
Capital Outlay

Summary of Proposed Amendments

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- Net new general fund supported capital spending is \$100.6 million.
 - \$56.0 million for actions to balance the budget, and
 - \$44.6 million for new spending.
- Additional GF supported debt of \$450.6 million is proposed for authorization

Major GF Changes for the 2008-10 Biennium - (\$ in millions)			
Category	GF	GF Bonds	Total
Total: Actions to Balance the Budget	(\$350.0)	\$406.0	\$56.0
Total: New GF Spending	<u>\$0.0</u>	<u>\$44.6</u>	<u>\$44.6</u>
Total: Actions to Balance the Budget	(\$350.0)	\$450.6	\$100.6

Summary of Proposed Amendments

Actions to Balance the 2008-10 Biennium Budget (\$ in millions)			
Category	GF	GF Bonds	Total
Actions to Balance the Budget			
Debt for NGF Deposit	\$0.0	\$56.0	\$56.0
Supplant 2008 Cash Flow Projects	(100.0)	100.0	0.0
Supplant GF Projects	<u>(250.0)</u>	<u>250.0</u>	<u>0.0</u>
Total: Actions to Balance the Budget	(\$350.0)	\$406.0	\$56.0

Summary of Proposed Amendments

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New GF Capital Recommendations for the 2008-10 Biennium (\$ in millions)			
Category	GF	GF Bonds	Total
New GF Spending			
Renovations and Improvements	\$0.0	\$6.7	\$6.7
Equipment for Completed Projects	0.0	26.2	26.2
Project Supplements	<u>0.0</u>	<u>11.7</u>	<u>11.7</u>
Total: New GF Spending	\$0.0	\$44.6	\$44.6

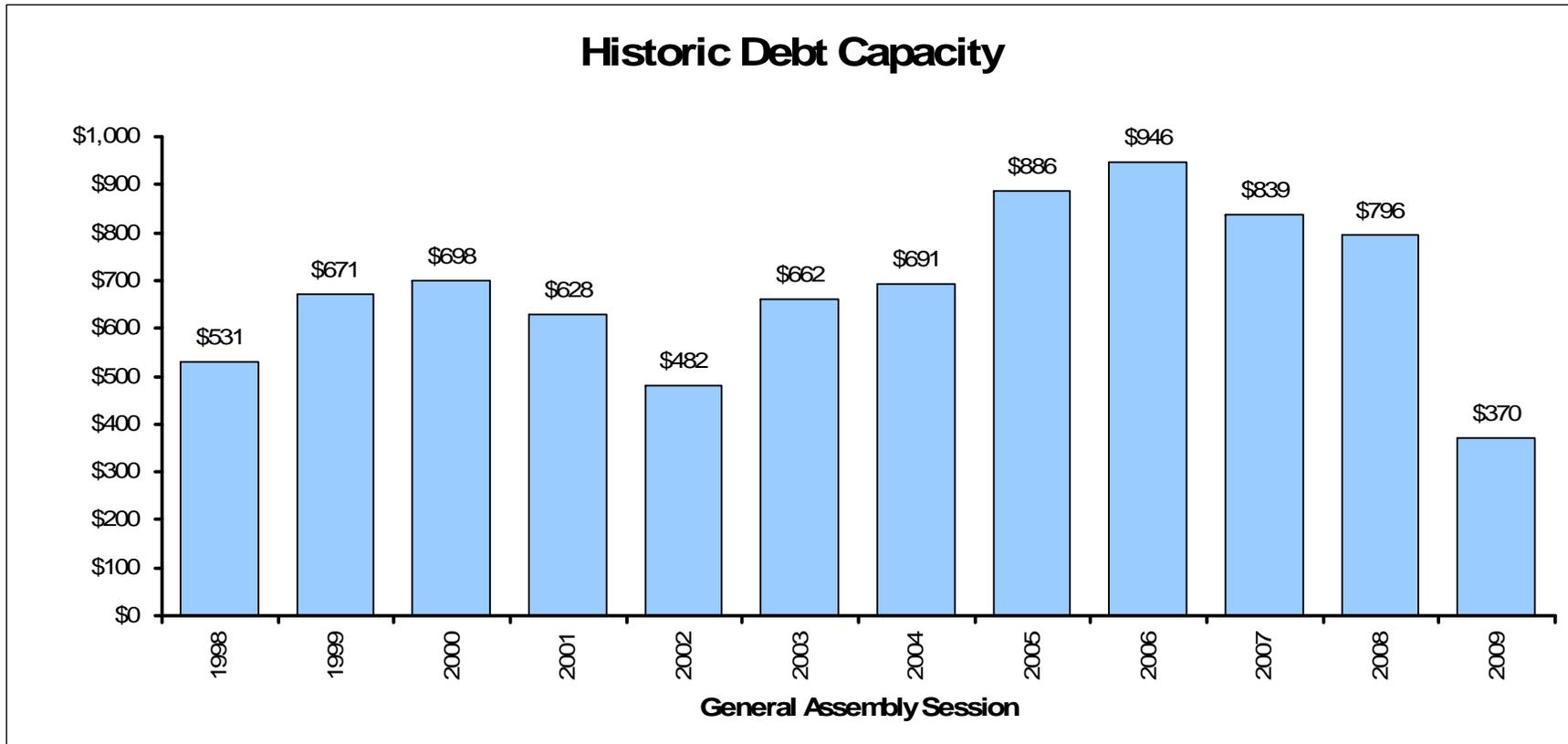
Summary of Proposed Amendments

- Proposes language to reallocate funds from the repair & replacement of two mental retardation training centers to construction of community housing.

