



Overview of the Governor's Proposed Amendments to the 2022-24 Capital Outlay Budget

January 13, 2022

Capital Outlay – SB 800 Proposed Amendments

Capital Outlay Funding by Fund Type (\$ in millions)	Chapter 2	SB 800 Prop. Amend.	Ch. 2 Increase + SB 800 Prop. Amend
General Fund	\$2,149.2	\$604.5	\$2,753.7
VPBA/VCBA Tax-Supported Bond	0.0	0.0	0.0
9(c) Revenue Bonds	100.9	0.0	100.9
9(d) Revenue Bonds	56.4	98.4	154.8
Nongeneral Fund Cash	<u>977.7</u>	<u>211.7</u>	<u>\$1,189.4</u>
Total	\$3,284.2	\$914.6	\$4,198.8

SB 800 proposes \$21.7 million in VPBA tax-supported debt (under Treasury Board) for the state's share of two Local and Regional Jail projects: \$10.0 million Loudoun County Adult Detention Center - Expansion and Renovation and \$11.7 million Albemarle-Charlottesville Regional Jail – Renovation.

Proposed Capital Amendments by Project Category

Major Category (\$ in millions)	GF Cash	NGF Cash	NGF Supported Bonds	Total
Supplements	\$406.9	\$0.0	\$0.0	\$406.9
Maintenance Reserve	16.0	20.0	0.0	36.0
New Construction & Improvements	137.9	183.3	98.4	419.7
Equipment	34.1	0.9	0.0	35.0
Planning / Acquisition	<u>9.6</u>	<u>7.4</u>	<u>0.0</u>	<u>17.0</u>
Total	\$604.5	\$211.7	\$98.4	\$914.6

SB 800 – Capital Outlay Overview

- \$400.0 million GF to supplement previously authorized capital project construction pools for inflation and cost overruns (\$100.0 million in fiscal year 2023, previously contingent on the fiscal year 2022 balance sheet, and \$300.0 million in fiscal year 2024 contingent on FY 2023 revenue meeting the forecast).
- \$75.5 million GF to support new construction or improvements for 12 stand-alone agency projects.
- \$43.3 million GF for a data facility at Jefferson Lab (contingent on a federal award).
- \$34.1 million GF for furnishings and equipment for capital projects nearing completion.
- \$19.1 million GF for a capital pool of three projects.
- \$9.6 million GF to support acquisition or planning for seven projects.
- \$8.0 million GF in maintenance reserve for Norfolk State University.
- \$8.0 million GF in maintenance reserve for Virginia State University.
- \$6.9 million to supplement two existing projects.
- Language authorizing short-term treasury loans of \$4.8 million for Renovation of Sitter and Barefoot Veterans Care Center (Richmond) and \$57.3 million for replacement of Veterans Care Center (Roanoke).

Supplements

- **2022 Capital Supplement Pool.** Includes \$100.0 million GF the first year and \$300.0 million GF the second year to supplement previously authorized capital projects and central capital construction pools for inflation and cost overruns.
 - First year amount represents the contingent allocation pursuant to Item 485 L., Chapter 2, 2022 Acts of Assembly, Special Session I, based upon 2022 revenue conditions being met.
 - Second year appropriation is contingent upon 2023 revenue collections meeting the official forecast assumed in the proposed budget. If revenues are less than the revenue estimate, the \$300.0 million is to be unallotted and made unavailable for spending until the Governor determines the resources are available to allot the funds.
 - Chapter 1 appropriated \$350.0 million GF to supplement previously authorized projects for cost overruns due to inflation and wage pressures. Six-Year Capital Outlay Advisory Committee is responsible for approving supplements to projects. As of December, seven projects have received a supplement with \$70.5 million obligated and an unobligated balance of \$279.5 million.
- **2022 State-Agency Pool.** Recommends \$3.5 million GF the first year to supplement the existing *Renovate Eastern State Hospital* umbrella project for inflation.

Maintenance Reserve & Equipment

- **Maintenance Reserve – Norfolk State University and Virginia State University.** Proposes \$8.0 million GF the second year each to NSU and VSU to provide additional maintenance reserve funds.
- **Maintenance Reserve - Science Museum.** Recommends language to allow up to 20.0 percent of the museum's annual maintenance reserve allocation to be used for the restoration, repair or renewal of exhibits, and improvements to the museum's grounds.
- **Equipment for Projects Nearing Completion.** Includes \$34.1 million GF and \$893,160 NGF the first year to purchase furnishings and equipment for projects scheduled to come online in the next 18 months, bringing total equipment funding to \$65.1 million GF and \$893,160 NGF for the biennium.

