



House Appropriations Committee 2005 Session Budget Amendment Form

Proposed by Delegate: _____
(Print Name) (Signature)

Requests can be made by completing this form and submitting it to the House Appropriations Committee staff office on the 9th floor of the GAB.

Agency Name: Virginia Tech (Agency 208), Item C-196.10, Project Code 16714

Increase/Decrease

Use this section to indicate whether your amendment would require an Increase or Decrease in appropriated funds.

General Fund (GF) monies are derived from taxes levied on individual and corporate income, sales, public service corporations, and insurance companies. The General Fund is the major source of support for many State functions.

Nongeneral Fund (NGF) monies consist of special fund revenues, higher education operating monies (tuition, special revenues and federal grants), highway maintenance and construction funds, trust and agency funds, and federal trust funds.

<u>Funding</u>	<u>First Year</u>	<u>Second Year</u>
<input checked="" type="checkbox"/> Increase	GF \$ _____	GF \$ <u>4,000,000</u>
<input type="checkbox"/> Decrease	NGF \$ _____	NGF \$ _____

Employment Level

Use this section to indicate if a change in the employment level of the agency is desired or necessary. The employment level is the number of full-time equivalent (FTE) positions dedicated to a specific program activity or agency. If you are unsure, leave the space blank.

<u>Employment Level</u>	<u>First Year</u>	<u>Second Year</u>
<input type="checkbox"/> Increase	GF FTE _____	GF FTE _____
<input type="checkbox"/> Decrease	NGF FTE _____	NGF FTE _____

Explanation of Amendment

Please explain the purpose of your amendment or attach explanatory materials. THIS IS THE MOST IMPORTANT PART OF REQUESTING AN AMENDMENT as it ensures the staff has adequate background information to draft your budget amendment request.

EXPLANATION OF AMENDMENT: (Explain or Attach Materials)—See Attached Materials

This capital amendment will address the recent market escalation of construction costs associated with the ICTAS, Phase I project, project code 16714.

**Please return this signed, original form (and the co-patron signature sheet if applicable) to the:
House Appropriations Committee Staff, 9th Floor, General Assembly Building
Telephone: (804) 698-1590 FAX: (804) 698-1802**

Abbitt	Hogan	Orrock
Albo	Howell, A.T.	Parrish
Alexander	Howell, W. J.	Petersen
Amundson	Hugo	Phillips
Armstrong	Hull	Plum
Athey	Hurt	Pollard
BaCote	Ingram	Purkey
Barlow	Janis	Putney
Baskerville	Joannou	Rapp
Bell	Johnson	Reese
Black	Jones, D.C.	Reid
Bland	Jones, S.C.	Rust
Brink	Keister	Saxman
Bryant	Kilgore	Scott, E. T.
Byron	Landes	Scott, J. M.
Callahan	Lewis	Shannon
Carrico	Lingamfelter	Sherwood
Cline	Louderback	Shuler
Cole	Marrs	Sickles
Cosgrove	Marshall, D. W.	Spruill
Councill	Marshall, R. G.	Stump
Cox	May	Suit
Dillard	McDonnell	Tata
Dudley	McDougle	Van Landingham
Ebbin	McQuigg	Van Yahres
Eisenberg	Melvin	Ward
Fralin	Miles	Wardrup
Frederick	Moran	Ware, O.
Gear	Morgan	Ware, R. L.
Griffith	Nixon	Watts
Hall	Nutter	Weatherholtz
Hamilton	O'Bannon	Welch
Hargrove	Oder	Wright

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VIRGINIA TECH

Agency 208

**Capital Expenses
Budget Amendment Proposal**

	<u>2004-05</u>	<u>2005-06</u>	<u>Biennium</u>
Additional Funds Requested:			
General Fund	--	\$4,000,000	\$4,000,000
Nongeneral Fund	--	--	--

Title: Institute for Critical Technology and Applied Science-Phase I Supplement

Justification Statement:

This first building (Phase I) for Virginia Tech's Institute for Critical Technology and Applied Sciences (ICTAS) was authorized in the 2002 General Obligation Bond (GOB) Program with \$13,996,000 in GOB funding and \$17,000,000 in nongeneral fund support from the authorization of 9(d) agency bonds, for a total project cost of \$30,996,000. The project originally called for the construction of a 103,000 gross square foot (GSF), highly specialized research laboratory building for engineering and science programs, with construction slated to begin in early 2005.

During the time between the request for authorization for the building in late 2001, and the completion of working drawings and independent cost estimates for the project in fall 2004, the cost of construction and building materials escalated significantly worldwide. In fact, construction costs increased 9.47 percent during 2004 alone, according to the latest ENR (Engineering News-Record) index published for the construction industry.

In addition to increased construction costs, Phase I of the ICTAS project has encountered site and technical difficulties related to changes in seismic building code requirements and programmatic needs for minimal vibration sensitivity for the highly specialized laboratories. This has resulted in further increases to the estimated cost of the building construction.

As a result, the latest cost estimates for the ICTAS, Phase I building are \$4 million over the authorized project budget of \$30,996,000. It is the University's intention to address this problem through a combination of a reduction in project scope from 103,000 GSF to 100,000 GSF and a \$4 million increase in authorized funding for the project. Although the University is ready to proceed with construction, the cost overrun has halted the project.

The completion of the ICTAS Phase I building is vital to the success of Virginia Tech's Institute for Critical Technology and Applied Sciences initiative and the achievement of the University's goal to increase research productivity in growth-oriented areas of science and technology. The establishment of a research facility of this caliber will dramatically impact the teaching and research experience in advanced engineering and sciences at Virginia Tech by allowing students and researchers to utilize the latest materials and techniques in their fields. The enhanced reputation this will bring to the University's engineering and science programs will increase Virginia Tech's status as a major research university, attract the brightest students and most successful faculty, and promote scientific and technological development in Southwest Virginia. Further, this building is envisioned to significantly

enhance and increase research space that is needed to support local business and industry and to provide for economic development throughout the Commonwealth.

In accordance with the state's support to supplement previously authorized GOB project cost overruns associated with materials inflation and code compliance, this request is to increase the budget for the ICTAS, Phase I project by \$4 million of General Fund support. Without this increase, the project can not move forward. Approval of this request is needed in the 2005 session to minimize further scheduling and cost impacts to the project.