

**Capital Project for Temporary Supplement for Planning the
Undergraduate Science Laboratory Building**

**JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE
AND BUILDINGS AND GROUNDS COMMITTEE**

July 29, 2020

The Undergraduate Science Laboratory Building project (208-18332) is included in the state's detailed planning pool authorized in item 4.1.A. of Chapter 759 of the 2016 Acts of Assembly with an effective date of July 1, 2017. Item 4.4 of the same Act authorizes each institution to utilize temporary nongeneral funds to complete working drawings for each project listed in Item 4.1.A. Under the state program, temporary nongeneral funds are reimbursed by a subsequent General Fund appropriation for project construction.

The university infused \$3.084 million of temporary nongeneral funds in September 2017 to complete preliminary designs for the project. Preliminary designs are complete and the funds were exhausted in January 2020. To ensure continuity of the A/E design team and design process, the university infused \$2.432 million of additional temporary funds during fiscal year 2020 to complete working drawings, in accordance with the provisions of Chapter 759. The adjusted total budget to complete planning is \$5.516 million.

The state normally administratively adjusts the nongeneral fund authorization levels in the state accounting system for these actions and the expenditures are recorded in their system. The state established the initial \$3.084 million in their systems in 2017 using the normal administrative processes. However, the state ceased processing these adjustments administratively in the third quarter of FY2020 and has requested that Virginia Tech hold the \$2.432 million supplement authorization locally using its restructuring authority. Pending a request to the Board of Visitors for a capital planning authorization to hold the supplemental \$2.432 million of expenditures, the university established a suspense fund and budget for an interim period.

This request is for a capital planning authorization to hold the supplemental \$2.432 million of temporary nongeneral fund expenditures for the Undergraduate Science Laboratory Building project. The temporary resources, the entire \$5.516 million, will be reimbursed by General Fund resources when the state appropriates construction funding for the project. Construction funds for the project are the university's first priority capital outlay request for the 2022 budget session.

Under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the Board of Visitors has the authority to approve the budget, size, scope, debt issuance, and overall funding of nongeneral fund capital outlay projects. This request is for a capital planning authorization to hold a \$2.432 million supplement to adjust the temporary budget and funding for the Undergraduate Science Laboratory Building project to \$5.516 million.

RESOLUTION FOR A CAPITAL PROJECT FOR TEMPORARY SUPPLEMENT FOR PLANNING THE UNDERGRADUATE SCIENCE LABORATORY BUILDING

WHEREAS, the state included the Undergraduate Science Laboratory Building project (208-18332) in the detailed planning pool authorized in 4.1.A. of Chapter 759 of the 2016 Acts of Assembly; and,

WHEREAS, Item 4.4 of Chapter 759 authorizes institutions to utilize nongeneral funds to complete working drawings for each project listed in Item 4.1.A; and,

WHEREAS, under the state program, temporary nongeneral funds are reimbursed by a General Fund appropriation for project construction; and,

WHEREAS, temporary funding of \$3.084 million was infused in September 2017 to complete preliminary designs for the project; and,

WHEREAS, to complete working drawings and the design process without interruption, a \$2.432 million temporary supplement is necessary, for a total adjusted temporary planning budget of \$5.516 million; and,

WHEREAS, the university would place the supplement revenues and expenditures in a local capital project until the state appropriates construction funding for the project; and,

WHEREAS, the temporary nongeneral funds will be reimbursed by a future General Fund appropriation for the capital project; and,

WHEREAS, under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the Board of Visitors has authority to approve the budget, size, scope, debt issuance, and overall funding of nongeneral funded capital outlay projects.

NOW, THEREFORE, BE IT RESOLVED, that the university be authorized to establish a \$2.432 million local capital project to supplement the \$3.084 million initial planning budget for the Undergraduate Science Laboratory Building project and to fund the budget with temporary nongeneral fund resources that will be reimbursed pending a future state General Fund appropriation for the project.

RECOMMENDATION:

That the resolution authorizing Virginia Tech to supplement temporary planning for the Undergraduate Science Laboratory project be approved.

August 25, 2020