

## THE CAPITAL BUDGET

### INTRODUCTION

Capital expenditures are costs that the County incurs while building permanent facilities such as schools, libraries, fire stations, and roads. These expenses are programmed in the Capital Improvement Program (CIP), which is the County's plan for constructing capital facilities during the next six years. The CIP provides a detailed, year-by-year schedule of all planned construction projects and the annual spending and financing requirements of each project.

The Capital Budget consists of expenditures to be made in the first year of the Capital Improvement Program and provides the appropriation authority to spend the funds needed to initiate or continue work on capital projects during the budget year. By serving as a vehicle for implementing the County's long-range physical development goals and policies, the Capital Budget is the framework within which all County development activities occur, whether it be for constructing new facilities or extending the usable life of existing facilities.

Since capital facilities provide benefits over a long period of time, the County normally spreads out their costs, paying for them through general obligation bonds and other forms of long-term indebtedness. This ensures that capital costs are not borne solely by today's taxpayers, but that future beneficiaries of capital projects also help to pay for them.

### FY 2005 Capital Budget

The FY 2005 Capital Budget consists of 320 projects at a total cost of \$463.7 million. When subtracting the \$128.1 million associated with Maryland-National Capital Park and Planning Commission projects, the \$13.0 million associated with the Redevelopment Authority, and \$15.9 million associated with Industrial Development Authority, the County's portion of the capital budget amounts to \$306.7 million. The amount of County general obligation bonds programmed for sale in FY 2005 to support capital budget expenditures is \$109 million.

The County's FY 2005 Capital Budget includes new project initiations for the school system and the County. Funds are included to replace a high school, and to construct additions to six high schools. At the elementary level, the capital budget contains construction funds for three new elementary schools. Also included are funds for various systemic renovation projects. Major County projects include the Oxon Hill Library Renovation, the Detention Center Expansion, the Duvall Wing Courthouse renovation, and the Marbury Wing Courthouse addition. Also funded are portions of over fifty road and bridge improvement projects. As well, the Capital Budget includes projects that will maintain the County's building stock and infrastructure by providing funds for large repair items, road resurfacing, and curb and sidewalk repairs.

Capital projects are not usually completed in a single fiscal year, and the funds contained in the Capital Budget customarily support only a particular phase of a project, such as design, land acquisition, or construction. Medium and large projects can take two to three years to complete and are incorporated in the County's six-year Capital Improvement Program.

### FY 2005-2010 Capital Improvement Program

The FY 2005-2010 Capital Improvement Program consists of 430 projects at a total cost of just over \$1.4 billion, including projects for the Maryland-National Capital Park and Planning Commission, and the Redevelopment, Revenue, and Industrial Development Authority.

A summary of the FY 2005-2010 Capital Improvement Program showing expenditures by agency or program follows.

### FY 2005 Capital Budget Expenditures

The education and health portion of the Capital Budget comprises \$125.6 million, or 27.1% of the total. Included in this category is funding for the Board of Education, the Prince George's Community College, the Prince George's Memorial Library, and the Health Department. Projects in this category include the rehabilitation and expansion of current facilities, and the design and construction of new schools. Funds going to the public school