



COMMONWEALTH of VIRGINIA
Department of Planning and Budget

Richard D. Brown
Director

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July 26, 2005

MEMORANDUM

TO: Agency Capital Outlay Director

FROM: Richard D. Brown
Director, Department of Planning and Budget

SUBJECT: Annual Update of Capital Project Draw Schedules

The legislation from the 2002 General Assembly session that authorized the various capital projects in the CIP (Chapters 855, 887, 827, 859, 854, and 884) requires that an annual status report including the current draw schedules be sent to the money committees on September 1 of each year. The purpose of this memorandum is to allow agencies to update the draw schedules for debt-financed capital projects in the original Capital Improvement Plan (CIP) from the 2002 session and subsequent debt-financed capital projects (Chapters 1042, 943, 4, and 951).

Please send an electronic copy of your updated draw schedules by August 12, 2005. The submission should be sent to capitalbudget@dpb.virginia.gov. The attached instructions include details regarding the update of the draw schedules. If you have any questions, please call or e-mail your DPB budget analyst.

Attachment

Update of Capital Implementation Plan (CIP) Draw Schedules

The legislation from the 2002 session that authorized the various capital projects in the CIP (Chapters 855, 887, 827, 859, 854, and 884) requires that an annual status report including the current draw schedules be sent to the money committees on September 1 of each year. This exercise is designed to allow agencies to update the draw schedules for the projects in the original CIP from the 2002 Session and subsequent debt-financed capital projects (Chapters 1042, 943, 4, and 951).

Timetable.

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| ➤ Draw spreadsheet sent to agencies | 07/26/05 |
| ➤ Agencies submit updated draw schedules to DPB | 08/12/05 |
| ➤ Analysts complete review of draw schedules | 08/19/05 |
| ➤ Annual report due to money committees | 09/01/05 |

Annual update of CIP draw schedules.

DPB has created a database that includes all of the CIP projects as well as other recently approved debt-financed projects. In order to update the database, your DPB analyst will be sending you an Excel file with the current draw schedules from the database of the debt-financed projects for your agency (CIP and non-CIP). The file will show the general project information including the various authorized funding streams (debt only), the amounts authorized, and the current draw schedules for the project. (Please note that this draw schedule may differ from the one you previously submitted as DPB adjusted the schedules during the 2005 session because of the slow drawdown rate.).

The spreadsheet will also include the actual life-to-date expenditure information (debt only) as recorded in CARS through the end of FY 2005 by fund detail. The database includes only the fund details applicable to the draw schedules (0811 for GOB, 0817 for VCBA 21st century, and 0820 for VPBA).

This exercise involves updating the draw schedules to reflect the amounts actually spent to date. For example, if a project is significantly behind schedule, the LTD expenditures will be less than the amounts scheduled to have been drawn down. In such cases, the draw schedules will have to be adjusted to reflect “unspent amounts” (the difference between the LTD expenditure and the amount scheduled to have been drawn down). In most cases, this adjustment will consist of stretching the drawdown schedule out further. Conversely, a project may be progressing faster than anticipated. If that is the case, the schedule should be adjusted to reflect the need for funds sooner than earlier anticipated. Additional guidelines are:

- If a project has not yet been scheduled to start, the draw schedule should not be changed.
- When you complete the adjustments to the draw schedule, the LTD plus remaining draw should equal the project authorization.
- Please review and revise if needed, the estimated date to contract (CO-8) for the project.

Because the draw schedule database is a merged database, some projects may have more than one draw schedule with the same fund detail—one for CIP funding and one for non-CIP funding. However, in CARS the actual expenditures charged to the fund detail of these projects cannot be broken out between CIP and non-CIP. Unless an agency can show the breakout of the expenditures between CIP and non-CIP and has a compelling reason to show the breakout, DPB will show the life-to-date expenditures against the CIP authorization (e.g., spend down the CIP authorization for the project in the database first, followed by the non-CIP authorization).

Please send your excel document with the updated draw schedules to capitalbudget@dpb.virginia.gov by **August 12, 2005**.