
CAPRA SUMMARY REPORT

Capital Asset Preservation and Replacement Account
For Calendar Year 2022

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Cost to prepare this report: \$800

Reporting requirements

Minnesota Statutes 16A.632, subd. 4, requires that the Commissioner of Administration submit:

- A list of the projects in each agency funded from the Capital Asset Preservation and Replacement Account (CAPRA) during the preceding calendar year; and
- A list of priority projects for which a CAPRA appropriation will be sought.

Funding summary

The amount of bond proceeds appropriated to the CAPRA program is quite limited relative to the overall, urgent asset preservation needs of the state. Consequently, CAPRA funding is managed only to provide rapid financial assistance to agencies for emergencies and unanticipated hazardous material abatement needs. In doing so, the program aims to minimize the negative impact of facilities-related emergencies and unanticipated conditions on the delivery of services and programs by state agencies.

Since CAPRA's creation in 1990, \$104.5 million has been appropriated for projects. Examples of CAPRA-funded projects include asbestos and lead abatement, emergency roof and pipe repair, and replacement of failed air conditioning, boilers, and water heater units. As of January 1, 2022 the following appropriation is available for CAPRA projects:

- \$0 remains in the appropriation in fiscal year 2018 (Laws 2018, Article 1, Chapter 214, Section 12, Subdivision 2)
- \$3.948 million remains in the appropriation in fiscal year 2020 (Law 2020, 5th Special Session, Article 1, Section 12, Subdivision 2)

A total of \$2,060,851 was expended in calendar year 2022 (CY22), as follows:

- \$1,440,634 from 2020 Appropriation
- \$ 620,217 from 2018 Appropriation

The current unspent balance in the CAPRA program is \$3,948,604; the current unencumbered balance is \$3,948,604; Of the unencumbered balance \$893,291 is committed to specific projects, leaving a balance of \$3,055,313; available for any new emergencies that arise. It should be noted, however, that urgent CAPRA requests often arise in the early part of the calendar year.

History of the account

CAPRA has been appropriated sporadically since 2002:

- 2020: \$4.5 million
- 2018: \$5 million
- 2017: \$5 million
- 2014: \$1 million
- 2012: \$1 million
- 2011: \$2.83 million
- 2010: \$2 million
- 2008: \$3.4 million
- 2006: \$4 million
- 2005: \$3 million
- 2002: \$14 million

Asset preservation has become an increasingly important challenge for state agency operations. Adequately maintaining state facilities is imperative to support the efficient and effective delivery of services and programs to our customers, the people of Minnesota. In particular, the lack of adequate funding to complete regular, planned preventative maintenance to state-owned properties increases the likelihood that CAPRA and agency asset preservation funds must be used to fix broken items rather than proactively maintain optimal building conditions.

Future considerations

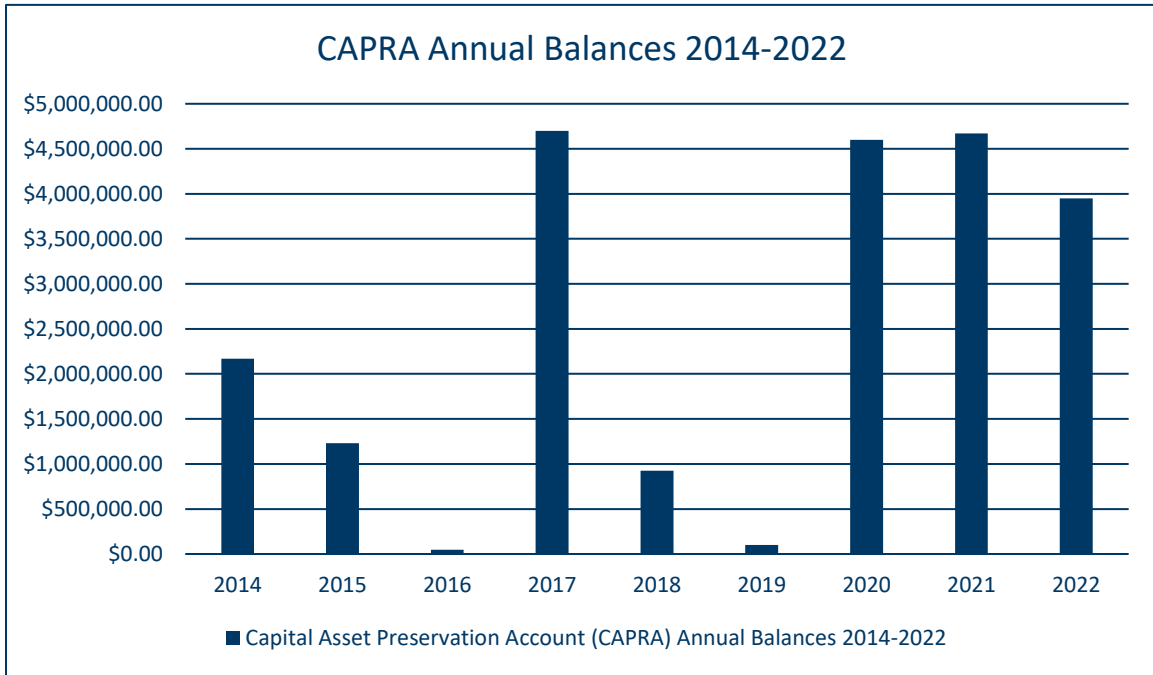
Admin typically requests CAPRA funds during legislative bonding sessions (even-numbered years). In 2016, the Governor recommended \$2.5 million for 2016 and each subsequent biennium to replenish the account.

However, no capital investment legislation was enacted and no CAPRA appropriations were made in 2016. In 2017, 2018, and 2020 the Governor recommended, and the legislature enacted, a \$14.4 million appropriation to CAPRA. Currently all CAPRA funds appropriated in 2017 and 2018 have been committed to projects.

