

Financial Performance Report – Operating and Capital
FINANCE AND RESOURCE MANAGEMENT COMMITTEE
July 1, 2020 to December 31, 2020

The Financial Performance Report of income and expenditures is prepared from two sources: actual accounting data as recorded at Virginia Tech and the annual budgets which are also recorded in the university accounting system. The actual accounting data reflect the modified accrual basis of accounting, which recognizes revenues when received rather than when earned and commitments to buy goods and services as encumbrances when obligated and as an expenditure when paid. The Original Budget was approved by the Board of Visitors at the June meeting. The Adjusted Budget reflects adjustments to incorporate actual experience or changes made during the fiscal year. These changes are presented for review and approval by the Finance and Resource Management Committee and the Board of Visitors through this report. Where adjustments impact appropriations at the state level, the university coordinates with the Department of Planning and Budget to ensure appropriations are reflected accurately.

The July to December 2020-21 budget (year-to-date) is prepared from historical data which reflects trends in expenditures from previous years as well as known changes in timing. Differences between the actual income and expenditures and the year-to-date budget may occur for a variety of reasons, such as an accelerated or delayed flow of documents through the accounting system, a change in spending patterns at the college level, or increases in revenues for a particular area.

Quarterly budget estimates are prepared to provide an intermediate measure of income and expenditures. Actual revenues and expenditures may vary from the budget estimates. The projected year-end budgets are, however, the final measure of budgetary performance.

RECOMMENDATION:

That the report of income and expenditures for the University Division and the Cooperative Extension/Agricultural Experiment Station Division for the period of July 1, 2020 through December 31, 2020 and the Capital Outlay report be approved.

March 22, 2021

**OPERATING BUDGET
2020-21**

Attachment Y

Dollars in Thousands

	July 1, 2020 to December 31, 2020			Annual Budget for 2020-21		
	Actual	Budget	Change	Original	Adjusted	Change
Educational and General Programs						
<u>University Division</u>						
<u>Revenues</u>						
General Fund	\$97,790	\$97,790	\$0	\$195,326	\$199,043	\$3,717 (8)
Tuition and Fees	338,849	337,329	1,520	582,266	600,323	18,057 (9)
