

Six-year Capital Budget Request

2004-2010 Budget Development



**Virginia Department of
Planning and Budget
April 2003**

Instructions for Developing the Six-Year Capital Budget Request for 2004-2010

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I. Introduction

This document provides guidance for submitting the Six-Year Capital Outlay Plan for 2004-2010. It contains instructions for preparing requests for the following:

- 2004-2010 capital projects,
- 2004-2010 maintenance reserve subprojects,
- Projects proposed for funding in the 2004-2006 biennium,
- Projects proposed for the 2006-2008 and 2008-2010 biennia, and
- Proposed capital lease agreements.

What's new?

The process for developing your six-year capital proposals will be a shortened version of the one used two years ago. In some cases (such as the due date for the maintenance reserve plans), the timetable has been advanced in order to meet the deadline for the Governor's submission of the six-year Capital Improvement Plan (CIP). Because of the size of the current Capital Implementation Plan and expected revenue limitations, we anticipate that the 2004-2006 capital budget will be smaller than in the past. Therefore, there will only be one request for detailed project information and this information will be due on July 9, 2003. In addition, some changes have been made to reduce the total number of forms and the amount of information required for the capital budget submissions.

The following items summarize the main differences in the capital submission requirements.

- ✓ **Project Scope Profile (DPB Form S-1) and Project Cost Profile (DPB Form C-1).** These forms have been combined into one Excel document (Form C-1_S-1) to simplify the budget request process for the requesting agencies and BCOM.
- ✓ **Capital outlay leases.** The DPB Form L-1 will now be used for new leases sought in the 2004-2006 biennium and the 2006-2008 biennium. In addition, if an existing capital lease will terminate during these two biennia and the agency anticipates the need for a new capital lease, this should also be reported on the Form L-1. The DPB Form L-2 that was previously used to report existing leases has been eliminated.
- ✓ **Timetable for Submission of Maintenance Reserve Plans.** The timetable for the submission of your annual maintenance reserve plan has been advanced to July 9, 2003.
- ✓ **Electronic format required.** No hard copies of the project request justifications are required unless you have additional documentation to support the requests. Electronic and regular mail guidelines and addresses are included in Section IV.

- ✓ **Updating the Governor's Capital Implementation Plan (CIP).** A section has been added to permit agencies to update the timelines and draw schedules for projects in the current CIP that are under design or construction, or for which agencies expect known delays.

What has not changed?

The instructions continue to place an emphasis on long-term planning for capital outlay expenditures. Each agency's approved strategic plan, its master site plan, and its six-year capital outlay plan will be the basis for capital budget funding recommendations.

Agencies will submit to DPB summary information (DPB Form H-1) on **all projects** that are being requested for the six-year period included in their capital plan. It is not necessary to submit an H-1 for projects in the current, approved Capital Improvement Plan unless a change in funding is necessary. Based on subsequent notification from DPB, agencies will prepare more detailed narrative and technical information using the C-1_ S-1, CNJ, and E-1 forms on certain projects requested for the 2004-2006 biennium. The supplemental information will be due on July 9, 2003 (for projects authorized by June 9, 2003).

- **Summary and Financial Information.** The initial request continues to include a narrative section that should focus on the programmatic justification and need for the project. There is a narrative section on the DPB Form H-1.
- **Project definition justification worksheets.** Most of this information is consolidated into the combined Project Cost and Scope Profiles (Form C-1_ S-1), the Project Energy Profile (DPB Form E-1), and the Project Request Justification (DPB Form CNJ). These forms will be prepared for only certain projects requested for the 2004-2006 biennium.
- **Project teams.** An interagency team -- consisting of your staff, staff from central review and oversight agencies, and legislative money committee staff -- will be established for major projects requested for the 2004-2006 biennium. The team will work together from budget development throughout the life of the project to ensure swift project execution and quick resolution of problems.

Similar to last time, these instructions, as well as the forms themselves, are available on DPB's web site at "www.dpb.state.va.us." They can be found on our "Documents and Forms" page. Type the word "capital" in the search box.