Funding of Mental Retardation Training Centers				
	2006	2008	SB 850	Net
Repair & Replace: Southeastern Va. Training Center	\$5.6	\$23.9	(\$23.8)	\$5.7
SEVTC New Community Housing	0.0	0.3	23.8	24.1
Repair & Replace Central Va. Training Center	2.5	43.0	(18.5)	27.0
SEVTC New Community Housing	<u>0.0</u>	<u>0.2</u>	<u>18.5</u>	<u>18.7</u>
Total: Mental Retardation Training Centers	\$8.1	\$67.4	\$0.0	\$75.5

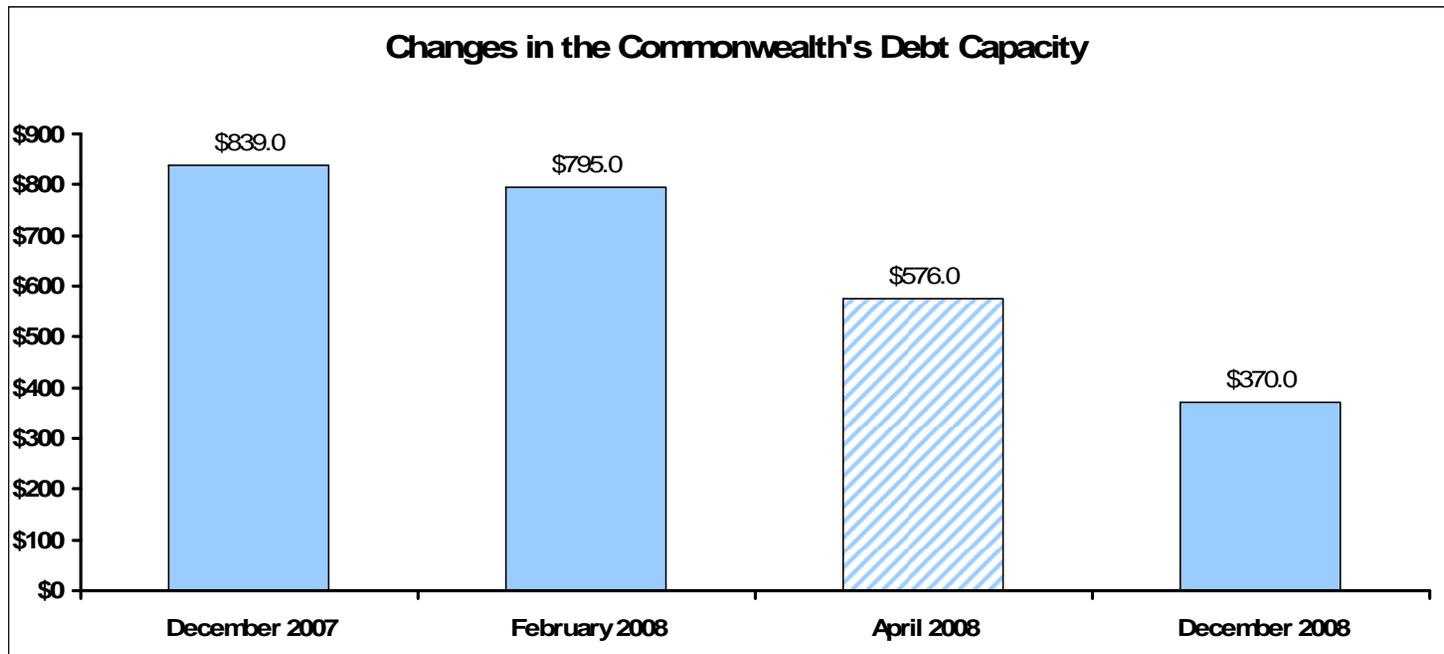
Debt Capacity

- Debt Capacity for the 2009 session is severely limited when compared to recent General Assembly Sessions.



Debt Capacity

- 2009 session debt capacity has declined due to several factors:
 - February 2008 GF revenue reductions,
 - 2008 capital bond authorizations,
 - Revised accounting for lottery revenues
 - Further downward GF revenue revisions, and
 - Increases in interest rates.



Debt Capacity

- The **Debt Capacity Advisory Committee** has recommended limiting additional tax-supported debt authorizations to \$370 million each year of the 2008-2010 biennium .
 - \$250 million is allocated to previously authorized water quality improvement projects,
 - \$451 is proposed to be used in the introduced budget.
 - \$39 million remains available.

	SB 850	Debt Capacity
2008-2010 Debt Capacity		
FY 2009		\$370.0
FY 2010		<u>\$370.0</u>
Total 2008-2010		\$740.0
SB 850 Proposals		
Previously Authorized Water Quality Projects	(\$250.0)	
Supplant GF Projects	(\$350.0)	
GF Debt for NGF Deposit (UVa & Radford)	(\$56.0)	
Equipment	(\$26.2)	
Wallops Island Project	(\$10.0)	
Renovations & Improvements (DOC)	(\$6.7)	
Project Supplement (DOC)	<u>(\$1.7)</u>	
Total: SB 850 Proposals		<u>(\$700.6)</u>
Available 2008-2010 Debt Capacity		\$ 39.4

Debt Capacity

- The Commonwealth's debt capacity may be further eroded in the event of additional general fund revenue reductions.
 - Debt Capacity declines by \$5.7 million for each \$100 million decline in GF revenues.
 - Debt Capacity declines by \$354 million for each 100 basis point increase in the assumed interest rate.
- Available debt capacity would increase or decrease in response to modification of the parameters used in the debt capacity model.