All Other Income	20,100	21,586	-1,486 (1)	46,900	46,356	-544 (10)
Revenue Contingency	0	0	0	-25,000	0	25,000 (11)
CARES Act Revenue	5,692	5,692	0	0	5,692	5,692 (12)
Total Revenues	\$462,431	\$462,397	\$34	\$799,492	\$851,413	\$51,921
<u>Expenses</u>						
Academic Programs	-\$248,401	-\$251,137	\$2,736	-\$505,125	-\$541,129	-\$36,004
Support Programs	-145,151	-147,998	2,847	-294,367	-311,678	-17,311
Reserve Drawdown	0	0	0	0	1,394	1,394 (13)
Total Expenses	-\$393,552	-\$399,135	\$5,583 (2)	-\$799,492	-\$851,413	-\$51,921 (8,9,10,11,12,13)
NET	\$68,879	\$63,262	\$5,617	\$0	\$0	\$0
<u>CE/AES Division</u>						
<u>Revenues</u>						
General Fund	\$40,581	\$40,581	\$0	\$75,100	\$75,064	-\$36 (14)
Federal Appropriation	6,818	7,823	-1,005 (3)	15,640	15,647	7 (15)
All Other Income	761	645	116	950	950	0
Revenue Contingency	0	0	0	-3,000	0	3,000 (16)
CARES Act Revenue	2	2	0	0	2	2 (17)
Total Revenues	\$48,161	\$49,051	-\$890	\$88,690	\$91,663	\$2,973
<u>Expenses</u>						
Academic Programs	-\$40,131	-\$42,234	\$2,103	-\$82,286	-\$85,259	-\$2,973
Support Programs	-2,522	-2,623	101	-6,404	-6,404	0
Total Expenses	-\$42,653	-\$44,857	\$2,204 (2)	-\$88,690	-\$91,663	-\$2,973 (14,15,16,17)
NET	\$5,508	\$4,194	\$1,314	\$0	\$0	\$0
Auxiliary Enterprises						
Revenues	\$152,754	\$146,571	\$6,183 (4)	\$350,059	\$268,792	-\$81,267 (4)
Expenses	-147,751	-165,724	17,973 (4)	-336,392	-321,446	14,946 (4)
Reserve Drawdown/(Deposit)	-5,003	19,153	-24,156 (4)	-13,667	52,654	66,321 (4)
NET	\$0	\$0	\$0	\$0	\$0	\$0
Sponsored Programs						
Revenues	\$152,208	\$165,068	-\$12,860 (5)	\$352,358	\$355,254	\$2,896 (18)
CARES ACT Revenue	835	0	835 (6)	0	0	0
Expenses	-169,377	-180,584	11,207 (5)	-352,358	-355,254	-2,896 (18)
Reserve Drawdown/(Deposit)	16,334	15,516	818	0	0	0
NET	\$0	\$0	\$0	\$0	\$0	\$0
Student Financial Assistance						
Revenues	\$16,778	\$17,058	-\$280	\$31,678	\$35,962	\$4,284 (19)
Expenses	-16,801	-17,665	864	-31,678	-35,962	-4,284 (19)
Reserve Drawdown/(Deposit)	0	0	0	0	0	0
NET	-\$23	-\$607	\$584	\$0	\$0	\$0
All Other Programs *						
Revenue	\$8,628	\$9,098	-\$470	\$10,214	\$15,839	\$5,625 (20)
Expenses	-2,638	-6,987	4,349 (7)	-10,214	-13,770	-3,556 (20)
Reserve Drawdown/(Deposit)	-5,990	-2,111	-3,879	0	-2,069	-2,069 (20)
NET	\$0	\$0	\$0	\$0	\$0	\$0
Total University						
Revenues	\$841,794	\$849,243	-\$7,448	\$1,632,491	\$1,618,923	-\$13,568
Expenses	-772,772	-814,952	42,180	-1,618,824	-1,669,508	-50,684
Reserve Drawdown/(Deposit)	5,341	32,558	-27,217	-13,667	50,585	64,252
NET	\$74,363	\$66,849	\$7,515	\$0	\$0	\$0