Equipment for Projects Nearing Completion	
Agency	Project Title
William and Mary	Construct Integrated Science Center, Phase IV
University of Virginia	Renovate Physics Building
	Alderman Library Renewal
UVA – Wise	Renovate/Convert Wyllie Library
Virginia Community College System	Construct Advanced Technical Training Center, Piedmont Virginia
Virginia Tech	Construct Undergraduate Lab Building
Department for the Blind and Vision Impaired	Renovate the Library and Resource Center
Department of Conservation and Recreation	Renovate Various Campgrounds
Department of Military Affairs	Construct Roanoke Readiness Center and Combined Support Maintenance Shop

Central Planning

Detail Planning Pool	
Agency	Project Title
Department of State Police	Construct Division Six Headquarters (authorized for detail planning in Chapter 759 and 768, 2016 Acts of Assembly)
Wilson Workforce and Rehabilitation Center	Construct a new Postsecondary Education Rehabilitation Transition Facility to replace the Mary Switzer building
Virginia State University	Renovate Virginia Hall
	\$5.9 million GF FY 2023

- **DGS Preplanning State Lab Replacement.** Proposes \$250,000 GF for the pre-planning of a new State Laboratory. The pre-planning will explore potential options, including a facility constructed as part of a public-private partnership, the facility's inclusion in an existing or proposed technology/business park, and the possibility to develop the state-owned property at 26317 W. Washington Street in Petersburg, Virginia, for multi-use, **including housing and commercial entities.**
- **VCU Preplanning School of Dentistry Facility.** Proposes authorizing pre-planning for a new facility to house the School of Dentistry at Virginia Commonwealth University and includes language allowing the Director of the Department of Planning and Budget to appropriate \$250,000 NGF from the University's funds for pre-planning.

Capital Pools

2023 Capital Construction Pool	
Agency	Project Title
Longwood University	Replace Chillers in Four Campus Buildings
Virginia Institute of Marine Science	Replace Andrews Hall Roof
Department of Corrections	Construct Chesterfield Probation & Parole Office
	\$19.1 million GF FY 2023

- **2022 State Agency Construction Pool.** Proposes a scope change to the *Department of State Police - Construct an Area office in Lexington* project to include demolition of an existing building.
- **2020 Higher Education Construction Pool.** Includes a scope change for the *VMI Renovate and Expand Engineering and Lab Facilities* project in the 2020 VCBA pool, to remove the demolition of the existing Cocke Hall Annex Swimming Pool portion of the project.

Redirect Excess Bond Balances

- **2016 Construction Pool.** Several proposed amendments redirect excess and unutilized bond balances to the 2016 VPBA Capital Construction Pool and the 2016 VCBA Capital Construction Pool. In total, \$2.0 million in VPBA bond balances are transferred to the 2016 VPBA Pool and \$186,326 in VCBA bond balances are transferred to the 2016 VCBA Pool.
 - These excess and unutilized bond balances are from projects ready to be closed out, projects experiencing unexpected savings, or projects no longer making sense to complete.
- **Transfer VPBA Bond Balances between Virginia Museum of Fine Arts Projects.** Proposes transferring \$952,659 the first year in unutilized VPBA bond authorization and appropriation from the Virginia Museum of Fine Arts Repair the Museum Building Envelope to the museum's Replace Air Handling Units project.

Higher Education 9(d) Revenue Bonds

Agency	Project Title	Amount
William and Mary	Improve Auxiliary Facilities	\$20.0
Virginia Tech	Replace Randolph Hall (2022 Higher Education Pool)	16.8
	Improve Building Envelopes	33.6
Old Dominion University	Renovate Baseball Stadium	10.0
Virginia Commonwealth University	New Arts and Innovation Building (2022 Higher Education Pool)	<u>18.0</u>
Total 9(d) Revenue Bonds		\$98.4

Stand-Alone Projects: Higher Education

Education	Total GF	Total NGF (includes 9d)
William & Mary		
Improve Auxiliary Facilities	\$0	\$20,000,000
Renovate Historic Campus	8,000,000	0
Old Dominion University	0	0
Renovate Baseball Stadium	0	20,726,126
Address Deferred Maintenance	0	20,000,000
Virginia Community College System	0	0
Upgrade ADA Accessibility, Tidewater Community College	4,006,002	4,006,002
Virginia Tech	0	0
Improve Building Envelopes	0	47,200,000
Expand Virginia Tech-Carilion School of Medicine and Fralin Biomedical Research Institute (Planning)	<u>0</u>	<u>6,047,360</u>
Total: Office of Education	\$12,006,002	\$117,979,488

- **High Performance Data Facility Thomas Jefferson National Accelerator Facility (Central Capital).** Proposes \$43.3 million GF the first year for a high-performance data facility at Jefferson Lab. The funding will remain unallotted until the Governor certifies that the U.S. Department of Energy has approved a project to establish a high-performance data facility at this location.

