



House Appropriations Committee 2006 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.

Please circle the House Bill that your budget amendment request relates to: HB29 (or) **HB30**

Agency Name: Virginia Polytechnic Institute and State University (Agency 208)

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 \$ <u>1,630,000</u>	GF \$ <u>0</u>
<input type="checkbox"/> Decrease	NGF \$ <u>0</u>	NGF \$ <u>0</u>

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 <u>0.00</u>	GF FTE <u>0.00</u>
<input type="checkbox"/> Decrease	NGF FTE <u>0.00</u>	NGF FTE <u>0.00</u>

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.**

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 Litton-Reaves Hall Exterior Repairs project (project code 16795) by \$1.63 million

**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.	Phillips
Amundson	Hugo	Plum
Armstrong	Hull	Poisson
Athey	Hurt	Purkey
BaCote	Iaquinto	Putney
Barlow	Ingram	Rapp
Bell	Janis	Reid
Brink	Joannou	Rust
Bryant	Johnson	Saxman
Bulova	Jones, S.C.	Scott, E. T.
Byron	Jones, D.C.	Scott, J. M.
Callahan	Kilgore	Shannon
Caputo	Landes	Sherwood
Carrico	Lewis	Shuler
Cline	Lingamfelter	Sickles
Cole	Lohr	Spruill
Cosgrove	Marsden	Stump
Cox	Marshall, D. W.	Suit
Crockett-Stark	Marshall, R. G.	Tata
Dance	May	Toscano
Dudley	McClellan	Tyler
Ebbin	McDougle	Waddell
Eisenberg	McEachin	Ward
Englin	McQuigg	Wardrup
Fralin	Melvin	Ware, O.
Frederick	Miller	Ware, R. L.
Gear	Moran	Watts
Gilbert	Morgan	Welch
Griffith	Nixon	Wittman
Hall	Nutter	Wright
Hamilton	O'Bannon	
Hargrove	Oder	

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**VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
(Agency 208)**

**Capital Expenses
Budget Amendment Proposal**

	<u>2006-07</u>	<u>2007-08</u>	<u>Biennium</u>
Additional Funds Requested:			
General Fund	\$1,630,000	--	\$1,630,000
Nongeneral Fund	--	--	--

Title: Supplement 2002 General Obligation Bond Project: Litton-Reaves Exterior Repairs

Justification Statement:

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 Litton-Reaves Hall Exterior Repairs project (project code 16795) by \$1.63 million. Approval of this request is needed in the 2006 session to ensure the originally approved program of the project is viable and to avoid further scheduling and cost impacts to the project.

The project was authorized in the 2002 General Obligation Bond (GOB) Program under chapters 827/859 with \$2.5 million in bond funding. As such, the original project cost estimate was developed in 2001 and assumed a start date of November 2002, concurrent with the anticipated passage of the bond bill. After the passage of the 2002 GOB, the state established the Capital Implementation Plan (CIP) to schedule projects over a nine-year period in accordance with the legislative requirements under Chapters 839 and 888 of the 2002 Acts of Assembly. The CIP established the start date of the project at September 2004, about a two-year delay from the original schedule used to estimate the project costs. Since the original estimate in 2001 and the initiation of planning in 2004, the construction industry has experienced a significant worldwide escalation in the cost of construction and related materials that has directly impacted the project.

Due to the unexpected cost increases, the current pricing estimate for the project is \$4.13 million -- \$1.63 million over the approved budget of \$2.5 million. The project involves corrections to a failing exterior and thus provides little opportunity for cost savings from building changes or program cuts. The university's efforts to reduce costs have identified some elements that could be adjusted, including omitting corrections to half of the building exterior, significantly reducing the life expectancy of the corrections, or limiting the corrections to the top portion of the building. While accepting these adjustments to the scope would make the project affordable, this option is not feasible. Without the full correction as originally envisioned, the exterior will not be safe and would place students, employees, and visitors at risk. Thus, without supplemental funding, the project will not meet its purpose of providing a reasonably safe building for the campus.