Report of the Subcommittee on Capital Outlay

(Amendments to SB 850, as Introduced)

Senate Finance Committee
Virginia General Assembly

February 8, 2009

Mr. Chairman:

As with the other subcommittee reports presented today, the Capital Outlay subcommittee's report reflects the austerity of the times. The most significant of our recommendations is the endorsement of the conversion of previously approved capital projects from cash to general fund supported bonds. This generates $350 million to address the budget shortfall.

Our report is not all austerity, however. We are pleased to be able to recommend the appropriation of $34.8 million to equip buildings that will soon be completed.

Last year we were pleased by the Finance Committee's, and the Senate's, support of our efforts to move forward with a major program of capital construction. To maintain the momentum from last year's efforts we are recommending language that will allow agencies and institutions to complete planning of those projects authorized for pre-planning or preliminary working drawings in last year's bond bill from non-general funds.

This year, we are pleased to be able to make our contribution in support of the Finance Committee's efforts to balance the budget.

Mr. Chairman, we believe that our recommended amendments are in the best interest of the Commonwealth. It is our hope it will be your pleasure to adopt them.

Respectfully Submitted,

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The Honorable Henry L. Marsh, III, Chairman

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The Honorable Charles J. Colgan

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The Honorable R. Edward Houck

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The Honorable Kenneth W. Stolle

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The Honorable Emmett W. Hanger, Jr.

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The Honorable John C. Watkins

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The Honorable L. Louise Lucas

CAPITAL OUTLAY SUBCOMMITTEE
SPREADSHEET
(SB 850)

2009 Session
Capital Amendments to SB 850

	2008-2010 Total		
	GF	NGF	Total
CAPITAL			
ADMINISTRATION			
Department of General Services			
DGS: Use Chapter 1 Bond Funds for parking Deck	LANGUAGE	$0	$0
EDUCATION: HIGHER EDUCATION			
Christopher Newport University			
CNU: Surplus Property	LANGUAGE	$0	$0
CNU: Library/Info Tech Center	$0	$3,035,000	$3,035,000
CNU: Construct Alumni House	$0	$4,000,000	$4,000,000
George Mason University			
GMU: Belmont Bay Science Center	LANGUAGE	$0	$0
GMU: Arlington II Equipment	$3,550,000	$0	$3,550,000
GMU: Student Union Building II	$0	$8,000,000	$8,000,000
GMU: Campus Security	$0	$2,500,000	$2,500,000
James Madison University			
JMU: Equipment - Performing Arts Center & Recital	$5,072,000	$0	$5,072,000
Old Dominion University			
ODU: President's Residence	LANGUAGE	$0	$0
University Of Mary Washington			
UMW Continue Alternative Financing Language	LANGUAGE	$0	$0
University Of Virginia			
UVa: Renovate New Cabell Hall	$0	$3,720,000	$3,720,000
Virginia Military Institute			
VMI: Renovate Post Hospital	0	$205,000	$205,000
Virginia Polytechnic Institute And State University			
VT: Parking Structure (9d)	$0	$30,000,000	$30,000,000
HEALTH AND HUMAN RESOURCES			
Department Of Mental Health, Mental Retardation And Substance Abuse Services			
MH&MR: Central Virginia Training Center	LANGUAGE	$0	$0
MH&MR: Central Virginia Training Center	$0	($18,500,000)	($18,500,000)
MH&MR: Central Virginia Community Housing.	$0	$27,544,000	$18,500,000
MH&MR: Southeastern Virginia Training Center	LANGUAGE	$0	$0
MH&MR: Southeastern Virginia Training Center	$0	($23,800,000)	($23,800,000)
MH&MR: Southeastern Virginia Community Housing	$0	$35,036,000	$23,800,000
NATURAL RESOURCES			
Department Of Game and Inland Fisheries			
DGIF: Technical Property Description	LANGUAGE	$0	$0
PUBLIC SAFETY			
Department Of State Police			
SP: Target Practice Range	$0	$1,875,000	$1,875,000
CENTRAL CAPITAL OUTLAY			
NGF for Chapter 1 (2008 special Session I) Planning	LANGUAGE	$0	$0
CA: Technical Correction to 9(d) Bond Table	LANGUAGE	$0	$0
CA: Technical Correction to 9(d) Bond Table	LANGUAGE	$0	$0
TOTAL: CAPITAL	**$8,622,000**	**$73,615,000**	**$61,957,000**

CAPITAL OUTLAY SUBCOMMITTEE
MAJOR LANGUAGE AMENDMENTS
(SB 850)

Item C-5.05 #1g

Administration

Department Of General Services — Language

Language:

Page 548, strike lines 13 to 17 and insert:

"The Director, Department of Planning and Budget is authorized to transfer up to $7,200,000 from the Blanket Property Acquisition Project authorized in Chapter 1, 2008 Acts of the Assembly, Special Session 1 to supplement this item. With this transfer, the total cost of the project is $23,025,000."