Key dates for the 2004-2010 capital budget submissions

<i>Date</i>	<i>Action</i>
April 2003	The Department of Planning and Budget (DPB) issues instructions for the preparation of six-year capital proposals.
May 23, 2003	Agencies submit summaries of all projects in their six-year plan to DPB (DPB Forms H-1) along with their 2004-2006 maintenance reserve requests (DPB Forms MR-1), maintenance reserve projects planned for future biennia (DPB Forms MR-2), and a summary of proposed capital outlay leases (DPB Form L-1). Agencies should identify any 2002 VCBA or VPBA projects that are a lower priority than projects in their 2004-2006 capital request.
June 9, 2003	Based on the May 23, 2003 submissions and strategic briefings, DPB notifies agencies of 2004-2006 capital projects for which project request justifications (project cost and scope profiles, project request justification, and project energy profile) will be needed. Because of the size of the current Capital Implementation Plan (CIP), there will be a limited number of projects requiring detailed project information.
June 16, 2003	DPB validates new subprojects for inclusion in agency FY 2004 Maintenance Reserve Plans and notifies agencies.
July 9, 2003	Agencies submit project request justifications (project cost and scope profiles, project request justification, and project energy profile) for all projects authorized on June 9, 2003.
July 9, 2003	Agencies submit to DPB their updated 2004 Maintenance Reserve Plan (DPB Form MR-3) including those subprojects validated for the 2004-2006 biennium.
Jul/Aug 2003	Project team meetings are held on selected projects submitted on July 9, 2003.
Aug 15, 2003	Agencies submit to DPB updated project timelines and draw schedules for certain capital projects included in the Governor's Capital Implementation Plan.
Sept 15, 2003	Agencies submit financial feasibility studies for revenue bond projects (with appropriate copies) to the Department of the Treasury.
Nov 1, 2003	Governor submits six-year Capital Improvement Plan
Dec 17, 2003	Governor submits 2004-2006 biennial budget to the General Assembly.

II. Capital Budget Submission

The capital budget submission sets forth your agency's capital project needs for the next six years. The request ranks the projects in priority order and justifies the need for them in terms of your agency's goals, objectives, programs, and services. Different components of the request will be due at different times. By May 23, 2003, you will be required to prepare summary information for **all projects** (except those in the current, approved Capital Improvement Plan) requested for each of the three biennia included in your six-year plan. You will also present detailed information on your maintenance reserve funding needs for the 2004-2006 biennium.

By June 9, 2003, DPB will notify you of the projects where more detailed information is needed and when this information should be submitted. This more detailed narrative and technical information is to be submitted by July 9, 2003. In addition, agencies must also submit an updated 2004 Maintenance Reserve Plan (DPB Form MR-3) by this date. Appendix A provides guidance on whether your property, plant, or equipment needs should be included in the operating or capital budget. It also addresses the various types of multi-task projects, including maintenance reserve, discussed in the instructions below.

2004-2010 Capital Outlay Plan

On May 23, 2003, the following components of your Six-Year Capital Outlay Plan are due:

- ✓ Summary and financial information (Form H-1) for all projects included in your plan,
- ✓ Summary of proposed capital outlay leases for the 2004-2006 biennium (Form L-1),
- ✓ Detailed 2004-2006 maintenance reserve subproject requests (Form MR-1), and
- ✓ Summary of future maintenance reserve subprojects planned for future biennia (MR-2).

Your Six-Year Capital Outlay Plan should be sent electronically directly to DPB at capitalbudget@dpb.state.va.us. Submission instructions are included in Section IV.

Summary and financial information

Except for maintenance reserve projects, which have their own set of forms and instructions (see below), you must prepare a "DPB Form H-1, Summary and Financial Information" for each project included in your 2004-2010 capital outlay plan, regardless of the biennium for which the project is requested unless the project is in the approved CIP. However, as noted in the form instructions, certain portions of the DPB Form H-1 are completed only for projects being requested for the first biennium of the six-year plan.

If you are requesting an umbrella project, you will also need to prepare a separate DPB Form H-1 for **each** of the subprojects within that umbrella project.