* All Other Programs include federal work study, surplus property, local funds, and unique military activities.

OPERATING BUDGET

1. All Other Income revenues are lower than projected due to lower Continuing Education activity level and the timing of revenues in the newly established Animal Cancer Care and Research Center.
2. Expenditures are lower than projected due to timing and the impact of the university's essential spending order in response to COVID-19 pandemic.
3. The budget for federal revenue is established to match projected allotments from the federal government that are expected to be drawn down during the state fiscal year. All expenses in federal programs are covered by drawdowns of federal revenue up to allotted amounts. Federal revenue in the Cooperative Extension and Agriculture Experiment Station Division is lower than projected due to the timing of federal expense.
4. Quarterly and projected annual variances are explained in the Auxiliary Enterprises section of this report.
5. Historical patterns have been used to develop a measure of the revenue and expenditure activity for Sponsored Programs. Actual revenues and expenses may vary from the budget estimates because projects are initiated and concluded on an individual basis without regard to fiscal year. Total sponsored research revenues and expenditures are lower than projected. The sponsored expenditures are 5.6% lower than December 31, 2019.
6. The federal government allocated \$9.7 million of CARES Act support to provide emergency financial grants to students, of which \$8.9 million was awarded and reimbursed in fiscal year 2019-20. The remaining \$0.8 million was awarded and reimbursed in early fiscal year 2020-21.
7. Expenses for All Other Programs were lower than projected due to timing and lower than projected Surplus Property activity.
8. The annual budget for the University Division General Fund was decreased \$0.29 million for the state share of salary and fringe benefit rate changes and increased \$4.0 million for a one-time allocation to support operations, aid or other purposes to address the COVID-19 impact.
9. In late June, the budget for Tuition and Fees was increased \$14.0 million for planned Fall 2020 enrollment growth. After summer census, the tuition and fee budget was increased by \$8.1 million for higher than projected summer 2020 enrollment. After fall census, the tuition and fee budget was decreased \$4 million for lower than projected nonresident freshman and graduate enrollments. The corresponding expenditure budgets have been adjusted accordingly.
10. The All Other Income revenue budget for the University Division were increased \$0.6 million for lower than projected revenues in the College of Veterinary Medicine Teaching Hospital, the establishment of the Animal Cancer Care and Research Center and the VITALs Lab in the College of Veterinary Medicine, decreased \$1.7 million for Continuing Education Program revenues, decreased \$0.2 million for the temporary suspension of the Campus to Campus shuttle service, and increased \$0.8 million for other income adjustments. The corresponding expenditure budgets have been adjusted accordingly.
11. The University Division revenue budget was increased \$25 million to remove the revenue contingency established for potential financial impacts due to COVID-19. The corresponding expenditure budget increase includes restoration of 2% of the preliminary expenditure budget reductions in the University Division. A 3% budget reduction remains to manage cost escalation, unfunded mandates, the fall enrollment shortfall, and impacts of COVID-19.
12. The University Division revenue budget was increased \$5.7 million to align the internal budget with the Commonwealth of Virginia's allocation of Coronavirus Relief Funds in support of personal protective equipment, disinfectant, distance learning, telework, and public health costs. The corresponding expenditure budgets have been adjusted accordingly.
13. University Division E&G expenditure budget increased \$1.4 million to reflect the carryforward of unexpected Coronavirus Relief Funds received in 2019-20 due to the timing of expenditures.
14. The Cooperative Extension/Agriculture Experiment State Division General Fund revenue budget was decreased \$0.04 million for the state share of fringe benefit rate changes. The corresponding expenditure budgets have been adjusted accordingly.
15. The Cooperative Extension Federal Funds revenue budget was increased \$0.01 million to align with federal appropriations. The corresponding expenditure budgets have been adjusted accordingly.

