



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 16796

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.

Funding

First Year

Second Year

- Increase
- Decrease

GF \$ _____
NGF \$ _____

GF \$ 650,000
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.

Employment Level

First Year

Second Year

- Increase
- Decrease

GF FTE _____
NGF FTE _____

GF 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 Building Construction Laboratory project, project code 16796.

**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	--	\$ 650,000	\$ 650,000
Nongeneral Fund	--	--	--

Title: Building Construction Laboratory Supplement

Justification Statement:

The Building Construction Laboratory project was authorized in the 2002 General Obligation Bond (GOB) Program with \$2.5 million in GOB funding and a \$4 million nongeneral fund addition to the \$1 million of nongeneral fund planning authorization granted in the 1998 General Assembly, for a total project budget of \$7.5 million.

Since planning began on the building in 2002, there has been a significant worldwide escalation in the cost of construction and related materials. This has had a negative impact on the Building Construction project, resulting in a cost overrun of \$650,000. This increase represents an 8.67 percent increase to the total project budget, and is consistent with publicized cost increases in the construction industry. The published ENR (Engineering News-Record) index indicates a 9.47 percent average increase in costs for 2004.

The proposed Building Construction Laboratory building is planned as a 32,000 gross square foot state-of-the-art facility that will accommodate the undergraduate and graduate student population growth in the Building Construction program. The facility will house laboratory space, classroom space, and support space that will complement and define the Building Construction learning objectives. Laboratory spaces include testing labs, wet labs, material handling, tool and welding labs, and workshops for assembly of construction systems. Classroom spaces include classrooms, seminar rooms, and studios.

The Building Construction department is a growing program with significant expectations from the contractor community for a higher volume of graduates with a state-of-the-art education. While our students have enjoyed significant employment opportunities, many companies lament the need for a larger throughput of students. Virginia building contractors often go without or are forced to hire from outside the Commonwealth to satisfy their workforce needs.

The Building Construction program's current space allocation is not sufficient to increase the program and impedes further development as classroom space is 'at capacity'. Without this project, the University has no viable alternatives to accommodate the students' and the industry's expectation for an expansion in the amount and quality of Building Construction graduates. Value engineering and reprogramming exercises have exhausted all cost-cutting measures; without this requested funding increase, the project is not viable and may not move forward.

Thus, in accordance with the state's support to supplement previously authorized GOB project cost overruns associated with recent inflation in the cost of construction materials, this request is to increase the budget for the Building Construction Laboratory (project code 16796) by \$650,000 of General Fund support. This request is being made in the 2005 session to minimize further scheduling and costs impacts to the project.