



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-122.10, Project Code 17120

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>16,350,000</u>
<input type="checkbox"/> Decrease	NGF \$ _____	NGF \$ <u>9,800,000</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 _____	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 authorize and fund the construction of a comprehensive heating/power generating facility to ensure campus utility services are not compromised. This is an emergency request.

**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	--	\$16,350,000	\$16,350,000
Nongeneral Fund	--	\$ 9,800,000	\$ 9,800,000

Title: University Heating and Power Plant

Justification Statement:

The University anticipated needed improvements to the heating system with the planned growth in instructional and research programs and facilities and initiated a thorough evaluation of its heating plant in 2001. The initial review was general in nature and indicated that improvements to the heating plant would be needed over the long term. Subsequently, a more thorough evaluation completed November 2003 by RMF Engineering (a recognized leader in utility systems) concluded that concerns with capacity and reliability of the existing heating system are more acute than originally envisioned and will occur more quickly than previously thought.

The study by RMF shows that the heat plant supply will drop by about 35 percent when the build-out of facilities currently under design and construction is complete. This will cause significant negative impacts for the occupants of the buildings and to the existing heat plant. The consequences include a decrease of heat at the points furthest from the current central heat plant (cold classrooms and laboratories) followed by a "choking" of the system and a regionalized failure of heat. The "choking" of the system could lead to a destroyed boiler.

To stop a collapse of the heat system, the University would have to "shed" heat load or take buildings off the heating system and shut down major portions of the campus until warmer weather returned. The RMF study concluded that the University's heating plant is projected to be out of firm capacity (operating beyond recommended limits) for a normally cold winter by 2007 and could be out of firm capacity for a very cold winter by late 2005 based on the current schedule of new construction underway.

With this information, the University requested state support for planning funds in the 2004-2010 Six-Year Capital Plan. The planning project was appropriated with a 100 percent nongeneral fund authorization in the 2004 session because there were no General Fund resources available to support the appropriate fund split for the project. The University committed to start the project planning with nongeneral funds prior to availability of state resources because of the critical nature of the heat system.

The circumstances are now considered an emergency, and the University has leased a temporary heat source to supplement the system until a permanent solution is complete. This is a stop-gap measure to ensure the University does not lose heat to the residence halls, classrooms, and research laboratories for the next several winters while a solution is

implemented. This stop gap action is not a desirable result for the campus or the University's employees and students, and action more on a permanent solution is imperative.

This emergency request will provide authorization and funding for a comprehensive heating/power generating facility to ensure campus utilities operate effectively and that services are not compromised. The solution is envisioned to include heat production (added source of heat equivalent to 100,000 pounds per hour of steam) and an improved and enlarged distribution system (reconfiguration of lines to stop bottle necking and choking of the steam).

The proposed funding plan calls for \$16.35 million of General Fund support and \$9.8 million of nongeneral fund debt authorization. The funding proposal reflects state support for the Educational and General component of the University and nongeneral fund debt authorization for the Auxiliary enterprise component.

The University considers the project as an emergency request for funding in the 2005 session. Delaying the project to the 2006-2008 biennium adds time that the University must rely on a temporary, leased heat source.