



REPORT OF THE SUBCOMMITTEE ON CAPITAL OUTLAY & TRANSPORTATION

SENATE FINANCE &
APPROPRIATIONS COMMITTEE
FEBRUARY 22, 2026





Report of the Capital Outlay and Transportation Subcommittee
The Honorable Jeremy S. McPike Chair
February 22, 2026

Madam Chair and Members of the Committee,

The Capital Outlay and Transportation Subcommittee reviewed the introduced budget as it relates to capital outlay and transportation.

As we worked towards amending the adopted budget, we continued to focus on pay-as-you-go capital funding with the available one-time resources. Our actions in capital provide \$448.2 million in general fund cash and reduce tax-supported debt by \$39.2 million. With these investments and endorsements of the introduced budget, the capital outlay program totals \$1.3 billion in general fund cash and \$1.1 billion in tax-supported debt.

The Commonwealth's top priority should be maintaining its existing capital assets. To support this goal, we include language implementing JLARC recommendations to ensure the Commonwealth has reliable information on its assets, including facility condition indices. The Subcommittee fully supports renovating existing buildings and investing in life-safety and deferred maintenance projects.

Our proposed amendments as compared to the introduced biennial budget include:

- \$33.0 million from the general fund to complete planning for a new state office building at the Virginia Department of Transportation Annex site;
- \$40.0 million from the general fund to support deferred maintenance at state parks;
- \$26.5 million from the general fund across state agencies and higher education institutions for deferred maintenance projects;

- \$15.8 million from the general fund for site improvements at Fort Monroe Authority; and
- \$316.6 million from the general fund to include an additional five higher education projects in the capital construction pool.

In Transportation, the Subcommittee continues the prudent practice of limiting general fund support, using it only when one-time funding is available. Retiring the data center sales and use tax exemption will provide \$291.7 million over the biennium to the Commonwealth Transportation Fund to support all modes of transportation. This new, ongoing revenue will continue to grow and support highway maintenance while also investing in transit systems that affordably move Virginians. Transit providers will receive \$15.6 million over the biennium for operating and capital needs from the Mass Transit Fund, along with a one-time \$19.0 million general fund cash infusion specifically for their capital needs.

The Subcommittee's actions increase state funding for the Washington Metropolitan Transportation Authority by \$205.7 million over the biennium. This includes \$15.3 million from required Mass Transit Fund distributions from the higher sales tax base. The amendments also direct \$156.1 million over the biennium from the higher Northern Virginia regional transportation sales tax base to WMATA's capital fund and raises the regional hotel tax in Northern Virginia by one percentage point, which is expected to generate \$34.3 million over the biennium. Our proposal ensures hardworking Virginians are not left to carry the full burden of transit costs by ensuring our visitors support the roads, transit, and amenities that they are enjoying. Together, these changes provide WMATA with additional funding that will continue to grow in future years.

This completes the report of the Subcommittee on Capital Outlay and Transportation, and I would like to conclude by expressing my appreciation to the members of the Subcommittee for their efforts in shaping these recommendations.

Respectfully Submitted,

The Honorable Jeremy S. McPike, Chair

The Honorable R. Creigh Deeds

The Honorable Mamie E. Locke

The Honorable Ryan T. McDougale

The Honorable Mark D. Obenshain

The Honorable Jennifer B. Boysko

Report of the Subcommittee on Capital Outlay and Transportation

(Proposed Amendments to SB 30 as Introduced, 2026 Session)

