

Status of General Fund and Tax-Supported Debt Capital Projects

*A presentation to the
Senate Finance Subcommittee
on Capital Outlay*

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Summary

- As of December 31, 2007, there are 540 active capital projects funded by the general fund or tax-supported debt.
- The outstanding balances on these projects totaled \$2,191.7 million.
 - 172 projects are funded solely with general fund totaling \$615.2 million.
 - 208 projects are funded solely with tax-supported debt totaling \$581.2 million.
 - 160 projects are funded with both general fund and tax-supported debt. These total \$995.3 million. (\$336.9 million from the general fund; \$628.4 million from tax-supported debt).

Status of Capital Projects

- Of the 540 active capital projects on December 31, 2007:
 - 48 projects are completed or closed out
 - 35 projects have completed construction
 - 198 projects are under construction
 - 17 projects have completed planning
 - 127 projects are in the planning process
 - 12 projects are in the acquisition process
 - 6 projects have not been initiated
 - 97 projects are umbrella projects

Dollar Status by Category

\$ in Thousands

Project Status	Higher Ed	Other Ed	HHR	Public Safety	Natural Resources	Other	Total
Completed	\$25,703.8	\$1,404.1	\$0	\$14.0	\$651.9	\$18.5	\$27,792.2
Construction Complete	7,633.5	63.8	474.9	3,481.9	23.1	792.2	12,469.4
Construction in Progress	688,155.6	29,035.3	97,762.6	310,778.6	13,424.3	25,218.8	1,164,375.2
Planning Complete	34,897.2	694.9	573.1	3,965.4	0	386.5	40,517.1
Planning in Progress	464,163.8	4,669.8	16,370.1	39,924.9	28,824.6	12,718.4	566,671.6
Acquisition in Progress	114,705.2	5,462.3	0	0	24,095.9	1,584.3	145,847.7
No CO-2	41,104.4	5,791.3	0	0	0	0	46,895.7
Umbrella	85,892.9	1,607.7	17,012.1	32,794.8	6,839.7	42,992.0	187,139.2
Total	\$1,462,256.4	\$48,729.2	\$132,192.9	\$390,959.6	\$73,859.5	\$83,710.7	\$2,191,708.3
Percent of Total	66.72%	2.22%	6.03%	17.84%	3.37%	3.82%	100.0%

Numbers may not add due to rounding.

Project Status by Category

\$ in Thousands

Project Status	Higher Ed	Other Ed	HHR	Public Safety	Natural Resources	Other	Total
Completed	31	2		4	9	2	48
Construction Complete	15	2	9	6	1	3	36
Construction in Progress	119	15	12	19	28	8	201
Planning Complete	11	1	1	3		1	17
Planning in Progress	60	4	10	18	31	4	127
Acquisition in Progress	6	1			4	1	12
No CO-2	3	3					6
Umbrella	41	6	9	22	5	10	93
Total	286	34	41	72	78	29	540
Percent of Total	52.96%	6.30%	7.59%	13.33%	14.45%	5.37%	100.0%

Summary of Capital Implementation Plan Projects

- 2002 Session of the General Assembly provided about \$1.4 billion in tax-supported bonds for 252 new capital projects
 - \$900.5 million of GO bonds for 123 higher education projects
 - \$119.0 million of GO bonds for 72 state parks projects
 - About \$370 million in Virginia College Building Authority (VCBA) and Virginia Public Building Authority (VPBA) bonds to “jumpstart” about 57 projects

Legislative Requirements

- \$250 million limit placed on the amount of debt that could be issued annually with a rollover provision for unused authority
- Requirement for an implementation plan with periodic status reports (to be based as much as possible on agency plans)
- Separate legislation outlined a process for future capital outlay
 - Submission of 6-Year Plan prior to an even-numbered session
 - Outline use of cash and debt for the executive budget based on expected revenue growth rates

Progress Report

- As of June 30, 2007
 - 51 projects have been completed
 - 115 projects are under construction
 - 79 projects are in the planning stage
 - 42 for state parks; 32 for higher education; 5 other
 - 2 higher education projects are not initiated (Andrews Hall at College of William and Mary and Porterfield Hall at Radford University)
 - 7 projects merged (e.g., Library and Arts Building at Richard Bland)
 - 2 projects abandoned (West Hospital at VCU and pony walls at Eastern State Hospital)
- All of the projects were not authorized to begin immediately because of the \$250 million annual cap (the last four projects were not authorized to begin until FY 2007).
- Cost escalation of construction has slowed the process (even at the planning stage).

Performance vs. \$250 Million Issuance Cap

- Expenditures of bond proceeds remain well within \$250 million issuance cap.
- Actual expenditures (cash draws) through FY2007 leave almost \$397 million in unused cap space.
- Cap space will drop to around \$285 million by the end of FY2008, based on current draw schedules.

Comparison of Original and Current Draw Schedules

- Through FY2007, actual project draws (\$853.3 million) are about one-third less than originally projected (\$1,228.6 million) in 2003.
- By the end of FY2008, project draws are anticipated to be only eight percent less than originally projected (\$1,214.5 million vs. \$1,313.9 million).
- Table 1 below shows the original schedule approved in 2003 by the Governor to stay within the \$250 million cap.

Comparison of Original and Current Draw Schedules (cont'd)

Table 1
Original 2003 Draw Schedules
(Dollars in Millions)

Type of Debt	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Total
Education GOB	10.5	111.1	221	220.8	191.3	74.2	828.9
Parks and Natural Areas GOB	0	29.5	32.8	22.1	30.2	4.4	119.0
VCBA	35.0	66.0	41.5	17.1	6.1	4.5	170.2
VPBA-A	15.2	24.2	33.7	1.8	0.0	0.0	74.9
VPBA-B	7.0	42.2	55.6	11.6	2.3	2.2	120.9
Total	67.7	273.0	384.6	273.4	229.9	85.3	1,313.9
Cumulative Total	67.7	340.7	725.3	998.7	1,228.6	1,313.9	
CIP Cap	250.0	500.0	750.0	1,000.0	1,250.0	1,500.0	
Remainder or (overage)	182.3	159.3	24.7	1.3	21.4	186.1	

Numbers may not add due to rounding.

Comparison of Original and Current Draw Schedules (cont'd)

- Table 2 below shows the revised draw schedules as of July 2007.

Table 2
Revised Draw Schedules as of July 2007
(Dollars in Millions)

Type of Debt	Life-to-date thru FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Total
Education GOB	458.0	302.6	113.0	15.0	5.0	0.0	893.6
Parks and Natural Areas GOB	50.8	21.7	25.1	21.4	0.0	0.0	119.0
VCBA	155.4	22.6	2.9	0.0	0.0	0.0	180.9
VPBA	189.1	14.3	13.8	4.6	0.0	0.0	221.8
Total	853.3	361.2	154.8	41.0	5.0	0.0	1,415.3
Cumulative Total	853.3	1,214.5	1,369.3	1,410.3	1,415.3	1,415.3	
CIP Cap	1,250.0	1,500.0	1,750.0	2,000.0	2,250.0	2,500.0	
Remainder or (overage)	396.7	285.5	380.7	589.7	834.7	1,084.7	

Numbers may not add due to rounding.

Detail Project Tables