

Capital Budgeting

CAPITAL CONSTRUCTION

Capital Construction includes small and large projects. The projects are for construction, buying land or buildings, and planning. Projects costing over \$500,000 are called Major Construction and Acquisition projects. These projects must be approved by the Legislature in separate appropriation bills before an agency may spend money on it.

The small projects are called Capital Improvements. These cost less than \$500,000 and the Legislature does not have to approve each project. Capital Improvements may be found within an agency's operating budget request. They are not reviewed in a separate appropriation bill.

The following tables show the major projects proposed by the Governor for the 2003-05 biennium. They also show projects needed during the four years in the next two biennia. This six years of projects is known as the "six-year plan." This plan is required by Oregon law (Oregon Revised Statute 291.224) to be in the Governor's recommended budget.

The recommended Major Construction and Acquisition projects will be in two appropriation bills. One bill will be for the Oregon University System. Another bill will be for the rest of state government.

This budget will pay for projects with General Fund, Other Funds, and Federal Funds. General Fund moneys are mostly from income taxes. Other Funds are moneys dedicated by the Oregon Constitution or law. Other Funds consist of revenues such as taxes on fuels, bond proceeds, and gifts, grants, and donations. Federal Funds are moneys from the U.S. Government to pay for specific projects such as armories, fish hatcheries, and airport improvements. Important investments in this budget will:

- Improve Oregon University System facilities.
- Make improvements to state office buildings and add facilities.
- Make improvements to state airports.