What is a capital project?

- Construction of a new facility or significant, long-term renewal improvements to an existing facility.
- A capital project using general obligation bonds has a useful life of at least 13 years and typically requires the involvement of an architect and/or engineer.
- Costs for ordinary repair and routine maintenance work necessary to keep a facility or asset in useful condition for its function and occupants are included in the operating budget and NOT the capital budget. This type of work maintains or preserves the usefulness of an asset rather than changes or significantly improves it. Usually, repairs or maintenance can be done by agency trades staff or by private contractors and generally there is no need for an architect or engineer.

Classification of capital projects

- **Preservation** projects maintain, preserve and extend the life of existing state facilities and assets and do not significantly change the program use of the facility. Examples include renovating building systems and finishes, upgrading utility systems, and repairing streets and parking lots.
- **Program** projects primarily achieve a programmatic goal, such as changing or improving an existing space to meet new program requirements or creating a new facility or asset through construction, lease, and/or purchase. Projects significantly renovate existing facilities.

Minor Works Projects

- Single-line appropriations that include multiple projects values between $25,000 and $2M
- Similar in nature
- Projects that will be completed in the biennium

NOT Minor Works Projects

- Work on a phase of a larger project
- Work that, if combined over a continuous period of time, would exceed $2M
- Supplemental funding for projects with funding shortfalls
- Studies –except for technical or engineering reviews or designs that lead directly to and support a project on the same minor works list.
- Planning activities
- Moving expenses
- Land or facility acquisition
- Design outside the scope of work on a minor works list
- Moveable, temporary and traditionally funded operating equipment not in compliance with the criteria 4.2 – detail of allowable and non-allowable uses of bond funds.
- Software not dedicated to control of a specialized system (HVAC).