

## CAPITAL CONSTRUCTION - OVERVIEW

### CAPITAL PROJECTS

The Legislative Assembly provided funding of \$926,506,166, an increase of \$22,160,724 from the executive recommendation of \$904,345,442, for the following capital projects:

- \$289,316,050 for major capital projects.
- \$40,436,688 for extraordinary repairs.
- \$572,685,487 for other projects (including \$5,407,075 for ConnectND bond payments; \$2,028,286 for Department of Transportation GARVEE bond payments and \$510,036,190 in other capital payments for the Department of Transportation; and \$13,992,714 in water project-related bond payments and \$39,491,222 in other capital payments for the State Water Commission).
- \$22,558,741 for State Building Authority bond payments.
- \$1,509,200 for energy conservation projects.

The following schedule provides information regarding the funding sources for major capital projects and extraordinary repairs and other projects included in the executive recommendation and authorized by the Legislative Assembly:

	2007-09 Executive Recommendation		2007-09 Legislative Appropriation	
	General Fund	Special Funds	General Fund	Special Funds
Major capital projects	\$85,519,065	\$181,776,227	\$82,452,998	\$206,863,052
Extraordinary repairs	29,722,017	10,574,705	28,821,983	11,614,705
Bond payments	20,120,218	2,438,523	20,120,218	2,438,523
Energy conservation projects		1,509,200		1,509,200
Other projects	810,000	571,875,487	810,000	571,875,487
Total	\$136,171,300	\$768,174,142	\$132,205,199	\$794,300,967

In addition to the \$60 million of bonding authority authorized in North Dakota Century Code Section 61-02.1-02.1, the Legislative Assembly, in Senate Bill No. 2345, authorized the State Water Commission to issue up to \$40 million in bonds for the Red River Valley Water Supply Project. The repayment provisions of the additional \$40 million bond issuance must be the same as the \$60 million bond issuance as provided in Section 61-02.1-02.1.

### LEASE PAYMENTS

The Legislative Assembly provided funding in the budgets for the North Dakota University System, Department of Human Services, Department of Corrections and Rehabilitation, Adjutant General, State Department of Health, Job Service North Dakota, Veterans Home, Office of Management and Budget, Attorney General, State Historical Society, Parks and Recreation Department, and Research and Extension Service for 2007-09 biennium general fund lease payments for repayment of notes issued to finance capital projects.

North Dakota Century Code Section 54-17.2-23 limits the amount of lease payments paid from the general fund for a biennium to 10 percent of an equivalent one-cent sales tax. This maximum for the 2007-09 biennium is estimated to be \$22,893,398 based on the February 2007 revenue forecast for sales, use, and motor vehicle excise tax collections. The estimated general fund lease payments for the 2007-09 biennium are \$20,072,543, which is \$2,820,855 less than the legal limit of debt service.

The Legislative Assembly did not provide for any capital projects funded through bonded indebtedness that affect the bonding limit.

Please see the schedule on **CAPITAL CONSTRUCTION SCHEDULE OF LEASE PAYMENTS AND OUTSTANDING PRINCIPAL BALANCES** for additional information.