Explanation:

(This amendment authorizes the Department of General Services to use funds from the Blanket Property Acquisition Project in Chapter 1, 2008 Acts of the Assembly, Special Session I, to supplement construction of the 1,000 vehicle parking deck for state employees housed in the Main Street Centre and other state-owned and occupied buildings in the vicinity.)

Capital Outlay - Special Projects Subcommittee — Item C-14.90 #1s

Education: Higher Education

Christopher Newport University — Language

Language:

Page 549, following line 37, insert:

"Christopher Newport University is authorized to retain 100 percent of the proceeds from the sale of real property at 812 Riverside Drive in Newport News, Virginia and to use those proceeds to acquire real property previously approved by the University's Board of Visitors."

Explanation:

(This amendment is self explanatory.)

Capital Outlay - Special Projects Subcommittee — Item C-36.1 #1s

Education: Higher Education

George Mason University Language

Language:

Page 553, following line 53, insert:

"Notwithstanding any other provision of law, the Director, Department of Planning and Budget, shall transfer $11,00,000 of the amount appropriated to the Science Museum of Virginia, for construction of the Belmont Bay Science Center to project 17634 (George Mason University, New Construction: Belmont Bay Science Center)."

Explanation:

(This amendment transfers funding for construction of the Belmont Bay Science Center from the Science Museum of Virginia to George Mason University.)

Capital Outlay - Special Projects Subcommittee Item C-50.30 #1s

Education: Higher Education

Old Dominion University Language

Language:

Page 558, following line 26, insert:

"Old Dominion University is hereby granted authority to convey the current President's Residence to the Old Dominion Real Estate Foundation in order to reconstruct this facility. Authority is also granted to construct this project with alternative financing, which may include an agreement with the Old Dominion University Real Estate Foundation for the design, construction and financing of the project, and to enter into a capital lease or lease for the project that may qualify as a capital lease. Old Dominion shall identify any component of the project that qualifies as a capital lease, and shall report such lease to the Department of Accounts and the Department of Planning and Budget. Any such capital lease shall be exempt from the requirements of §4-3.03(b)2 of the Appropriations Act."

Explanation:

(This amendment authorizes Old Dominion University to transfer the president's residence to the ODU Real Estate Foundation for renovation, and to lease back such facility.)

Capital Outlay Subcommittee Item C-44.20 #1s

Education: Higher Education

University Of Mary Washington

Language

Language:

Page 556, after line 38, insert:

"C-44.20.

Fund Sources:

"1. Subject to the provisions of this act, the General Assembly authorizes the University of Mary Washington to enter into a written agreement or agreements with the University of Mary Washington Real Estate Foundation (UMWREF) to support student housing projects and/or operational-related facilities through alternative financing agreements including public-private partnerships.

2. The University of Mary Washington is further authorized to enter into written agreements with UMWREF to support such student housing facilities; the support may include agreements to (i) include the student housing facilities in the University's students housing inventory; (ii) manage the operation and maintenance of the facilities, including collection of rental fees if those students occupied University-owned housing; (iii) assign students to the facilities in preference to other University-owned facilities; (iv) seek to obtain police power over the student housing as provided by law; and (v) otherwise support the students housing facilities consistent with law, provided that the University's obligation under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

3. The General Assembly further authorizes the University of Mary Washington to enter into a written agreement with a public or private entity to design, construct, and finance a facility or facilities to provide additional student housing and/or operational-related facilities. The facility or facilities may or may not be located on property owned by the Commonwealth. The University of Mary Washington is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facilities. The State Treasurer is authorized to make Treasury loans to provide interim financing for planning, construction and other costs of any of the projects. Revenue bonds issued by or for UMWREF will provide construction and/or permanent financing.

4. The University of Mary Washington is further authorized to convey parcels of land to the UMWREF, which will develop the land for the purpose of establishing residential housing for students and/or faculty and staff, office, retail, and other

commercial land uses in accordance with the University's approved Master Plan."

Explanation:

(This amendment clarifies that authority for the University of Mary Washington to utilize alternative financing is continued.)

Capital Outlay - Special Projects Subcommittee — Item C-103.05 #3s

Health And Human Resources

Department Of Mental Health, Mental Retardation And Substance Abuse Services — Language

Language:

Page 570, strike lines 10 to 20.

Explanation:

(This amendment strikes language included in SB 850, as introduced, that proposed a reduction to project 17457 (Repair/Replacement Central Virginia Training Center). Companion capital amendments make the appropriation for community housing and set out the proposed reduction to project 17457 (Repair/Replacement Central Virginia Training Center) as a capital appropriation item.)