16. The Cooperative Extension/Agriculture Experiment Station budget was increased \$3.0 million to restore the revenue contingency established in response to the uncertainty in state revenues. The corresponding expenditure budget increase will restore the 5.0% expenditure preliminary budget reduction in the Cooperative Extension/Agriculture Experiment Station.
17. The Agency 229 E&G revenue budget has been increased \$0.002 million for CARES grant support received for the Tazewell VCE division. The corresponding expenditure budgets have been adjusted accordingly.
18. The annual budget for the Sponsored Programs has been increased \$0.6 million to reflect the finalization of the enterprise fund budgets and \$2.25 million to reflect the approved Commonwealth Cyber Initiative expenditure plan.
19. The Student Financial Assistance revenue and expenditure budgets were increased \$4.1 million for finalization of the scholarship budget and technical accounting changes and \$0.2 million for the SCHEV GEAR Up scholarship program.
20. The projected annual budgets for All Other Programs were increased \$3.2 million to finalize budgets and \$2.4 million for federal revenue earmarked for Kentland Farm capital lease. The projected annual expense budgets were increased \$3.2 million to finalize budgets and \$0.4 million for outstanding 2019-20 commitments that were initiated but not completed before June 30, 2020.

**UNIVERSITY DIVISION
AUXILIARY ENTERPRISES**

Attachment Y

Dollars in Thousands

	July 1, 2020 to December 31, 2020			Annual Budget for 2020-21		
	Actual	Budget	Change	Original	Adjusted	Change
Residence and Dining Halls *						
Revenues	\$50,687	\$45,546	\$5,141 (1)	\$130,324	\$83,359	\$-46,965 (6,7)
Expenses	-47,904	-54,172	6,268 (1)	-125,550	-111,546	14,004 (6,7,8)
Reserve Drawdown/(Deposit)	-2,783	8,626	-11,409 (1)	-4,774	28,187	32,961 (6,7,8)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Parking and Transportation						
Revenues	\$8,285	\$8,338	\$-53	\$15,615	\$12,933	\$-2,682 (6,7)
Expenses	-4,396	-4,910	514	-14,628	-14,521	107 (6,7,8)
Reserve Drawdown/(Deposit)	-3,889	-3,428	-461	-987	1,588	2,575 (6,7,8)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Telecommunications Services						
Revenues	\$10,906	\$10,893	\$13	\$19,966	\$19,772	\$-194 (6)
Expenses	-8,659	-10,003	1,344 (2)	-20,349	-20,942	-593 (6,8)
Reserve Drawdown/(Deposit)	-2,247	-890	-1,357 (2)	383	1,170	787 (6,8)
Net	\$0	\$0	\$0	\$0	\$0	\$0
University Services * **						
Revenues	\$28,576	\$29,382	\$-806 (3)	\$52,883	\$51,358	\$-1,525 (6,7)
Expenses	-26,838	-31,141	4,303 (3)	-52,140	-55,197	-3,057 (6,7,8,9)
Reserve Drawdown/(Deposit)	-1,738	1,759	-3,497 (3)	-743	3,839	4,582 (6,7,8,9)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Intercollegiate Athletics *						
Revenues	\$22,887	\$22,143	\$744 (4)	\$74,740	\$51,149	\$-23,591 (6,7,10)
Expenses	-36,553	-39,529	2,976 (4)	-70,480	-69,346	1,134 (6,7,10)
Reserve Drawdown/(Deposit)	13,666	17,386	-3,720 (4)	-4,260	18,197	22,457 (6,7,10)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Electric Service *						
Revenues	\$14,285	\$14,339	\$-54	\$33,653	\$30,462	\$-3,191 (6,7)
Expenses	-15,571	-16,182	611	\$-33,032	-30,865	2,167 (6,7,8,11)
Reserve Drawdown/(Deposit)	1,286	1,843	-557	-621	403	1,024 (6,7,8,11)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Inn at VT/Skelton Conf. Center						
Revenues	\$1,839	\$1,929	\$-90	\$11,471	\$3,321	\$-8,150 (7)
Expenses	-4,663	-5,296	633	-11,597	-8,376	3,221 (6,7,8)
Reserve Drawdown/(Deposit)	2,824	3,367	-543	126	5,055	4,929 (6,7,8)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Other Enterprise Functions ***						
Revenues	\$15,289	\$14,001	\$1,288 (5)	\$11,407	\$16,438	\$5,031 (6,7)
Expenses	-3,167	-4,491	1,324 (5)	-8,616	-10,653	-2,037 (6,7,8,12)
Reserve Drawdown/(Deposit)	-12,122	-9,510	-2,612 (5)	-2,791	-5,785	-2,994 (6,7,8,12)
Net	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL AUXILIARIES						
Revenues	\$152,754	\$146,571	\$6,183	\$350,059	\$268,792	\$-81,267
Expenses	-147,751	-165,724	17,973	-336,392	-321,446	14,946
Reserve Drawdown/(Deposit)	-5,003	19,153	-24,156	-13,667	52,654	66,321
Net	\$0	\$0	\$0	\$0	\$0	\$0

* University Systems include Dormitory and Dining Hall System, University Services System, Intercollegiate Athletics System, and Electric Service System. The Systems were created to provide assurance to bond holders that system revenues are pledged for the payment of debt service and to allow for dedicated repair and replacement that are not subject to liens of any creditor of the university.

** University Services System includes Career & Professional Development, Center for the Arts, Health Services, Recreational Sports, Student Engagement & Campus Life, Cultural and Community Centers, Student Organizations, and the VT Rescue Squad.

*** Other Enterprise Functions include Golf Course, Hokie Passport, Library Café, Library Photocopy, Licensing & Trademark, Little Hokie Hangout, New Student and Family Programs, Pouring Rights, Printing Services, Software Sales, Tailor Shop and Clearing Accounts.