Stand-Alone Projects: Admin., Agriculture & Forestry, Health & Human Resources & Natural Resources

	Total GF	Total NGF
Administration		
Department of General Services		
Construct New State Office Building Parking Deck	\$6,000,000	\$0
Construct New Supreme Court Building	16,000,000	0
Replace Fire Alarms at DBHDS Facilities	3,422,000	0
Improve and Convey Property in Clarke County	4,100,000	0
Total: Office of Administration	\$29,522,000	\$0
Agriculture and Forestry		
Department of Forestry		
Acquire Charlotte State Forest Tract	\$0	\$640,000
Total: Office of Agriculture and Forestry	\$0	\$640,000
Health & Human Resources		
Department of Behavioral Health and Developmental Services		
Improve safety and security at Eastern State Hospital	\$16,900,000	\$0
Install duress systems at mental health facilities - Phase 1	4,000,000	0
Total: Office of Human Resources	\$20,900,000	\$0
Natural Resources		
Department of Conservation & Recreation		
Replace Underground Storage Tanks - Phase I	\$3,000,000	\$0
Transfer Capital Funds to Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund	Lang.	0
Department of Wildlife Resources	0	0
Expand Dam Safety Funding Authorization	Lang.	0
Total: Office of Natural Resources	\$3,000,000	\$0

Stand-Alone Projects: Public Safety, Veterans Affairs & Transportation

	Total GF	Total NGF
Public Safety		
Department of Corrections		
Capital Infrastructure Fund	\$10,000,000	\$0
Department of Juvenile Justice	0	0
Remove and replace compromised fire protection water tank	250,000	0
Transfer Unused VPBA Authorization from DOC to DJJ Bon Air Renovations	Lang.	0
Total: Office of Public Safety	\$10,250,000	\$0
Veterans and Defense Affairs		
Department of Veterans Services		
Replace fire alarm system at Sitter and Barfoot Veterans Care Center	\$244,519	\$454,106
Renovation of Sitter and Barfoot Veterans Care Center	Lang. Treasury Loan \$4.8 m	0
Construct Replacement Veterans Care Center Facility in Roanoke	Lang. Treasury Loan \$57.3 m	0
Department of Military Affairs	0	0
Improve Readiness Centers	3,000,000	0
Construct the Army Aviation Support Facility (AASF), Sandston	0	126,788,000
Planning funds to prepare for federal project funding	250,000	750,000
Renovate Facilities at Camp Pendleton to House Job ChalleNGe Program	90,000	0
Total: Veterans and Defense Affairs	\$3,584,519	\$127,992,106
Transportation		
Department of Transportation		
Acquire, Design, Construct and Renovate Agency Facilities	\$0	\$20,000,000
Virginia Commercial Space Flight Authority		
Acquire land for expansion of Rocket Lab facilities	3,100,000	0
Total: Office of Transportation	\$3,100,000	\$20,000,000

Language Amendments

- **Alternative Financing Approval Requirements.** Proposes language in Sections 2-0 and 4-4.01 to require approval of the responsible Cabinet Secretary, the Secretary of Finance, and the Secretary of Administration for alternative financing arrangements prior to reviewing a detailed proposal and prior to entering into an agreement. Language in Section 4-4.01 also requires Treasury Board approval of financing arrangements for capital projects executed by private foundations in instances where an institution of higher education has agreed to provide financial or non-financial types of support related to the project.
 - Under § 56-575.4, *Code of Virginia*, any state agency or institution must submit proposals under the Public-Private Education Facilities and Infrastructure Act of 2002 to the Public-Private Partnership Advisory Commission (§ 30-279, *Code of Virginia*) prior to entering into the negotiation of an interim or comprehensive agreement.
 - Currently, alternative financing arrangements have to comply with the guidelines of the Department of General Services and the Department of Treasury and be submitted for comment to the Six-Year Capital Outlay Plan Advisory Committee.
- **Beaumont Correctional Center – Department of Juvenile Justice (language only).** Includes language to extend the workgroup established pursuant to Item C-66, paragraph H. of Chapter 1, 2022 Acts of Assembly, Special Session I, to provide recommendations for future utilization of the Beaumont property, the medical facility at Deerfield Correctional Facility, and Powhatan Infirmary. The workgroup will report its recommendations to the Governor and Chairs of the House Committee on Appropriations and Senate Committee on Finance and Appropriations by October 1, 2023. It further ceases planning at the Deerfield Correctional Center Expansion or Powhatan Infirmary Replacement projects.
- **Six-Year Capital Outlay Plan Advisory Committee Meeting.** Recommends language overriding the tenth enactment of Chapters 759 and 769, 2016 Acts of Assembly, Item C-39.40 of Chapter 806, 2013 Acts of Assembly, § 2-0 P. of Chapter 552, 2021 Acts of Assembly, Special Session I, to allow the Six-Year Capital Outlay Plan Advisory Committee to review the progress of capital construction pools, including those with annual issuance limits, electronically and at a frequency determined by the Committee.