Capital Outlay - Special Projects Subcommittee — Item C-103.05 #4s

Health And Human Resources

Department Of Mental Health, Mental Retardation And Substance Abuse Services — Language

Language:

Page 570, strike lines 10 to 20.

Explanation:

(This amendment strikes language included in SB 850, as introduced, that proposed a reduction to project 17458 (Repair/Replacement Southeastern Virginia Training Center). Companion capital amendments make the appropriation for community housing and set out the proposed reduction to project 17458

(Repair/Replacement Southeastern Virginia Training Center) as a capital appropriation item.)

Capital Outlay - Special Projects Subcommittee Item C-103.06 #1s

Health And Human Resources	**FY 08-09**	**FY 09-10**
Department Of Mental Health, Mental Retardation And Substance Abuse Services	($18,500,000)	$0 NGF

Language:

Page 570, following line 20 insert:
"C-103.06. Improvements: ($18,500,000)
Repair/Replacement Central Virginia Training Center
Fund Sources: Bond Proceeds ($18,500,000)".

Explanation:

(This amendment sets out the proposed reduction to project 17457 (Repair/Replacement Central Virginia Training Center) as a capital appropriation item. Companion capital amendments make the appropriation for community housing and strike language included in SB 850, as introduced, that proposed a reduction to project 17457 (Repair/Replacement Central Virginia Training Center).)

Capital Outlay - Special Projects Subcommittee Item C-103.06 #2s

Health And Human Resources	**FY 08-09**	**FY 09-10**
Department Of Mental Health, Mental Retardation And Substance Abuse Services	$27,544,000	$0 NGF

Language:

Page 570, following line 20 insert:
"C-103.06. New Construction: $27,544,000
Construction, Acquisition and Renovation of Community Housing for Central Virginia (17733)

Fund Sources: Bond Proceeds $27,544,000".

A.1. Out of the appropriation for this item shall be paid $27,544,000 ($12,252,800 from general fund supported bonds and $15,291,200 from non-general fund supported bonds) for construction of community housing on behalf of community service boards located in the service area of the Central Virginia Mental Retardation Training Center. This appropriation is based on the following provisional plan:

Description	Number	GF Cost	NGF Cost	Total Cost
6 to 8 Bed ICF (GF Land Acquisition)	19	$3,822,800	$15,291,200	$19,114,000
4 to 6 Bed Mental Retardation Home	10	$8,430,000	$0	$8,430,000
Total	29	$12,252,800	$15,291,200	$27,544,000

2. No more than twenty percent of the total cost of each Intermediate Care Facility (ICF) shall be for land acquisition, which shall be financed from general fund supported bonds. The remaining eighty percent of the capital cost shall be funded from bonds supported by the capital component of the Medicaid rates.

B.1. The Department of Mental Health, Mental Retardation and Substance Abuse Services, with the assistance of the Department of General Services, the Department of Planning and Budget, and the Department of the Treasury, and with the approval of the Governor, shall prepare a final implementation plan and provide a copy of the plan to the Chairmen of the Senate Finance Committee and House Appropriations Committee no later than June 30, 2009. Limited revisions to this implementation plan may be made as warranted by material changes in circumstances. In development of this plan the Department of Mental Health shall consult with residents, community service boards, and private providers.

2. Within 30 days of receipt of an implementation plan, or revisions thereto, the Senate Finance Committee and House Appropriations Committee shall each determine whether to request additional information, recommend changes to the implementation plan, or accept the implementation plan, and notify the Department of their decision. The Department shall provide additional information on the details of an implementation plan as requested by either Committee. If the Committees accept an implementation plan, or do not request additional information or recommend changes within the 30-day period, the implementation plan shall be deemed approved and may be executed by the Department.

3. The Director of the Department of Planning and Budget shall have the authority to fund community housing projects approved by the Committees, with such funding being consistent with the terms of the implementation plan.

C. To be eligible to participate in the community mental retardation facility construction program set out in this item, local community services boards must cooperate with the Department of Mental Health and Mental Retardation, and the Department of Human Resource Management in the development and implementation of a plan to transfer employees of the Central Virginia Training Center to the community services boards, as required by Item 315.DD of this Act.

D. The total amount that may be obligated under this item shall not exceed $27,544,000 million."

Explanation:

(This amendment sets out the proposed appropriation for community housing as a capital appropriation item. Companion capital strike language included in SB 850, as introduced, that proposed a reduction to project 17457 (Repair/Replacement Central Virginia Training Center) and set out that reduction as a separate capital item.)

Capital Outlay - Special Projects Subcommittee Item C-103.06 #3s

Health And Human Resources	**FY 08-09**	**FY 09-10**
Department Of Mental Health, Mental Retardation And Substance Abuse Services	($23,800,000)	$0 NGF

Language:

Page 570, following line 20

"C-103.06. Improvements: ($23,800,000)

Repair/Replacement Southeastern Virginia Training Center

Fund Sources: Bond Proceeds ($23,800,000)".