AUXILIARY ENTERPRISE BUDGET

1. Revenues in Residence and Dining Halls is higher than projected due to higher than anticipated meal plan revenues and quarantine space agreements. Expenses are lower than projected due to holding back expenditures and timing of operating expenses. A third quarter budget adjustment is anticipated to further align the budget for anticipated spring business volume.
2. Expenses in Telecommunications Services are lower than projected due to holding back expenditures and timing of network telecommunication projects.
3. Revenues for the University Services System are lower than projected due to timing of pouring rights contract payments and lower than projected recreational sports self-generated revenues. Expenses are lower than projected due to timing of operating expenses and decreased business volume.
4. Revenues for Intercollegiate Athletics are higher than projected due to better than projected ACC Network revenues, partially offset by timing of pouring rights contract payments. Expenses are lower than projected due to lower business volume and timing of operating expenses. A third quarter budget adjustment is anticipated to further align the budget for additional financial impacts of the pandemic. Note, due to a delay in timing, Athletic revenues includes \$5.1 million radio partner and \$4.8 million ACC network revenue budgeted in 2019-20 but received in 2020-21.
5. Revenues for Other Enterprise Functions are higher than projected due to higher than budgeted student enrollment. Expenses are lower than projected due to timing of operating expenses and decreased business volume.
6. In late June, the annual revenue, expense, and reserve budgets for Auxiliary Enterprises were adjusted for technical alignments and finalization of fixed cost estimates.
7. The annual revenue, expense, and reserve budgets for Auxiliary Enterprises were adjusted to align budgets for the known financial impacts (through December 31, 2020) of the COVID-19 pandemic as summarized in the table below:

COVID-19 Budget Impact on Auxiliary Enterprises

	5% COVID Placeholder Hedge	1st Quarter COVID Adjustment	2nd Quarter COVID Adjustment	Total COVID Impact
Residence and Dining Halls				
Revenue	(3,513,422)	(43,892,516)		(47,405,938)
Expenses	3,513,422	11,283,543		14,796,965
Reserve Drawdown/(Addition)	-	32,608,973	-	32,608,973
Parking and Transportation				
Revenue	(195,260)	(3,127,875)		(3,323,135)
Expenses	195,260	1,225,563		1,420,823
Reserve Drawdown/(Addition)	-	1,902,312	-	1,902,312
University Services System				
Revenue	(891,776)	(430,302)		(1,322,078)
Expenses	891,776	(941,709)		(49,933)
Reserve Drawdown/(Addition)	-	1,372,011	-	1,372,011
Intercollegiate Athletics				
Revenue	(2,759,703)	(17,367,492)	(4,924,056)	(25,051,251)
Expenses	2,759,703	-	3,144,470	5,904,173
Reserve Drawdown/(Addition)	-	17,367,492	1,779,586	19,147,078
Electric Service				
Revenue	(264,166)	(3,170,848)		(3,435,014)
Expenses	264,166	1,593,081		1,857,247
Reserve Drawdown/(Addition)	-	1,577,767	-	1,577,767
Inn at Virginia Tech & Skelton Conf Center				
Revenue	(439,666)	(8,150,497)		(8,590,163)
Expenses	439,666	3,600,143		4,039,809
Reserve Drawdown/(Addition)	-	4,550,354	-	4,550,354
Other Enterprise Functions				
Revenue	(154,348)	(1,243,512)	(887,977)	(2,285,837)
Expenses	154,348	-	75,167	229,515
Reserve Drawdown/(Addition)	-	1,243,512	812,810	2,056,322
TOTAL AUXILIARIES				
Revenue	(8,218,341)	(77,383,042)	(5,812,033)	(91,413,416)
Expenses	8,218,341	16,760,621	3,219,637	28,198,599
Reserve Drawdown/(Addition)	-	60,622,421	2,592,396	63,214,817

8. The annual expense budget for Auxiliary Enterprises was increased \$8.0 million for outstanding commitments and projects that were initiated but not completed before June 30, 2020. This amount includes \$2.3 million in Recreational Sports commitments and projects, \$1.6 million for Dining Services, \$0.8 million for Telecommunications, and \$0.4 million for Electric Service. The remainder is spread across the other auxiliary programs.
9. The annual expense budgets for University Services System were increased \$0.2 million for Schiffert Health Center compensation market alignment.
10. The annual revenue and reserve budgets for Intercollegiate Athletics were decreased \$1.7 million for lower pre-pandemic ACC conference distributions. Annual revenue, expense, and reserve budgets were increased \$0.3 million for private support of four football positions, \$1.1 million for Student Athlete Performance Center debt service, and \$0.7 million for operating scholarship support.
11. The annual expense budget for the Electric Service auxiliary was decreased \$0.7 million for debt service alignment for Lane Substation capital project savings.
12. The annual revenue and expense budgets for Other Enterprise Functions were increased \$7.6 million for the Commonwealth of Virginia's Coronavirus Relief Funding, Pouring Rights contract operating expenses, and scholarship expenses in Licensing and Trademark.