The state has an \$1.89 billion in deferred maintenance backlog for state-owned properties and a \$2.65 billion need to keep up with aging systems over the next 10 years for a total asset preservation need of \$4.14 billion.

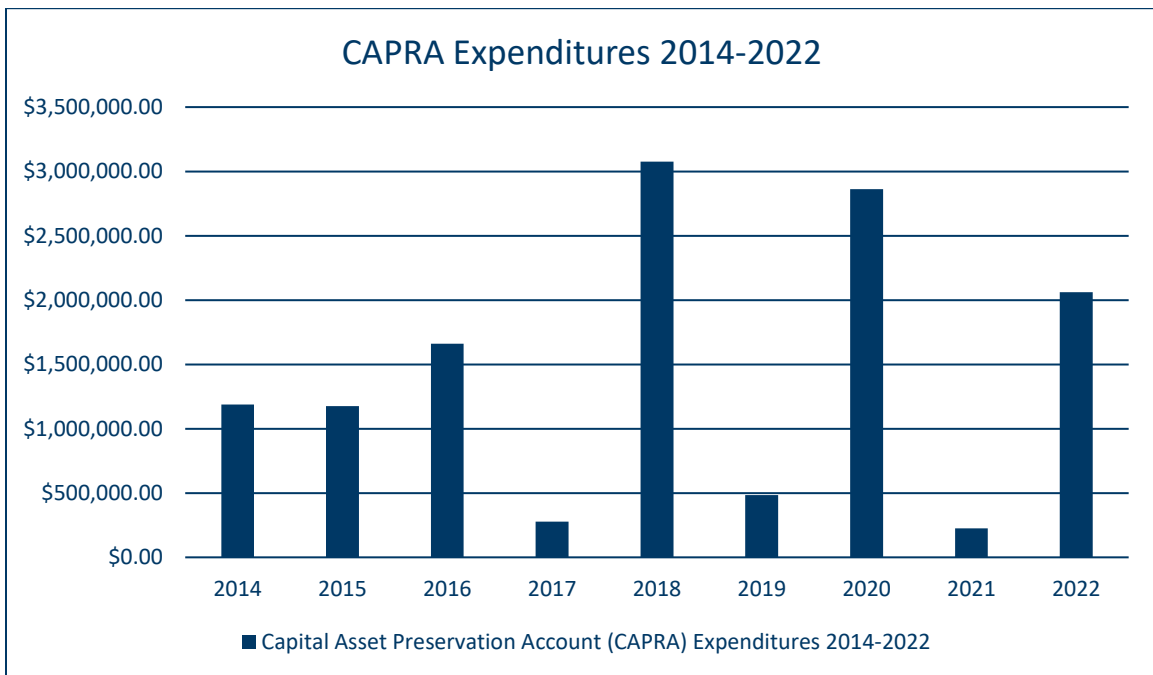
Agency requests for asset preservation have historically been funded at levels lower than recommended by the Governor. Chronic underfunding of asset preservation and irregular appropriation amounts make it difficult to efficiently plan for and keep up with routine maintenance, and increases the potential for emergency repairs, unsafe conditions, and lost asset value.

Table 1: CAPRA Annual Balance 2014-2022



2014: \$2,167,979	2017: \$4,700,00	2020: \$4,600,850
2015: \$1,230,990	2018: \$925,292	2021: \$4,670,979
2016: \$47,743	2019: \$100,850	2022: \$3,948,605

Table 2: CAPRA Annual Expenditures 2014-2022



As shown in Table 2, most annual CAPRA expenditures exceeded \$2 million during any rolling two-year period. Consequently, it is vital that the fund be maintained with a significant amount of funding in order to handle future emergency requests from state agencies.

Priority projects for which funding will be sought

Since CAPRA funds are now aimed primarily at addressing emergency and unanticipated needs, it is impossible to identify or prioritize specific projects for which funding will be sought. In general, the priority for CAPRA spending is as follows:

1. Emergencies of any kind
2. Hazardous material abatement
3. Non-recurring, small repair and maintenance projects

State agencies served by the CAPRA program in recent years include Admin, Corrections, Human Services, Perpich Center for the Arts, Minnesota State Academies, Commerce, and Veterans Affairs

Table 3: Projects funded in Calendar Year 2022 using the Fiscal Year 2018 appropriation (\$5 million appropriated)

Agency and Project Number	Location	Description	Amount
Administration			
02AH0002	Fleet and Surplus Services	Construct Water Sewer Connect	524,483
Agency Total			\$524,483
Veterans Affair			
75HA0051	Hastings	Repair Ceiling Failure Bldg 20	48,885
Agency Total			\$48,885
Corrections			
78SW0079	Stillwater	Abatement Lead	46,849
Agency Total			\$46,849
Grand Total-All Agencies			\$620,217

Table 4: Projects funded in Calendar Year 2022 using the Fiscal Year 2020 appropriation (\$4.5 million appropriated)

Agency and Project Number	Location	Description	Amount
Administration			
02AH0002	Fleet and Surplus Services	Construct Water Sewer Connect	78,673
Agency Total			\$78,673
Veterans Affair			
75HA0051	Hastings		182,995
Agency Total			\$182,995
Corrections			
78SW0079	Stillwater	Abatement Lead	23,495
Agency Total			\$23,495
IRRRB			
43EV0006	Eveleth	Repair Roof and Foundation	601,850
Agency Total			\$601,850
Amateur Sports Commission			
9DBE0001	Blaine	Replace Chiller and Lift Station	553,621
Agency Total			\$553,621
Grand Total-All Agencies			\$1,440,634