

## **Longwood University Capital Budget**

### **Components of the Budget**

Longwood University's capital program is based on the 2025 University Master Plan – *Place Matters*, multi-year capital plans, facilities condition assessments, and annual reviews of deferred maintenance requirements. Subsequent project plans and budgets are developed based upon estimates of the resources required to complete specific projects envisioned in the plans. The Commonwealth of Virginia categorizes projects costing less than \$25,000 as routine maintenance; projects between \$25,000 and \$3 million as capital improvement or maintenance projects; and projects of more than \$3 million as capital outlay projects.

Commonwealth of Virginia capital outlay projects typically include

- Acquisition of real property
- New construction projects with a total project cost exceeding \$3.0 million
- Improvements, renovations, repairs, replacement, equipment, maintenance, or combination projects for a single building with a total project cost exceeding \$3.0 million
- Umbrella or blanket projects that encompass multiple similar smaller projects in more than one facility or the purchase of multiple pieces of property, where the total cost exceeds \$3.0 million

Capital outlay projects require the specific approval and appropriation of funds by the General Assembly, regardless of the source of funding. Agency requests for capital outlay projects are accepted on an annual basis, usually in June, July, or August.

Project with budgets that fall between \$25,000 and \$3.0 million do not require General Assembly approval. These projects typically include

- Modifications to facilities, grounds, and infrastructure to improve programmatic effectiveness, aesthetics, and operating and energy efficiencies
- Planned replacement or maintenance of significant building and infrastructure components
- Maintenance to significant building and infrastructure components that has been deferred due to shortfalls in normal Operations and Maintenance (O&M) resources

## **Funding**

### Capital Outlay Projects

The Commonwealth of Virginia funds General Fund (GF) capital outlay projects through a funding pool process. Rather than funding projects individually, they are included in pools of funds provided for various stages of capital development across the Commonwealth. Project costs are reviewed at various stages of design and development. The actual project budget is set at the end of the detailed planning phase, prior to the development of the construction drawings.

Agencies may also fund capital outlay projects with Non-General Funds (NGF, also known as Auxiliary Funds), which are funds from non-tax sources, such as user fees, sales, grants, or donations. These funds are used to support specific operations such as dining, housing, parking, and athletics, or for other NGF purposes. General funds may not be used to support Auxiliary operations or projects, so agencies establish specific Auxiliary Reserves for each type of operation.

### Deferred Maintenance (Maintenance Reserve) Projects

The Commonwealth of Virginia provides funding to address deferred maintenance (the Maintenance Reserve program) on facilities and infrastructure supported by Educational & General (E&G) funds (a combination of General Funds and tuition). Biennially, the General Assembly appropriates a blanket amount to each agency to fund their deferred maintenance requirements for E&G facilities. Agencies may fund deferred maintenance projects on Auxiliary facilities with Auxiliary funds.

The Maintenance Reserve program is managed by each state agency, and is subject to review by the Virginia Department of Planning and Budget.

### Non-Capital Outlay Projects

Depending on a project's cost and scope, agencies may fund capital outlay projects with operating funds. Typically, GF projects will be limited to one fiscal year since those funds may revert to the Commonwealth of Virginia's general fund at the end of the fiscal year. NGF projects may be funded either from operating funds or from reserves. Reserve-funded projects can cross fiscal years. Projects funded through the Longwood Real Estate Foundation (LREF) are typically funded by LREF annual operating funds, reserves, or bond proceeds.

## Project Activity

### Active Commonwealth of Virginia Capital Projects

Longwood’s current capital outlay projects total approximately \$119.2 million, comprised of approximately \$116.3 million in General Funds and \$2.9 million in Non-General Funds (Table 1).