The purpose of the DPB Form H-1 is to summarize the size and scope of the project and provide estimates on the project's cost. **You will need to provide a sufficient description and justification for the project so that the reader knows what is being requested and why it is needed.**

(See DPB's web site for "DPB Form H-1, Summary and Financial Information," and the instructions for completing the form.)

Note: If funding is being requested in the 2004-2006 or 2006-2008 biennium for a project that was not included in your agency's 2002-2008 six-year capital plan, you must explain in Section J of the DPB Form H-1 why the project was not anticipated and included in that plan.

Summary of proposed capital outlay leases (Form L-1)

The DPB Form L-1 is used to summarize data for projects being requested in the 2004-2006 and 2006-2008 biennia that involve leasing arrangements that may qualify as "capital outlay leases."

Maintenance reserve request submission (Forms MR-1, MR-2, and MR-3)

Agencies and institutions are reminded of the following provisions in § 4-4.01 of Chapter 899, the 2002 Appropriation Act:

- ✓ first priority when requesting capital outlay appropriations shall be maintenance reserve
- ✓ first priority when expending capital funds shall be given to roof repairs

All agencies with a physical plant are to submit maintenance reserve requests to identify any new requirements needed to maintain or extend the useful life of their facilities. As you do with stand-alone capital projects, you should identify your maintenance reserve requirements over the six-year planning period. Your maintenance reserve request for the 2004-2006 biennium should be submitted using Form MR-1 forms and reflect only those subprojects required for that biennium and not your agency's total six-year need. Projects for the two subsequent biennia should be submitted using Form MR-2. **Do not include similar work in both your maintenance reserve request and a stand-alone capital project. Also, do not submit a request for a previously validated project.**

Maintenance reserve subprojects are **not** intended to enhance, upgrade, or otherwise improve plant, property, or equipment unless such work is incidental to the main purpose of the project (less than 25 percent of the overall cost). The maintenance reserve plan should cover facilities funded from nongeneral funds as well as those supported with general fund dollars.

(See Appendix A of these instructions for further definition of maintenance reserve subprojects.)

Your maintenance reserve request will include the following items:

- ✓ **"DPB Form MR-1, Maintenance Reserve Subproject Request."** This form describes the subproject and summarizes information about the need, cost, and eligibility for maintenance

reserve funding. The DPB Form MR-1 is prepared only for maintenance reserve subprojects being requested for the 2004-2006 biennium.

- ✓ **“DPB Form MR-2, Summary of Future Maintenance Reserve Subprojects.”** This form lists and prioritizes all the individual subprojects planned in the final four years of your six-year plan. A separate form is completed for each of the last two biennia. **Institutions of higher education with authority to manage their maintenance reserve programs at the local level need only to include the new projects on the DPB Form MR-2, but the MR-2 should be completed for all three biennia.**
- ✓ **“DPB Form MR-3, Maintenance Reserve Plan.”** This form is submitted annually to show the current status of the agency maintenance reserve plan by subproject. The next plan will be due July 9, 2003. Detailed instructions on how to prepare your 2004 maintenance reserve plan will be issued later this month. DPB will base its recommendations for 2004-2006 maintenance reserve funding on this comprehensive update of your maintenance reserve plan.

(See DPB’s web site for “DPB Form MR-1, Maintenance Reserve Subproject Request” and “DPB Form MR-2, Summary of Future Maintenance Reserve Subprojects” and the instructions for completing these forms.)

DPB will review each maintenance reserve subproject request and validate those that meet the criteria. DPB will return to you by June 16, 2003, copies of the DPB Form MR-1 indicating whether individual subprojects have been approved or disapproved. You must then incorporate the newly validated subprojects into your maintenance reserve plan for the 2004-2006 biennium using the DPB Form MR-3 no later than July 9, 2003. Separate instructions for completing the DPB Form MR-3 will be issued later.

