for the Blind and Vision Impaired	Renovate Departmental Headquarters Building
Department of Corrections	Replace Hot Water and Heating Mechanical Systems – Sussex I & II and Red Onion Renovate Buckingham Wastewater Treatment Plant
Southwest Virginia Higher Education Center	Replace HVAC System
Department of Environmental Quality	Combined Sewer Overflow Matching Fund – Alexandria (\$20.0 M)
Total (Bonds)	\$51,559,000

Stand-Alone Agency Projects Supported with Bonds

Institution/Agency	Project Title	FY 2019
Dept. of Behav. Health & Dev. Serv.	Address Patient & Staff Safety Issues at State Facilities	\$10,000,000
Dept. of Cons. & Recreation	Make Infrastructure Repairs & Improvements, Various State Parks	\$4,000,000
Dept. of General Services	Monroe Building Critical Systems Replacements	\$13,600,000
Dept. of Military Affairs	Improve Readiness Centers	\$3,000,000
Dept. of Transportation	Acquire, Design, & Renovate Facilities Statewide	\$20,000,000
School for the Deaf and Blind	Make System Infrastructure Repairs & Improvements	\$2,000,000
Total		\$52,600,000

9(c) Revenue Bonds

Institution	Project Title	FY 2019
College of William and Mary	Renovate Dormitories	\$11,000,000
Norfolk State University	Construct Residential Housing	\$10,000,000
Total		\$21,000,000

9(d) Revenue Bonds

Institution	Project Title	FY 2019
College of William and Mary	Construct the Sadler Center West Addition	\$37,742,000
George Mason University	Construct Utilities Distribution Infrastructure	\$5,381,000
James Madison University	Expand Warren Hall	\$77,000,000
University of Mary Washington	Renovate Residence Halls, Phase II	\$24,500,000
University of Virginia	Renovate Gilmer Hall and Chemistry Building	\$31,441,000
Virginia Military Institute	Turman House Renovations	\$2,500,000
Virginia Tech	Renovate O'Shaughnessy Hall	\$12,634,000
	Improve Student Wellness Center	\$49,690,000
	Construct VT Carilion Research Inst. Biosci.Addition	\$17,765,000
	Renovate Dietrick Hall, First Floor and Plaza	\$2,000,000
Total		\$260,653,000

Other Capital Outlay Actions

- \$110.0 million in transit capital bonds – the NGF proceeds are to be used for transit capital projects around the state as designated by the Commonwealth Transportation Board.
- Department of Corrections language in Item 391 E. exempts the Department of Corrections from the capital procurement requirements of DGS Construction and Professional Services Manual as well as legislation passed last year.
- Department of Alcoholic Beverage Control language in Central Capital Outlay provides authorization for ABC to continue with the new warehouse / administrative office building project upon completion of the plan authorized in Chapter 836 and submission of that plan to the Chairmen of the House Appropriations and Senate Finance Committees, the Governor and the Capital Outlay Six-Year Plan Advisory Committee (CAPSIX).
- A list of nongeneral fund supported projects are included in the summary.

Natural Resources Capital Actions

- Department of Conservation and Recreation (DCR) - language authorizes the acceptance of land for the Middle Peninsula State Park as part of the Skiffe's Creek Settlement, an additional \$827,000 in nongeneral funds are proposed in DCR for the operation of the proposed park.
- Under DCR, the proposed budget includes four additional capital outlay amendments.
 - \$3.6 million NGF cash in the first year to acquire three additional Natural Areas Preserves (two being provided from funds generated by the DuPont Settlement and one from the Skiffe's Creek Settlement);
 - \$1.5 million NGF cash in the first year to acquire land from the U.S. Navy to expand the York River State Park;
 - Authorizes \$4.0 million in bonds for infrastructure repairs including roadway improvements and bath houses at various State Parks; and
 - Authorizes \$7.5 million in bonds for cabin improvements at Douthat, First Landing and Fairy Stone State Parks.
- Department of Game and Inland Fisheries (DGIF) – increases nongeneral fund appropriations for capital outlay by \$9.4 million the first year and \$10.4 million the second year.
 - \$1.9 million each year for maintenance reserve projects;
 - \$1.0 million for wildlife management area improvements;
 - \$5.0 million each year for the acquisition of additional land;
 - \$500,000 each year for dam improvements; and
 - \$1.0 million the first year and \$2.0 million the second year to improve boating access.

General Government

General Government

Technology – SB 29 & SB 30

- Includes \$2.25 million GF in the current year (SB 29) for repayment of a Working Capital Advance for the Virginia Enterprise Applications Program. This program, and related contracts, have been terminated and no repayment mechanism is available.
- Adjusts NGF appropriations to the Virginia Information Technologies Agency by approximately \$22 million in each year to reflect anticipated changes in vendor pass-through payments for IT service rates and usage.
- Recommends \$1.5 million NGF over the biennium and 4.00 FTE for increased utilization of the Shared Security Center at VITA.
- **IT Disentanglement** – Two actions are included to provide requisite funding for the transition to the new IT services provisioning environment.
 - Approximately \$5.4 million NGF over the biennium for direct expenses including consulting and legal services.
 - An increase of \$20 million in the VITA line of credit, to a total of \$95 million to address anticipated disentanglement costs from the current vendor.