Amendment	GF	Tax Supported Debt	NGF	9(c) Bonds	9(d) Bonds	Total
1 Capital Outlay						
2 JLARC Capital Study Recommendations	\$ -	\$ -	\$ -	\$ -	\$ -	Language
3 DGS - New State Agency Building (Planning/Demolition)	\$ 33,000,000	\$ -	\$ -	\$ -	\$ -	\$ 33,000,000
4 DGS - Fort Monroe Visitor Amenity Improvements & Landscape Action Plan	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000
5 DGS - Fort Monroe Inner Fort Utility Master Plan Improvements	\$ 12,800,000	\$ -	\$ -	\$ -	\$ -	\$ 12,800,000
6 GMU - Address Deferred Maintenance	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000
7 CNU - Address Deferred Maintenance	\$ 5,542,078	\$ -	\$ -	\$ -	\$ -	\$ 5,542,078
8 VCCS - Property Acquisition Laurel Ridge Community College	\$ -	\$ -	\$ 3,500,000	\$ -	\$ -	\$ 3,500,000
9 JYF - Address Deferred Maintenance	\$ 11,000,000	\$ -	\$ -	\$ -	\$ -	\$ 11,000,000
10 DCR - Defer Future State Park Acquisition Oak Hill	\$ -	\$ -	\$ -	\$ -	\$ -	-
11 DCR - State Park Deferred Maintenance	\$ 40,000,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000,000
12 DCR - State Park Land Acquisition	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
13 DMV - Renovate Headquarters (scope study)	\$ -	\$ -	\$ -	\$ -	\$ -	Language
14 2020 VPBA Pool - Water Infrastructure to State Facilities in Nottoway (scope)	\$ -	\$ -	\$ -	\$ -	\$ -	Language
15 Maintenance Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	Language
16 Capital Equipment Pool	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000
17 Central Capital Planning Pool	\$ 6,214,338	\$ -	\$ -	\$ -	\$ -	\$ 6,214,338
18 2026 Capital Construction Pool	\$ 316,624,405	\$ (39,197,000)	\$ 78,785,987	\$ -	\$ -	\$ 356,213,392
19 SCC - Tyler Building Renovation	\$ -	\$ -	\$ 94,000,000	\$ -	\$ -	\$ 94,000,000
20 Various Language Amendments	\$ -	\$ -	\$ -	\$ -	\$ -	Language
21 Total Capital Outlay	\$ 448,180,821	\$ (39,197,000)	\$ 178,285,987	\$ -	\$ -	\$ 587,269,808
22						
23 Central Capital Planning Pool						
24 VIMS - Replace Fisheries Science Research Building						
25 UMW - Renovate Simpson Library						
26						
27 2026 Capital Construction Pool						
28 UVA - Construct Center for the Arts						
29 UVA Wise - Renovate Darden Hall						
30 JMU - College of Health and Behavioral Studies Expansion						
31 VT - Renovate Derring Hall						
32 RHEC - Window Replacement						
33 VCU - Defer Acquire Altria Building						

Report of the Subcommittee on Capital Outlay and Transportation

(Proposed Amendments to SB 30 as Introduced, 2026 Session)

34	35	Amendment	General Fund		Nongeneral Fund	
			FY 2027	FY 2028	FY 2027	FY 2028
36		Transportation				
37		Commonwealth Transportation Fund - Revenue from DCSUT Expiration	\$ -	\$ -	\$ 84,500,000	\$ 207,200,000
38		Northern Virginia Regional Transient Occupancy Tax 1% Increase (for WMATA Capital)	\$ -	\$ -	\$ 17,000,000	\$ 17,300,000
39		Transit One-Time Capital Assistance	\$ -	\$ 19,000,000	\$ -	\$ -
40		Ticket Reciprocity & Out-of-State Registering Study	\$ 150,000	\$ -	\$ -	\$ -
41		SB 399: Driver Training Schools	\$ -	\$ -	\$ 124,579	\$ -
42		Public Policy Day Washington DC Auto Show	Language	Language		
43		ERC Toll Relief Language	Language	Language		
44		Various Language Amendments	Language	Language		
45		Total Transportation	\$ 150,000	\$ 19,000,000	\$ 101,624,579	\$ 224,500,000

Item 433 #3s

Transportation	FY26-27	FY27-28	
Department of Rail and Public Transportation	\$0	\$19,000,000	GF

Language:

Page 508, line 8, strike "\$862,989,928" and insert "\$881,989,928".

Page 508, line 28, after "Fund" insert:

"and \$19,000,000 the second year from the general fund"

Explanation:

(This amendment provides \$19.0 million GF the second year for one-time transit capital investments.)

Item 437 #1s

Transportation		Language
Department of Transportation		

Language:

Page 510, line 35, after "needs.", insert:

"Included in the amounts in this item, \$50,000 the first year and \$50,000 the second year from the allocation for the Office of Intermodal Planning and Investment is provided for sponsorship of the annual Public Policy Day (formerly Mobility Talks International) at the Washington, DC Auto Show."

Explanation:

(This amendment provides \$50,000 NGF each year from the allocation for the Office of Intermodal Planning and Investment to support the 11th and 12th annual Public Policy Day (formerly Mobility Talks International) at the Washington, DC Auto Show that will take place in January 2027 and January 2028, respectively.)