Detailed 2004-2006 capital project request submission

You must prepare a detailed capital project request for each project requested for the 2004-2006 biennium for which DPB approves the submission of more detailed information by June 9, 2003. Maintenance reserve requests are excluded from this requirement. The primary purpose of the detailed capital project request is to provide a carefully reasoned explanation of the need for the project, describe what the project entails, demonstrate how it relates to program goals and objectives, and identify the projected costs. The detailed capital project request consists of the following two elements:

- ✓ **Project request justification (DPB Form CNJ).** The project request justification presents the specific detailed information explaining the programmatic need for the project and describing why it is necessary to the delivery of your agency’s services and activities. It also relates the project to your agency’s strategic plan.
- ✓ **Project definition worksheets (DPB Forms C-1_S-1 and E-1).** These documents are used to identify design parameters and any special requirements associated with the project. Information from the worksheets will be used to establish a “design-to” construction budget, a “design-to” gross area, and a project design budget. Along with the project definition worksheets, agencies, under certain circumstances, will also be required to submit Environmental Impact Reports to the Department of Environmental Quality (DEQ).

The project request justification and the project definition worksheets (and supporting documents) for the projects authorized by DPB by June 9, 2003 are due by July 9, 2003.

Note about umbrella projects:

If you are combining more than one facility or improvement into an umbrella project, it may not be necessary to provide a project request justification and a series of project definition worksheets for each separate subproject within the umbrella. Depending on the nature of the umbrella project, one or more of the components can be consolidated. Consult with your DPB analyst on the requirements for submitting any umbrella projects that you may have.

Project Request Justification (DPB Form CNJ).

The project request justification details the project's scope and justifies its need. The need must be demonstrated from several perspectives, including the agency's programs and activities and the condition of its existing facilities in order to show why it is important to fund the request. The narrative should be as thorough and complete as necessary. The quality of your submission is extremely important. Remember who your audience is for this submission and **do not** use technical engineering terms and jargon. Decision-makers may only have your narrative as the basis for considering the merits of your request.

Project Cost and Scope Profiles (Form C-1_S-1)

The project cost and scope profiles will be used to help determine the project's budget and its size and scope. These forms have been combined into an Excel document. You need to describe all unique aspects, conditions, and proposed design features that may influence the project's cost. Failure to do so may result in understating the amount of funds needed to complete the project. You are encouraged to use in-house staff to prepare these forms. It is not necessary to hire an architectural and engineering firm to complete these worksheets unless your agency does not have sufficient in-house expertise. If you need help, first contact your reviewer in the Department of General Services' Bureau of Capital Outlay Management (BCOM), who may be able to assist you with these worksheets.

Agencies should submit **all** cost-related back up material supporting project cost and design information. If this backup information cannot be submitted electronically, it should be mailed to the Capital Submissions Clerk at DPB (see Section IV of these instructions). For example, if a schematic or preliminary estimate, a life cycle cost analysis, or a value engineering study has been prepared for the project, then this data should be submitted. Likewise, if a listing of comparable projects and associated costs has been developed, this material should be provided. Also, any supporting design data such as feasibility studies, schematic design documents, or preliminary design documents completed but not already submitted to BCOM should be included. This back-up material will help BCOM evaluate the reasonableness of the proposed project budget and the appropriateness of the proposed technical solution.

Project Energy Profile (DPB Form E-1).

The Project Energy Profile (E-1) is designed to capture information on improvement projects that have a significant energy component. This information will be used to assess the potential for using alternative financing.

(See DPB's web site for copies of the justification and profile sheets and instructions for completing them.)

Environmental Impact Reports

Section 10.1-1188 of the Code of Virginia requires state agencies to prepare and submit an environmental impact report (EIR) to the Department of Environmental Quality (DEQ) for each major state project. "Major state project" means the acquisition of an interest in land for construction of any state facility (including gifts, leases, and purchases), or the construction of any state facility, or expansion of an existing facility costing over \$100,000. In accordance with §10.1-1190 of the Code, the State Comptroller shall not authorize payments of funds for major state projects unless the request is accompanied by written approval of the Governor after his consideration of the comments by DEQ on the environmental impact of the facility. DEQ recommends that the EIR be submitted early in the planning process, prior to the submission of the project profiles (DPB Form C-1_S-1) to DPB. For more information pertaining to the requirements of the EIR law, contact DEQ's Office of Environmental Impact Review at (804) 698-4325.

Review and approval process

DPB will review all capital project requests and identify, with the assistance of the Cabinet Secretaries, those projects that should be considered for funding in the 2004-2006 biennium. BCOM will review the project profiles to determine an appropriate "design-to" construction budget, "design-to" gross area, and design budget for the project.