<b>Table 1 Capital Outlay Projects</b>			
August 24, 2020			
Project Title	General Funds	Non-General Funds	Total Project Cost
<b>Fully Funded</b>			
Asbestos Abatement	\$2,332,000	\$0	\$2,332,000
Construct New Academic Building	\$22,713,000	\$0	\$22,713,000
Replace Wheeler Mall Steam Distribution System	\$5,089,920	\$2,863,080	\$7,953,000
Renovate and Expand Facilities Annex Building (funds appropriated but not yet available)	\$20,210,500	\$0	\$20,210,500
Replace HVAC Major Components (bidding projects)	\$1,050,000	\$0	\$1,050,000
<b>Pool Funded (estimate)</b>			
Construct Wygal Hall Replacement	\$64,951,000	\$0	\$64,951,000
<b>Total</b>	<b>\$116,346,420</b>	<b>\$2,863,080</b>	<b>\$119,209,500</b>

Active Longwood Real Estate Foundation Construction Projects

The Longwood Real Estate Foundation is currently funding four construction projects, shown in Table 2. Three of these projects—Sharp and Register HVAC repairs, Andy Taylor Center Replacement Facility, and Joan Perry Brock Center—are in the design phase. Construction on the Hull Springs Farm Phase 1 project will commence as soon as the building permits are issued.

<b>Table 2 Construction Projects Funded by the Longwood Real Estate Foundation</b>			
August 31, 2020			
<b>Project Title</b>	<b>General Funds</b>	<b>Non-General Funds</b>	<b>Total Project Cost</b>
Sharp and Register HVAC Repairs (design phase) Correct excessive humidity condition in buildings	\$0	to be determined	to be determined
Andy Taylor Center Replacement Facility (design phase) Renovate 7,500 sf in Lankford ground floor	\$0	\$1,000,000	\$1,000,000
Joan Perry Brock Center (design phase) Construct 68,000 sf multi-purpose arena	\$0	\$40,000,000	\$40,000,000
Hull Springs Farm Phase 1 (construction starting soon) Construct teaching building and faculty/student cabins	\$0	\$1,213,000	\$1,213,000
<b>Total</b>	<b>\$0</b>	<b>\$42,213,000</b>	<b>\$42,213,000</b>

Planned Projects

*Capital Outlay Projects*

During its 2020 session, the Virginia General Assembly created the commonwealth’s budget for Fiscal Years 2021 and 2022. The Capital Construction Bond Pool in this budget includes design and construction funds for Longwood’s new facilities building. However, in view of the current budget crisis, it is unknown when the Capital Construction Bond Pool will actually be funded. Specific information may be available later this year.

State agencies usually submit their requests for capital project approval and funding to the Virginia Department of Planning and Budget (DPB) annually in one of the summer months. At this time DPB’s intention for allowing capital project requests this year is unknown.

*Maintenance Reserve Projects*

The General Assembly in recent years has appropriated approximately \$1.9 million annually to Longwood in Maintenance Reserve funds. In 2020 the General Assembly appropriated \$1,899,815 to Longwood in each of the Fiscal Years 2021 and 2022.

Maintenance Reserve projects are identified from facilities assessments and the emergence of unforeseen conditions. There are a number of these projects that need to be addressed during Fiscal Years 2021 and 2022 (Tables 3 and 4).