General Government – SB 29

Judicial, Executive, Finance and Administration

(GF Resources, in \$ millions)	FY 2018
Criminal Fund Balance Reversion	\$ 1.5
Increase Revolving Trust Fund Appropriation (AG)	<u>(0.5)</u>
Total	\$ 1.0

(GF, in \$ millions)	FY 2018
Revert Excess Funding for Sheriffs' Salary Initiative	\$ (1.1)
Rolling Stock Taxes	(0.6)
Adjust Tennessee Valley Authority PILTs	(0.1)
Debt Management Savings	<u>(24.3)</u>
Total	\$ (26.1)

General Government – SB 29

Compensation, Central Appropriations and Independent Agencies

- Adds \$121.4 million GF to the Revenue Cash Reserve, bringing the total to \$156.4 million. The addition includes \$42.2 million in one-time revenue from the 2017 Tax Amnesty Program. A companion action in HB/SB 30 proposes an additional \$270.7 million GF.
- Adds \$1.2 million GF for the Slavery and Freedom Heritage Project.
- A decrease of \$4.7 million GF in Virginia Information Technologies Agency rate savings based on agency utilization estimates.

General Government – SB 29

Independent Agencies

(NGF, in \$ millions)	FY 2018
State Corporation Commission	
Increase Staff for Regulatory Workload (6.0 FTEs)	\$ 0.2
Increase Funding for Performance Based Pay Plans	1.7
Clerk's Information System	1.5
IT Security Enhancements	1.5
Consumer Portal	1.0
- Subtotal (SCC)	<u>\$ 5.9</u>
Virginia Retirement System	
Final Modernization Program Releases	\$ 1.8
- Subtotal (VRS)	<u>\$ 1.8</u>
- Total (Independent Agencies)	7.7

Part 4 – SB 29

- Current and Proposed Salaries for Cabinet Appointees

	<u>Current</u>	<u>Proposed*</u>	<u>Pct. Chg.</u>
Chief of Staff	\$167,737	\$175,000	4.30%
Administration	\$159,762	\$172,000	7.70%
Agriculture & Forestry	\$159,817	\$172,000	7.60%
Commerce & Trade	\$166,915	\$172,000	3.00%
Commonwealth	\$158,966	\$172,000	8.20%
Education	\$159,960	\$172,000	7.50%
Finance	\$170,854	\$172,000	0.70%
Health & Human Resources	\$159,291	\$172,000	8.00%
Natural Resources	\$158,966	\$172,000	8.20%
Public Safety	\$168,838	\$172,000	1.90%
Technology	\$158,966	\$172,000	8.20%
Transportation	\$166,915	\$172,000	3.00%
Veterans	\$163,642	\$172,000	5.10%

**Effective January 12, 2018 to June 30, 2018*

General Government – SB 30

Legislative, Judicial, Executive and Administration

(GF, in \$ millions)	FY 2019	FY 2020	Biennium
Expansion of Mental Health Dockets	\$ 0.5	\$ 0.5	\$ 1.0
Expansion of Drug Courts	0.4	0.4	0.8
Drug Court Evaluation and Monitoring (2.0 FTEs)	0.2	0.2	0.4
Fill Vacant Judgeship in 20th Judicial Circuit	0.3	0.3	0.6
Replace Agency Computer Equipment	0.2	0.2	0.4
HAVA Funding Backfill (12.0 FTEs)	5.2	5.2	10.4
Elections Inquiry Call Center	0.1	0.1	0.2
Continue Military and Overseas Ballot Delivery System	0.1	0.1	0.2
Jail Per-Diems	0.4	1.4	1.8
Expanded Jail Capacity at Prince William/Manassas Detention Center	-	1.5	1.5
Revert Excess Funding for Sheriffs' Salary Initiative	(1.4)	(1.4)	(2.8)
PERKs Storage, Tracking and Custodian (1.0 FTE)	0.1	0.1	0.2
Total	\$ 6.0	\$ 8.6	\$ 14.6

General Government – SB 30

Finance, Compensation and Central Appropriations

(GF, in \$ millions)	FY 2019	FY 2020	Biennium
Revenue Cash Reserve	\$ 50.0	\$ 220.7	\$ 270.7
Additional Funding in Secretary's Office	0.20	0.20	0.40
Tax Audit Initiative	0.6	0.7	1.2
Debt Service Savings	(4.7)	43.9	39.2
Higher Ed Interest Earnings and Rebates	6.5	6.5	13.0
Two Percent Raise for State Employees	-	49.4	49.4
State Health Plan Rates	33.7	84.6	118.3
Funding for Employees' Share of Health Plan Rates	3.8	10.0	13.8
VRS Contribution Rate Savings	(6.5)	(6.8)	(13.3)
Slavery and Freedom Heritage Project	<u>0.8</u>	<u>-</u>	<u>0.8</u>
Total	\$ 84.4	\$ 409.2	\$ 493.5