Item C-15.1 #1s

Natural and Historic Resources	FY26-27	FY27-28	
Department of Conservation and Recreation	\$40,000,000	\$0	GF

Language:

Page 571, after line 31, insert:

"C-15.1 Improvements: State Park Deferred Maintenance (18654)	\$40,000,000	\$0
Fund Sources: General	\$40,000,000	\$0 "

Explanation:

(This amendment provides \$40.0 million GF the first year to address deferred maintenance at the state parks.)

	Item C-29 #1s	
Central Appropriations	FY26-27	FY27-28
Central Capital Outlay	\$316,624,405	\$0 GF
	\$39,588,987	\$0 NGF

Language:

Page 577, line 36, strike "\$1,336,094,534" and insert "\$1,692,307,926".

Page 578, after line 19, insert:

"207 University of Virginia Construct Center for the Arts (18602)

208 Virginia Polytechnic Institute and State University Renovate Derring Hall (18674)".

Page 578, after line 38, insert:

"216 James Madison University Expand College of Health and Behavioral Studies Building (18739)".

Page 578, strike lines 43 and 44.

Page 578, after line 46, insert:

"246 University of Virginia's College at Wise Renovate Darden Hall (18760)".

Page 578, after line 56, insert:

"935 Roanoke Higher Education Authority Replace windows".

Page 579, strike lines 5 through 10, and insert:

"D.1. The scope of the Department of General Services (DGS) project for the Commonwealth Courts Building (194-18537), as previously authorized in Item C-1.30, Chapter 552, 2021 Acts of Assembly, Special Session I, and amended in Item C-2, Chapter 1, 2023 Acts of Assembly, Special Session I, and in Item C-2 of Chapter 725 of the 2025 Acts of Assembly, is hereby revised to include improvements and safety and security enhancements to be constructed or installed within the sidewalk areas lying within the northern portion of the right-of-way of East Main Street (between North 9th Street and North 10th Street), within the eastern portion of North 9th Street (between East Main Street and Bank Street), which rights-of-way are owned by the City of Richmond (City), and more specifically as determined by the DGS project team and in collaboration with the City with respect to such rights-of-way. Accordingly, the City and

DGS shall enter into a deed of easement or other proper instruments, in such form approved by the Offices of the City Attorney and of the Commonwealth Office of the Attorney General, whereby the City, without charge to the Commonwealth, shall grant to DGS, as agent of the Commonwealth, where mutually agreeable across, over, under, and above the referenced right-of-way of East Main Street and North 9th Street, (a) the perpetual and irrevocable right, privilege and easement to construct, install, use, operate, inspect, maintain, repair, replace, rebuild, improve, alter and remove (i) any construction or installation contracted for by DGS either as part of the referenced construction projects or at any time with respect to safety and security enhancements around the perimeter of Capitol Square deemed appropriate by DGS, and (ii) all equipment, accessories, utilities and appurtenances necessary to support such construction projects and such incorporation of safety and security enhancements, (b) the perpetual and irrevocable right, privilege and easement to inspect, maintain, repair, replace and rebuild the sidewalks and elements thereof (but not traffic control devices and signage or street lighting located thereupon) of the referenced right-of-way of East Main Street and North 9th Street, and (c) any necessary or appropriate temporary construction easements, upon terms approved by the Mayor of Richmond and the Governor, pursuant to § 2.2-1149, Code of Virginia; approval by Richmond City Council shall not be required.

2. The City, without expending City funds, shall cooperate with DGS (i) to support the referenced construction project work and incorporation of safety and security enhancements at and along East Main Street and North 9th Street, (ii) to relocate any utilities located in the agreed upon easement area, if necessary, and (iii) to coordinate any closure or other traffic flow controls of East Main Street and North 9th Street during the performance of the construction projects and the incorporation of any safety and security features that will enhance safety and security around the perimeter of Capitol Square. At no time shall DGS make any permanent changes to the East Main Street or North 9th Street rights-of-way without the prior approval of the Chief Administrative Officer of the City or the City hinder or delay construction of the referenced construction projects. Notwithstanding the foregoing, DGS may commence the construction project work and safety and security enhancements within the referenced right-of-way of East Main Street and North 9th Street prior to the execution of a deed of easement or other proper instruments, if deemed necessary by DGS to avoid delay in the implementation of the construction project work or safety and security enhancements."

Explanation:

(This amendment authorizes five capital projects for full construction funding, including University of Virginia Construct Center for the Arts, Virginia Tech Renovate Derring Hall, James Madison University Expand College of Health and Behavioral Studies Building, UVA Wise Renovate Darden Hall and Roanoke Higher Education Authority Replace Windows. The amendment defers acquisition of the Altria Building for Virginia Commonwealth University.)