**Table 3 Proposed FY 2021 Maintenance Reserve Plan**

August 31, 2020

<b>FY 21 Funds</b>				
<b>FY 21 E&amp;G Appropriations</b>	\$1,899,815			
<b>FY 20 Carry Over</b>	\$13,720			
<b>Total Available</b>	<b>\$1,913,535</b>			
<b>E&amp;G/Split Funded Potential FY 21 Projects</b>				
	<b>E&amp;G</b>	<b>NGF</b>	<b>Total</b>	
<b>Personnel and DEB Costs</b>	\$300,000	\$6,667	\$306,667	
<b>Project Design</b>				
Replace Roof Vernon Street Warehouse	\$15,000	\$0	\$15,000	
Replace Sprinkler Heads Ruffner	\$30,000	\$0	\$30,000	
Replace Cooling Tower McCorkle Stevens and Jeffers	\$30,000	\$0	\$30,000	
<b>Construction</b>				
Replace Chiller Bedford- <b>Total \$450,000</b>	\$250,000	\$0	\$250,000	
Replace Chichester Fume Exhaust System Motors and Controls- <b>Total \$850,000</b>	\$300,000	\$0	\$300,000	
Replace Chiller Coyner/ Hiner- <b>Total \$690,000</b>	\$410,000	\$0	\$410,000	
Repair Sanitary Sewer and Manhole Maugans	\$31,830	\$0	\$31,830	
Replace Roofs 113 and 117 W. 3rd Street	\$142,100	\$2,900	\$145,000	
Replace Sprinkler Heads Ruffner	\$54,000	\$0	\$54,000	
Replace Air Compressor New Heating Plant	\$39,215	\$0	\$39,215	
Replace VAV Box Controllers Lancaster	\$209,000	\$29,000	\$238,000	
Replace Roof Vernon Street Warehouse	\$35,000	\$0	\$35,000	
Replace Campus Exterior Lighting Control System	\$50,000	\$0	\$50,000	
Replace Controls New Heating Plant	\$129,000	\$0	\$129,000	
<b>FY 21 Total</b>	<b>\$2,025,145</b>	<b>\$38,567</b>	<b>\$2,063,712</b>	

**Table 4 Proposed FY 2022 Maintenance Reserve Plan**

August 31, 2020

<b>FY 22 Funds</b>			
<b>FY 22 E&amp;G Appropriations</b>	\$1,899,815		
<b>FY 21 Carry Over</b>	\$0		
<b>Total Available</b>	<b>\$1,899,815</b>		
<b>E&amp;G/Split Funded Potential Projects</b>			
	<b>E&amp;G</b>	<b>NGF</b>	<b>Total</b>
<b>Personnel and DEB Costs</b>	\$300,000	\$25,000	\$325,000
<b>Project Design</b>			
Replace Roof Lancaster	\$33,250	\$1,750	\$35,000
Replace Chiller and Ice System Lancaster	\$38,000	\$2,000	\$40,000
Repair Electrical System Landscape and Grounds Building	\$40,000	\$0	\$40,000
Replace Heat Pumps Hardy House	\$30,000	\$0	\$30,000
<b>Construction</b>			
Replace Fire Alarm System Hull	\$140,000	\$0	\$140,000
Replace Chiller and Ice System Lancaster	\$285,000	\$15,000	\$300,000
Contingency For Emergent Projects	\$100,000	\$0	\$100,000
Emergent Projects New Heating Plant	\$150,000	\$0	\$150,000
Replace Multiple Heat Pumps (507 and 509 Pine, and Grainger)	\$25,000	\$0	\$25,000
Replace Heat Pumps Hardy House	\$50,000	\$0	\$50,000
Replace Heat Pump Iler 2nd Floor	\$55,000	\$0	\$55,000
Repair Cooling Tower McCorkle, Stevens, Jeffers	\$300,000	\$0	\$300,000
Repair Cooling Tower Greenwood	\$33,000	\$0	\$33,000
Repair Sidewalks Campus-Wide	\$50,000	\$0	\$50,000
Replace Chiller Hull	\$250,000	\$0	\$250,000
Replace Elevator Lancaster	\$142,500	\$7,500	\$150,000
<b>FY 22 Total</b>	<b>\$2,021,750</b>	<b>\$51,250</b>	<b>\$2,073,000</b>

<b>Non-General Fund Potential FY 22 Projects</b>	<b>NGF</b>
<b>Personnel and DEB Costs</b>	\$100,000
<b>Project Design</b>	
Replace Cooling Tower ARC (LREF funded)	\$35,000
Vine Street Parking Lot Phase II (LUREF funded)	\$4,400
<b>Construction</b>	
Vine Street Parking Lot Phase II (LUREF funded)	\$85,000
Contingency For Building Demolition	\$115,000
<b>FY 22 Total</b>	<b>\$339,400</b>