CAPITAL OUTLAY PROJECTS
AUTHORIZED AS OF DECEMBER 31, 2020
Dollars in Thousands

PROJECT INITIATED	FISCAL YEAR ACTIVITY		TOTAL PROJECT BUDGET					CUMULATIVE EXPENDITURES
	ANNUAL BUDGET	YTD EXPENDITURES	STATE SUPPORT	NONGENERAL FUND	REVENUE BOND	TOTAL BUDGET		
EDUCATIONAL AND GENERAL PROJECTS								
<u>Design Phase</u>								
Livestock & Poultry Research Facilities, Phase I	Oct 2016	\$ 9,500	\$ 447	\$ 25,274	\$ -	\$ -	\$ 25,274	\$ 1,621 (1)
Planning: Hitt Hall & New Dining	Apr 2017	1,500	120	-	6,000	-	6,000	3,598 (2)
Planning: Undergraduate Science Laboratory Building	Jul 2017	1,110	298	-	5,516	-	5,516	4,616 (3)
Commonwealth Cyber Initiative	May 2019	667	209	1,500	-	-	1,500	1,043 (4)
Corps Leadership and Military Science Building	Jun 2019	4,500	1,211	-	20,650	31,350	52,000	2,825 (5)
Data and Decision Science Building	Jul 2019	10,500	2,286	69,000	-	10,000	79,000	4,678 (6)
Innovation Campus - Academic Building	Jul 2019	20,000	7,309	168,000	-	107,000	275,000	8,940 (7)
Planning: Randolph Hall Replacement	Jul 2020	3,000	-	-	11,000	-	11,000	- (8)
Life, Health, Safety, Accessibility, & Code Compliance	Jul 2020	300	0	3,100	-	-	3,100	0 (9)
Fralin Biomedical Research Institute Equipment	Jul 2020	6,000	-	18,133	-	-	18,133	- (10)
<u>Construction Phase</u>								
Maintenance Reserve	On-going	11,600	5,806	16,099	-	-	16,099	5,806 (11)
Chiller Plant Phase II	Oct 2016	16,000	4,423	32,655	10,312	-	42,968	27,854 (12)
Holden Hall Renovation	Oct 2016	36,000	13,276	57,215	212	17,500	74,927	24,366 (13)
Construct Virginia Seafood AREC	Jul 2018	2,500	141	2,500	-	-	2,500	141 (14)
<u>Close-Out</u>								
Improve Kentland Facilities	Sep 2013	3,100	2,507	12,463	-	-	12,463	11,328 (15)
VTC Biomedical Research Expansion	Oct 2016	8,784	1,362	51,554	5,267	34,875	91,696	82,274 (16)
Gas-Fired Boiler at the Central Steam Plant	Apr 2017	1,600	753	-	8,200	-	8,200	7,238 (17)
Acquisition: Falls Church Property	Apr 2019	-	-	-	-	2,850	2,850	- (18)
TOTAL EDUCATIONAL AND GENERAL PROJECTS		\$ 136,661	\$ 40,148	\$ 457,493	\$ 67,157	\$ 203,575	\$ 728,225	\$ 186,327