Certain major capital projects requested for the 2004-2006 biennium will be reviewed by project teams consisting of staff from BCOM; DPB; the State Council of Higher Education for Virginia (SCHEV); the Department of Mines, Minerals, and Energy (DMME), DEQ, and/or the legislative money committees. These project teams will meet with you to discuss the project submission. The objective of the project team meetings is to reach agreement on "design to" targets for the project. The "design to" targets will include agreements on:

- Space requirements,
- Characteristics of construction,
- Construction budget, and
- Length of time to design and complete the construction.

If the project is approved for funding, this information will be communicated to an architectural and engineering firm. These targets must be adhered to as the schematic and preliminary designs for the project are developed.

III. Capital Outlay Leases

Definition

The leasing of property for use by state agencies may be treated as an operating expense or a capital expense, depending on the nature and term of the lease. A lease is generally considered an “operating lease,” and accounted for as an operating expense if the lease is for a short period of time (e.g., one year) **and** there is no transfer of ownership involving any portion of the leased property to the lessee (all property interests remain with the lessor).

On the other hand, if a lease is for a longer duration covering a substantial portion of the useful life of the leased property, or if it allows for the transfer of ownership of some portion of the property to the Commonwealth (lessee) at the expiration of the lease (e.g., option to buy, lease-acquisition, etc.), the lease may be classified as a “capital lease” and accounted for as a capital outlay expense. A capital lease does not necessarily mean that an agency takes title of the property. Unlike an operating lease, a capital lease is considered a long-term liability of the Commonwealth and is included in the calculation of the Commonwealth’s debt capacity.

For purposes of the state’s budgeting process, certain lease agreements are defined as “capital outlay leases” which must be requested and budgeted as capital outlay projects. A “capital outlay lease” includes:

- ✓ Any lease agreement involving the acquisition or improvement of real property, as that term is defined in the Commonwealth Accounting Policy and Procedures (CAPP) Manual (See Appendix B);
- ✓ The purchase of equipment by means of a capital lease agreement if the equipment would meet the capital project definitions if it was purchased outright; or,
- ✓ Any acquisition or improvement of real property financed by a lease agreement in which the project cost is equal to or exceeds \$5.0 million.

For purposes of the latter, “project cost” is equal to (1) the annual amount of the lease payments multiplied by the number of years of the lease, including the automatic renewal periods, up to a maximum of 20 years or (2) the expected total of all annual lease payments over the term of the lease if the lease amount varies from year to year.

Below are some examples to help clarify whether a lease would qualify as a capital outlay lease.

Example 1

Agency XYZ proposes to lease a new building from a real estate developer for \$250,000 per year for 10 years with an option to renew thereafter at the lessee’s discretion for five-year intervals up to a maximum of 25 years (i.e., there are three automatic renewal periods). This lease would qualify as a capital outlay lease based on the following project costs:

Annual lease payment	\$250,000
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Term of lease & renewal period (capped at 20 years)	<u>x 20 years</u>
Total "Project Cost"	\$5,000,000

Example 2

Same as #1 above, except that the lessee can renew for only an additional five years (i.e., the total term of the lease with the renewal period is 15 years. This lease **would not** qualify as a capital outlay lease based on the following project costs, assuming that it does not otherwise meet the CAPP definition of a capital lease (See Appendix B under Department of Accounts).

Annual lease payment	\$250,000
Term of lease & renewal period	<u>x 15 years</u>
Total "Project Cost"	\$3,750,000

Example 3

Same as #1 above, except that the annual lease payment is \$200,000. This lease **would not** qualify as a capital outlay lease based on the following project costs, assuming that it does not otherwise meet the CAPP definition of a capital lease (See Appendix B under Department of Accounts).

