

CAPITAL CONSTRUCTION - SUMMARY OF KEY RECOMMENDATIONS

CAPITAL PROJECTS

The executive recommendation includes a total of \$690,990,721 for the following capital projects:

- \$112,441,357 for major capital projects.
- \$20,474,084 for extraordinary repairs.
- \$558,075,280 for other projects (including \$438,012,365 for the Department of Transportation and \$98,168,213 for the State Water Commission).

The funding sources for major capital projects and extraordinary repairs and other projects are as follows:

	General Fund	Special Funds
Major capital projects	\$3,397,129	\$109,044,228
Extraordinary repairs and other projects	25,348,427	553,200,937
Total	\$28,745,556	\$662,245,165

The executive budget, in Senate Bill No. 2022, authorizes the State Water Commission to issue up to \$60 million in bonds for water and flood control projects during the 2003-05 biennium.

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 executive recommendation includes a total of \$3,134,517 for state facility energy improvement program capital improvements. The following are the state agencies and institutions with qualifying energy-saving improvement projects and the recommended funding sources:

	General Fund	Special Funds (Bonding)
University of North Dakota		\$1,951,214
North Dakota State University		1,077,977
Department of Corrections and Rehabilitation		105,326
Total	\$0	\$3,134,517

LEASE PAYMENTS

The executive recommendation includes a total of \$15,985,849 from the general fund for 2003-05 biennium lease payments for repayment of notes issued to finance capital projects. Funding is included in the budgets for the North Dakota University System, Department of Human Services, Department of Corrections and Rehabilitation, Adjutant General, State Department of Health, and Job Service North Dakota.

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 2003-05 biennium is estimated to be \$17,386,400 based on projected sales, use, and motor vehicle excise tax collections included in the 2003-05 executive budget.

Please see the schedule on capital construction lease payments and outstanding principal balances for additional information.