Education and General Projects

1. Livestock & Poultry Research Facilities, Phase I: This project is the first of two phases to renew existing facilities for the livestock and poultry programs. The scope includes 126,000 gross square feet of facilities at the Blacksburg campus and three nearby university production and research farms. Invitation for bids for the beef facility is underway. Construction contracts are underway for the swine, poultry, and equine facilities. Bid packages for three hay barns and demolition of certain facilities are under development.
2. Planning: Hitt Hall & New Dining: This planning project is for Hitt Hall and houses an expansion of Myers-Lawson School of Construction, a new dining center, and other academic spaces. Project is in schematic design with advancement into preliminary design expected late January 2021.
3. Planning: Undergraduate Science Laboratory Building: This planning project is for an entirely state funded 102,000 gross square foot science laboratory building adjacent to the new classroom building. The university is temporarily funding the project and the state will reimburse the university when construction funding is appropriated. Working drawings were completed September 25, 2020. The university is requesting 2021 General Assembly Session.
4. Commonwealth Cyber Initiative: This project makes improvements to support the Commonwealth Cyber Initiative Hub renovations, space enhancements, and equipment. The maximum appropriation from the Commonwealth is \$3.5 million.
5. Corps Leadership and Military Science Building: The project consolidates the Corps of Cadets and ROTC programs in the northern portion of the Upper Quad project. A Guaranteed Maximum Price within budget has been finalized.
6. Data and Decision Science Buildings: This project will design and construct a new 120,000 gross square foot instruction building. The Guaranteed Maximum Price received December 2020 was within budget with construction anticipated February 2021.
7. Innovation Campus – Academic Building: This project is a new 300,000 gross square foot academic building as part of the Innovation Campus in Alexandria Virginia. Preliminary design is underway.
8. Planning: Randolph Hall Replacement: This planning project will design the replacement of Randolph Hall with a 284,000 gross square foot building to accommodate engineering instruction and research. A/E procurement is underway. The university will request construction funding as part of the 2023 state budget call.
9. Life, Health, Safety, Accessibility, & Code Compliance: This project improves pedestrian connectors to ensure accessible service in the North Academic District. Schematic design is underway.
10. Fralin Biomedical Research Institute Equipment: This funding supports the VTC Biomedical Expansion project located in Roanoke and will provide the equipment authorized by the 2020 Acts of Assembly.
11. Maintenance Reserve: The total project budget reflects \$2.73 million of carryforward from fiscal year 2020 and the State's fiscal year 2021 appropriation of \$13.73 million. The annual budget amount reflects the pace necessary to meet the state's 85 percent spending performance requirement by June 30, 2021.
12. Chiller Plant Phase II: This project upgrades campus utility systems and addresses several strategic priorities by shifting the campus to a lower resource consuming cooling service with improved redundancies. Completion expected August 2021.
13. Holden Hall Renovation: This project will renovate 20,000 gross square feet, demolish 21,000 gross square feet, and construct an 80,000 gross square foot expansion of Holden Hall. Construction is underway with substantial completion expected early January 2022.
14. Construct Virginia Seafood AREC: Through a collaborative effort between the university, the Foundation, and the City of Hampton, the existing facility will be replaced with this new 15,000 gross square foot facility. The Foundation received a successful construction bid and substantial completion is expected September 2021.
15. Improve Kentland Facilities: The project is substantially complete and the total cost is expected to be \$12.463 million. The project may be closed and financial accounts terminated when final invoices are received and paid.
16. VTC Biomedical Research Expansion: The project is substantially complete and the total cost is expected to be \$89.696 million. The project may be closed and financial accounts terminated when final invoices are received and paid.
17. Gas-Fired Boiler at the Central Steam Plant: This project is substantially complete and the total cost is expected to be \$8.2 million. The project may be closed and financial accounts terminated when final invoices are received and paid.
18. Acquisition: Falls Church Property: This project was established to acquire the fee simple title to the 5.33 acres currently leased from and owned by the City of Falls Church for a net cost of \$2.85 million. The exercise date is calendar year 2021, and the university is working with the City of Falls Church on this transaction.

Capital Outlay Projects Authorized as of December 31, 2020 (Continued)