Annual lease payment	\$200,000
Term of lease & renewal period (capped at 20 years)	<u>x 20 years</u>
Total "Project Cost"	\$4,000,000

Example 4

Same as #1 above, except that the annual lease payments are \$230,000 per year for the first 10 years, \$270,000 per year for the next five years, and \$300,000 per year thereafter. The lease would qualify as a capital outlay lease based on the following project costs:

Lease payments first 10 years (\$230,000 x 10)	\$2,300,000
Lease payments next 5 years (\$270,000 x 5)	\$1,350,000
Lease payments through year 20 (\$300,000 x 5)	<u>\$1,500,000</u>
Total "Project Cost"	\$5,150,000

Review and approval process

Unless otherwise specifically provided by law, all real property leases, whether "operating" or "capital," are subject to review by the Department of General Services (DGS) pursuant to §2.2-1149, Code of Virginia. Section 4-5.09 of Chapter 899 requires any agency acquiring real property by means of a lease to certify to the DGS Director that: (1) funds are available within the agency's appropriation to cover the cost of the lease, and (2) that the volume of leased space conforms with the space planning procedures for leased facilities developed by DGS. You should contact the Bureau of Real Property Management at DGS for instructions to comply with these requirements.

In addition, “capital leases” are subject to a separate level of review and approval based on the guidelines promulgated by the Secretary of Finance (see Section 4-3.03 of Chapter 899). For purposes of this requirement, any agency or institution of higher education proposing to acquire property through a “capital outlay lease,” as defined above, must submit a capital outlay request for the property just as if the agency were proposing to purchase the property outright. **Agencies cannot enter into capital outlay leases during budget execution without prior approval to initiate a capital project.**

Beginning with the 1998-2000 biennium, capital outlay leases for real property are to be authorized by language in the capital outlay section (Part 2) of the Appropriation Act. This authorization must be obtained prior to entering into any such agreements. Appropriations to support all lease payments will be included in the operating section of the Appropriation Act (Part I). Appropriations to support lease payments for all general fund capital leases for real property financed by the issuance of securities (i.e., tax supported debt) will be included in the Treasury Board’s appropriation in order to ensure consistent management and control. Appendix B summarizes the role of central agencies in the review of leases.

Proposed capital outlay leases

If you are proposing or expect to have use of property during the 2004-2006 or 2006-2008 biennium through any arrangement that may qualify as a capital outlay lease, you must report this transaction to DPB on the DPB Form L-1. You must also include any such requests in your capital outlay budget requests (H-1 Form). On the DPB Form H-1, you should identify the project as a capital outlay lease.

The DPB Form L-1 captures certain financial and narrative information that will enable the Secretary of Finance to ascertain whether the proposal is indeed a “capital outlay lease” that is subject to these capital budget instructions, and the extent to which the lease will impact the Commonwealth’s debt capacity calculations. It will also assist decision makers in determining whether leasing is the most cost-effective method for meeting the agency’s capital needs.

You need to list each lease you anticipate entering into during the 2004-2006 or 2006-2008 biennium as a separate project on the DPB Form L-1. **This reporting requirement applies regardless of the source of financing** (i.e., general fund, special fund, federal trust fund, etc.). Moreover, institutions of higher education must report all proposed leases meeting these criteria regardless of program area (educational and general programs, auxiliary enterprises, or sponsored programs).

(See DPB’s web site for a copy of “DPB Form L-1, Summary of Proposed Capital Outlay Leases” and instructions for completing this form.)

IV. Updating the Governor's Capital Implementation Plan

The Governor's Capital Implementation Plan, which was issued in March 2003, provides a framework for the completion of more than 300 capital outlay projects approved by the 2002 Session of the General Assembly. This framework, which consists of specific project timelines and detailed draw schedules, has been developed to ensure that these capital projects are completed within available debt service appropriations and a statutorily-imposed \$250 million annual debt issuance limit.

In preparation for the development of the 2004-2006 biennial budget, state agencies and institutions of higher education will be required to update these project timelines and detailed draw schedules for certain capital projects. Specifically, state agencies and institutions of higher education will be required to provide updated information for those projects that are under design or construction or those projects for which the agencies and institutions now expect delays. This information is being requested because it is expected that state agencies and institutions of higher education may now have better information about the timeframes and cash flow needs for those capital projects currently under design or construction or may now know that certain projects may be delayed due to the progress made to date on other projects. Information about these cash flows will be critical to developing the debt service appropriations necessary for the 2004-2006 biennium. Accurate debt service projections will ensure that the Department of the Treasury has sufficient resources to issue the necessary debt to complete these important capital projects' construction.