Explanation:

(This amendment sets out the proposed reduction to project 17458

(Repair/Replacement Southeastern Virginia Training Center) as a capital appropriation item. Companion capital amendments make the appropriation for community housing and strike language included in SB 850, as introduced, that proposed a reduction to project 17458 (Repair/Replacement Southeastern Virginia Training Center).)

Capital Outlay - Special Projects Subcommittee Item C-103.06 #4s

Health And Human Resources	**FY 08-09**	**FY 09-10**
Department Of Mental Health, Mental Retardation And Substance Abuse Services	$35,036,000	$0 NGF

Language:

Page 570, following line 20
"C-103.06. New Construction: $35,036,000
Construction, Acquisition and Renovation of Community Housing for Southeastern Virginia (17774)
Fund Sources: Bond Proceeds $35,036,000".

A.1. Out of the appropriation for this item shall be paid $35,036,000 ($23,768,800 from general fund supported bonds and $11,267,200 from non-general fund supported bonds) for construction of community housing on behalf of community service boards located in the service area of the Southeastern Virginia Mental Retardation Training Center. This appropriation is based on the following provisional plan:

Description	Number	GF Cost	NGF Cost	Total Cost
6 to 8 Bed ICF (GF Land Acquisition)	14	$2,816,800	$11,267,200	$14,084,000
4 to 6 Bed Mental Retardation Home	22	$18,546,000	$0	$18,546,000
Crisis Stabilization Center	1	$1,006,000	$0	$1,006,000
Day Support Center	4	$1,400,000	$0	$1,400,000
Total	41	$23,768,800	$11,267,200	$35,036,000

2. No more than twenty percent of the total cost of each Intermediate Care Facility

(ICF) shall be for land acquisition, which shall be financed from general fund supported bonds. The remaining eighty percent of the capital cost shall be funded from bonds supported by the capital component of the Medicaid rates.

B.1. The Department of Mental Health, Mental Retardation and Substance Abuse Services, with the assistance of the Department of General Services, the Department of Planning and Budget, and the Department of the Treasury, and with the approval of the Governor, shall prepare a final implementation plan and provide a copy of the plan to the Chairmen of the Senate Finance Committee and House Appropriations Committee no later than June 30, 2009. Limited revisions to this implementation plan may be made as warranted by material changes in circumstances. In development of this plan the Department of Mental Health shall consult with residents, community service boards, and private providers.

2. Within 30 days of receipt of an implementation plan, or revisions thereto, the Senate Finance Committee and House Appropriations Committee shall each determine whether to request additional information, recommend changes to the implementation plan, or accept the implementation plan, and notify the Department of their decision. The Department shall provide additional information on the details of an implementation plan as requested by either Committee. If the Committees accept an implementation plan, or do not request additional information or recommend changes within the 30-day period, the implementation plan shall be deemed approved and may be executed by the Department.

3. The Director of the Department of Planning and Budget shall have the authority to fund community housing projects approved by the Committees, with such funding being consistent with the terms of the implementation plan.

C. To be eligible for to participate in the community mental retardation facility construction program set out in this item, local community services boards must cooperate with the Department of Mental Health and Mental Retardation, and the Department of Human Resource Management in the development and implementation of a plan to transfer employees of the Southeastern Virginia Training Center to the community services boards, as required by Item 315.DD of this Act.

D. The total amount that may be obligated under this item shall not exceed $35,036,000."

Explanation:

(This amendment sets out the proposed appropriation for community housing as a capital appropriation item. Companion capital strike language included in SB 850, as introduced, that proposed a reduction to project 17458 (Repair/Replacement Southeastern Virginia Training Center) and set out that reduction as a separate capital item.)

Capital Outlay - Special Projects Subcommittee Item C-178.10 #1s

Central Appropriations

Central Capital Outlay Language

Language:

Page 589, following line 37 insert:

"A.1. Capital projects authorized for detailed planning in §1 of the third enactment clause of Chapter 1 and Chapter 2 (2008 Special Session I) may proceed from preliminary working drawings to detailed working drawings.

2. Capital projects authorized for preplanning in §2 of the third enactment clause of Chapter 1 and Chapter 2 (2008 Special Session I) may proceed to preliminary working drawings.

3. Such nongeneral funds as may be required for this purpose are hereby appropriated.

4. Non-general funds expended for the purposes of paragraphs A.1 and A.2, of this Item, may be reimbursed from such funds as may be appropriated for the construction of the project for which planning is undertaken, upon project completion."

Explanation:

(This amendment allows projects authorized for preplanning or planning in the 2008 capital bond bill to continue planning with non-general funds.)