Dollars in Thousands

PROJECT INITIATED	FISCAL YEAR ACTIVITY		TOTAL PROJECT BUDGET					
	ANNUAL BUDGET	YTD EXPENDITURES	STATE SUPPORT	NONGENERAL FUND	REVENUE BOND	TOTAL BUDGET	CUMULATIVE EXPENDITURES	
AUXILIARY ENTERPRISE PROJECTS								
<u>Design Phase</u>								
Student Wellness Improvements	Jun 2016	\$ 10,000	\$ 66	\$ -	\$ 13,310	\$ 44,690	\$ 58,000	\$ 5,110 (1)
Planning: Tennis Center Improvements	Aug 2016	584	69	-	809	-	809	294 (2)
Dietrick First Floor and Plaza Renovation	Sept 2017	2,000	23	-	5,000	3,300	8,300	923 (3)
Planning: Slusher Hall Replacement	Jun 2018	10	9	-	3,500	-	3,500	1,264 (4)
Global Business & Analytics Complex Residence Halls	Jun 2019	1,100	-	-	-	84,000	84,000	1,269 (5)
New Upper Quad Residence Hall	Jun 2019	3,500	701	-	-	40,000	40,000	1,535 (6)
<u>Construction Phase</u>								
Maintenance Reserve	On-going	15,000	6,884	-	15,000	-	15,000	6,884 (7)
Creativity & Innovation District LLC	Oct 2016	44,000	25,314	-	15,880	89,620	105,500	72,016 (8)
<u>Close-Out</u>								
Lane Substation Expansion	Sept 2015	17	17	-	2,000	4,500	6,500	3,781 (9)
Student-Athlete Performance Center	Mar 2018	8,400	7,158	-	20,417	-	20,417	18,256 (10)
Athletics Weight Room Renovation & Expansion	Aug 2018	2,000	1,674	-	4,500	-	4,500	3,912 (11)
TOTAL AUXILIARY ENTERPRISE PROJECTS		\$ 86,611	\$ 41,917	\$ -	\$ 80,415	\$ 266,110	\$ 346,525	\$ 115,243
GRAND TOTAL		\$ 223,272	\$ 82,065	\$ 457,493	\$ 147,573	\$ 469,685	\$ 1,074,751	\$ 301,570

CAPITAL OUTLAY BUDGET (Continued)

Auxiliary Enterprise Projects

1. **Student Wellness Improvements:** The project scope and budget includes refurbishments to War Memorial Hall and McComas Hall. Whiting-Turner is the construction manager and the Guaranteed Maximum Price received July 2020 is 33% over budget. The university is developing a path forward to deliver the project within budget by adjusting the project scope.
2. **Planning: Tennis Center Improvements:** Working drawings are underway. The university may request full project authorization once planning is complete and Athletics has raised the necessary funds to complete construction.
3. **Dietrick First Floor and Plaza Renovation:** This project refurbishes the first floor of Dietrick Hall, inserting a modern food service venue, enclosing a portion of the overhang, and improvements to the outdoor plaza. The low bid received May 2020 was over budget. The university has developed a path forward to implement the improvements to Dietrick Hall with the approved budget and to seek private support for improvements to the outdoor plaza, which may be implemented separately when private support is secured.
4. **Planning: Slusher Hall Replacement:** This planning project includes completing preliminary designs for the replacement of Slusher Hall. The initial programming is over budget. The university is exploring alternative development approaches to deliver this project and the Global Business & Analytics Complex Residence Halls project.
5. **Global Business & Analytics Complex Residence Halls:** This project provides two residence halls in the northwest corner of campus with a minimum of 700 beds. The initial programming is over budget. The university is exploring alternative development approaches to deliver this project and the Slusher Hall Replacement project.
6. **New Upper Quad Residence Hall:** This project will provide the Corps of Cadets an additional 300 beds while replacing Femoyer Hall. Preliminary design is underway. A \$7 million supplement was approved at the November 2020 Board of Visitors meeting increasing the total project authorization from \$33 million to \$40 million. Working drawings are underway with pricing expected June 2021.
7. **Maintenance Reserve:** The auxiliary maintenance reserve program covers 106 assets with a total replacement value of \$1.4 billion. Projects are scheduled and funded by the auxiliary enterprises. The units prepare five-year plans that outline their highest priority deferred maintenance needs. The annual budget and total project budget reflect the spending plans of the auxiliary units on maintenance reserve work scheduled for fiscal year 2021.
8. **Creativity & Innovation District Living Learning Community (LLC):** This project is a new residential community with approximately 596 beds, including 176 beds for student-athletes, and academic collaborative spaces to support creativity and innovation programs. Construction is underway with completion expected July 2021.
9. **Lane Substation Expansion:** The project is closed and will be removed from the report at the end of the fiscal year.
10. **Student-Athlete Performance Center:** The project is substantially complete and the total cost is expected to be \$20.417 million. The project may be closed and financial accounts terminated when final invoices are received and paid.
11. **Athletics Weight Room Renovation & Expansion:** The project is substantially complete and the total cost is expected to be \$4.5 million. The project may be closed and financial accounts terminated when final invoices are received and paid.