Although updates are being requested for capital projects' timelines and detailed draw schedules, this request does not anticipate wholesale changes to state agencies or institutions' capital implementation plans. Certainly, all state agencies and institutions of higher education should ensure that if changes are submitted, those changes are reflected in both the project's timeline and detailed draw schedule (the two elements should be synchronized). Capital projects that are not under design or construction or for which specific delays cannot be explained, should not be updated.

Please note: **When submitting this information to DPB, all changes should be made in the Microsoft Access databases prepared for each state agency and institution of higher education.** Submissions using Microsoft Excel will not be accepted.

V. Packaging Your Capital Budget Submission

Submission contents

May 23, 2003 submission

Your May 23, 2003 submission of the 2004-2010 Capital Outlay Plan should contain the following material, packaged in the sequence listed below.

- A “DPB Form H-1, Summary and Financial Information.” All projects should be submitted in one Microsoft Access file.
- Maintenance reserve request
 - ✓ A “DPB Form MR-1, Maintenance Reserve Subproject Request.” **(Only for subprojects being requested for the 2004-2006 biennium). All subprojects should be submitted in one Microsoft Access file.**
 - ✓ A DPB Form MR-2 for each of the two future biennia (2006-08 and 2008-10).
- A “DPB Form L-1, Summary of Proposed Capital Outlay Leases” if applicable.

July 9, 2003 submission

Detailed 2004-2006 capital project submissions on selected requests

The submission of the July 9, 2003 detailed capital budget requests for each authorized 2004-2006 project must contain the following material:

- ✓ Project Request Justification (Form CNJ).
- ✓ Project Cost and Scope Profiles (Form C-1_S-1). If the cost totals for each category do not match the summary figures on the H-1 form, an explanation must be provided on the Form CNJ.
- ✓ Any additional back-up material to support the scope and cost profiles.
- ✓ Project Energy Profile (Form E-1), if requesting funding as an energy project.
- ✓ Environmental Impact Report (submitted directly to DEQ).

Maintenance Reserve Annual Plan

✓ DPB Form MR-3

Naming Files

The DPB Form H-1 and DPB Form MR-1 are Microsoft Access documents. Do not attempt to rename these files.

The Form C-1_ S-1 is an Excel document and the remaining documents are Microsoft Word documents. The suggested format for naming the excel documents is agency code-priority-biennium-CIS1-brief description (See the instructions in the excel document). The format for the Word files is agency code, a 2-3 word description of project, and type of form. For example, 122 Bradford Renovation Form E-1.doc

Submission packages

All agencies

- ✓ Send the forms and schedules as attachments to an email message to:
capitalbudget@dpb.state.va.us.
- ✓ **PLEASE MAKE SURE THAT YOU INCLUDE YOUR AGENCY NAME AND AGENCY CODE IN THE SUBJECT LINE OF THE E-MAIL MESSAGE**
- ✓ Any supporting documentation not in electronic format should be sent to:

Capital Submission Clerk
Department of Planning and Budget
Ninth Street Office Building
200 North Ninth Street, Room 418
Richmond, Virginia 23219

- ✓ State agencies must send to DPB six copies of any supporting documentation. Institutions of higher education must send seven copies.

VI. Capital Budget Forms and Instructions

The forms and the instructions for completing the forms are available through the Internet on DPB's web site at "www.dpb.state.va.us". The forms and instructions will be under "Documents and Forms" page and under "Capital Budget."

- ✓ DPB Form H-1 Capital Project Request, Summary and Financial Information
- ✓ DPB Form CNJ Project Request Justification
- ✓ DPB Form C-1_S-1 Project Cost and Scope Profiles
- ✓ DPB Form E-1 Project Energy Profile
- ✓ DPB Form L-1 Summary of Proposed Capital Outlay Leases
- ✓ DPB Form MR-1 Maintenance Reserve Subproject Request
- ✓ DPB Form MR-2 Summary of Future Maintenance Reserve Subprojects