

CAPITAL CONSTRUCTION - OVERVIEW

CAPITAL PROJECTS

The Legislative Assembly provided funding of \$702,759,858, an increase of \$38,651,457 from the executive recommendation of \$664,108,401, for the following capital projects:

- \$102,224,176 for major capital projects.
- \$26,812,182 for extraordinary repairs, including energy improvement projects.
- \$573,723,500 for other projects (including \$451,162,687 for the Department of Transportation and \$100,533,764 for the State Water Commission).

The following 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:

	2001-03 Executive Recommendation		2001-03 Legislative Appropriations	
	General Fund	Special Funds	General Fund	Special Funds
Major capital projects	\$9,974,884	\$68,414,580	\$5,747,696	\$96,476,480
Extraordinary repairs and other projects	25,447,004	560,271,933	25,205,004	575,330,678
Total	\$35,421,888	\$628,686,513	\$30,952,700	\$671,807,158

The Legislative Assembly approved the executive recommendation in House Bill No. 1023 to reauthorize the State Water Commission to issue \$62.3 million in bonds for water and flood control projects originally authorized by the 1999 Legislative Assembly (Senate Bill No. 2188). In addition, the Legislative Assembly authorized the issuance of an additional \$10.5 million in bonds for new flood control projects. Therefore, the Legislative Assembly provided funding of \$72.8 million for statewide water development projects in the following cities:

- Grand Forks - \$34 million.
- Devils Lake - \$25 million.
- Grafton - \$4.8 million.
- Wahpeton - \$3.5 million.
- Fargo - \$5.5 million.

STATE FACILITY ENERGY IMPROVEMENT PROGRAM

North Dakota Century Code Section 54-44.5-08 (1999 Senate Bill No. 2312) establishes the state facility energy improvement program and provides that all state agencies and institutions should, with the assistance of the Office of Management and Budget, identify capital improvements which may result in energy savings. Those capital improvement projects, which are selected to be implemented, are financed with the resulting savings in energy costs.

The Legislative Assembly approved the executive recommendation to authorize a total of \$4,740,483 for state facility energy improvement program capital improvements. However, the state agencies and institutions receiving energy improvement project authorization are to monitor the resulting energy savings and the cost-effectiveness of the projects and report to the 2003 Legislative Assembly House and Senate Appropriations Committees pursuant to Section 7 of Senate Bill No. 2023. The following are the state agencies and institutions with energy-saving improvement projects and the authorized funding sources:

	General Fund	Special Funds (Bonding)
Office of Management and Budget	\$27,710	
University of North Dakota		\$3,990,785
North Dakota State University		296,348
Department of Corrections and Rehabilitation	73,040	
Department of Transportation		352,600
Total	\$100,750	\$4,639,733

LEASE PAYMENTS

The Legislative Assembly approved the executive recommendation to provide funding in the budgets for the North Dakota University System, Department of Human Services, Department of Corrections and Rehabilitation, and Adjutant General for the 2001-03 biennium general fund lease payments for repayment of notes issued to finance capital projects. Previously, the funding for the general fund lease payments was appropriated to the Industrial Commission. Please see the schedule on **"CAPITAL CONSTRUCTION LEASE PAYMENTS AND OUTSTANDING PRINCIPAL BALANCES."**

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. The Legislative Assembly clarified the statute to provide that the computation for the authorized general fund lease payments for

a biennium must be based on the projected sales, use, and motor vehicle excise tax collections presented to the Legislative Assembly at the close of the most recently adjourned regular legislative session. This maximum for the 2001-03 biennium is \$16,444,680 based on the March 2001 revenue forecast for sales, use, and motor vehicle excise tax collections. The estimated general fund lease payments for the 2001-03 biennium are \$15,786,425, which is \$658,255 less than the legal limit of debt service.

WORKERS COMPENSATION BUREAU BUILDING

House Bill No. 1266 (1999) provided a continuing appropriation to the Workers Compensation Bureau of moneys in the workers' compensation fund for the purchase of a building and property to house its operation. The 2001 Legislative Assembly, in House Bill No. 1024, provided that the Industrial Commission at the request of the Workers Compensation Bureau may issue and sell bonds for the purchase of land and the construction of a new facility to house its operations. The 2001 Legislative Assembly also provided that if a new Workers Compensation Bureau facility is built, the facility should be built to include rental space for other state agencies.