

SENATE OF VIRGINIA

Senate Finance Committee

Overview of Proposed Budget for Capital Outlay

SB 900 (Amendments to 2016-18 Biennial Budget)

January 19, 2017



Capital Outlay Funding

SB 900 Proposed Amendments by Fund Type (\$ in millions)

General Fund Cash	\$ 0.0
VPBA/VCBA Tax-Supported Bonds	270.8
9(c) Revenue Bonds	13.6
9(d) Revenue Bonds	121.3
Nongeneral Fund Cash	<u>25.0</u>
Total	\$430.7



Capital Outlay - VPBA/VCBA Detail

- Proposes \$270.8 million in VPBA/VCBA bonds over the biennium for:
 - \$104.8 million to acquire or construct a new warehouse and administrative building for the Department of Alcoholic Beverage Control;
 - \$94.7 million to supplant GF for previously authorized projects (language also authorizes the reversion of \$33.8 million from the planning pool and project balances);
 - \$37.9 million for two new projects and supplements for six previously approved projects (new projects - Buckingham Wastewater Treatment Plant at Department of Corrections and the Main Hall Exterior Repairs at VA School for the Deaf and the Blind);
 - \$19.6 million for furnishings and equipment for projects coming online in FY 2018;
 - \$7.0 million for infrastructure repairs at behavioral health state facilities;
 - \$3.0 million for blanket property acquisition for the Department of Military Affairs and another \$323,000 for the renovation of the Roanoke Field Maintenance Shop;
 - \$2.5 million for the exterior building envelope repairs at Main Street Centre under the Department of General Services; and
 - \$1.0 million for a maintenance reserve supplement for fire safety at the Department of Military Affairs.



Equipment for Projects Nearing Completion

Agency	Project Title
Department of Conservation and Recreation	Construct Widewater State Park
Department of Conservation and Recreation	Renovate Historic Building, Walnut Valley Farm, Chippokes Plantation State Park
Woodrow Wilson Rehab. Center	Renovate Anderson Vocational Bldg., Phase II
Virginia Tech	Renovate or Renew Academic Buildings
Virginia State University	Replace Lockett Hall
Longwood University	Construct Admissions Building
Virginia Tech – Ext.	Improve Kentland Facilities, Phase I
Virginia Community College System	Replace Anderson Hall, Virginia Western
Virginia Community College System	Replace Academic and Administration Building, Eastern Shore
Virginia Community College System	Renovate Eng. & Industrial Tech. Bldg., Danville
Virginia Community College System	Construct Student Serv. & Learn. Res., Southside
Virginia Community College System	Renovate Bird Hall & Renovate / Expand Nicholas Center, Chester Campus, John Tyler
Virginia Institute of Marine Science	Construct Facilities Management Building
Department of Corrections	Acquire Richmond P & P Office



Planning

- Introduced budget proposes use of the central planning fund for **four new projects**.
 - Renovate the Monroe Office Building (DGS; considered but not included in the 2016 Session);
 - replace Central State Hospital (DBHDS; considered but not included in the 2016 Session);
 - replace the training academy at the Department of State Police; and
 - renovate the Watson Theater and Activities Building, Phase 3 at the Wilson Workforce and Rehabilitation Center.
- It is unclear whether any of these projects would supersede the planning projects contained in capital bond program legislation from the 2016 Session.
- Other proposed capital outlay budget balancing actions would revert about half of the central planning pool.



Capital Outlay - Other Details

- Recommends \$159.9 million in nongeneral fund capital amendments.
 - \$134.9 million is funded through 9(c) and 9(d) NGF revenue bonds for eight higher education projects; and
 - \$25.0 million is funded with nongeneral fund cash to support another six projects at multiple state agencies and higher education institutions.



9(d) Revenue Bonds

Institution	Project Title	Amount
College of William and Mary	Construct West Utilities Plant	\$14,986,000
Virginia Tech	Renovate Holden Hall	17,500,000
Virginia Tech	Construct Central Chiller, Phase II	9,797,000
Virginia Tech	Construct VT Carilion Research Addition	23,793,000
Longwood University	Replace Steam Distribution System	3,192,000
James Madison University	Construct West Campus Parking Deck	7,000,000
Old Dominion University	Foreman Field Stadium	<u>45,000,000</u>
Total		\$121,268,000



Nongeneral Fund Supported Projects

Agency	Project Title	Amount
Dept. of Military Affairs	Renovate Roanoke Field Maint. Shop	\$1,000,000
Dept. of Conservation and Recreation	Acquire State Parks Property	1,000,000
Dept. of Conservation and Recreation	Acquire Natural Area Preserves Property	2,680,000
James Madison University	Construct West Campus Parking Deck	7,000,000
Old Dominion University	Foreman Field Stadium	10,000,000
Virginia State University	Addition to M.T. Carter Building	<u>3,350,000</u>
Total		\$25,030,000



Language Amendments

- **General Conditions.** Language is proposed to allow the Director, Department of Planning and Budget, after consultation with the Six-Year Capital Outlay Plan Advisory Committee, the authority to transfer bond appropriations and bond proceeds between and among capital pool projects.
- **2016 Bond Program Project Management.** Proposes language to allow for the management of nine capital projects contained in the 2016 bond program to maximize the use of the nongeneral fund portion of each project prior to the use of tax-supported bond financing.
- **Capital Leases.** Proposes language to authorize the Department of General Services to enter into capital leases on behalf of DMV for a customer service center in Loudoun County and on behalf of the Department of Corrections for probation and parole space needs in Chesterfield County.
- **Department of State Police.** Language is proposed to allow the Department to use up to \$3.4 million from the existing appropriation for the STARS radio system project to upgrade and replace STARS equipment.



Language Amendments (continued)

- **Department of Transportation.** Proposes language to market, sell, or convey property currently occupied by the Hampton Roads District Headquarters and allows for leasing authority as necessary to continue operations.
- **Solar Projects Language.** Proposes language to allow Department of Corrections, Department of Forestry, and Department of Juvenile Justice to place third-party solar projects on state property.
- **Virginia School for the Deaf and the Blind Language.** VSDB is required to submit a plan to the Secretary of Education to address the school's declining enrollment and the current and future uses of Main Hall. The plan must be approved by the Governor prior to project funding being released.
- **Gunston Hall Maintenance Reserve Language.** Provides Gunston Hall with the authority to utilize up to 20 percent of its maintenance reserve allocation to restore, repair, or renew exhibits. Also, allows for the funds to be used for roads, paths, parking lots, improving entrance accessibility, and improving the grounds.

