

Capital Investment Fiscal Overview

Presented by:

Hannah Grunewald Noeldner

Fiscal Analyst

hannah.grunewald.noeldner@mnsenate.gov

651-296-2727

Legislative Tracking Spreadsheets

- **What is tracked?**
 - Dollar amount and source of funding for each project;
Organized by agency
 - Any additional debt service above what has been forecasted by MMB
 - Cancellations & Extensions
- **When is tracking publicly available?**
 - Gov Recs
 - Gov Revised Recs
 - As bonding bill is presented to committee, Finance, and floor

2023 Capital Budget - Laws 2023 Chapters 71 & 72

All figures in thousands 000's

	Fund	Ch. 72 (H#669)	Ch. 71 (HF670)
1 University of Minnesota			
2			
3 Higher Education Asset Preservation and Replacement (HEAPR)	GO	43,350	
5 Fraser Hall Chemistry Undergrad Teaching	GO	92,600	
6			
7 Agency Total		135,950	-
8 Minnesota State			
9			
10 Higher Education Asset Preservation and Replacement (HEAPR)	GO	44,733	
12 MSU Moorhead - Weld Hall	GO/UF	23,099	
14 Inver Hills CC - Technology and Business Center	GO/UF	22,025	
16 Minneapolis College - Management Education Center	GO/UF	20,457	
18 Pine Technical and CC - Technical Trade Labs Renovation	GO/UF	21,468	
19 Saint Paul College - Academic Excellence Renovation Design	GO/UF	1,671	
21 Vermillion CC - Classroom Building Design and Renovation	GO/UF	3,633	
23 Central Lakes College - Classroom Building Design and Renovation	GO/UF	11,591	
24 Northland CTC - Effective Teaching and Learning Labs	GO/UF	3,282	
25 MSU Mankato Armstrong Hall Replacement	GO/UF	8,460	
27 Winona State University - Center for Interdisciplinary Collab.	GO/UF	4,866	
28 Lake Superior College - Integrated Manufacturing Labs	GO/UF	8,316	
30 Metropolitan State University - Cyber Security Lab	GO/UF	5,196	
32 Alexandria TCC - Transportation Repositioning Design	GO/UF	955	
39 Rochester CTC - Heintz Center Design	GF	1,347	
43			
44	GO	134,746	-
45	UF	45,006	-
47 Agency Total		181,099	-
48 Department of Education			
49			
50 Library Construction Grants	GO	4,000	
52			
53 Agency Total		4,000	-
54 Minnesota State Academies			
55			
56 Asset Preservation	GO	1,200	
58 Dorm Renovations & Predesign	GO	7,837	
62			
63 Agency Total		9,037	-

Capital Investment – Funds in tracking

- **GO:** General Obligation Bonds

- Debt service paid from the GF

- **GF:** General Fund

- **UF:** User Finance

- UMN and MinnState are expected to cover 1/3 of the costs of each project (excluding HEAPR).
 - UMN issues own bonds to pay for their 1/3.
 - MinnState pays their 1/3. (Authorized full amount in bill; MMB assesses the system for the 1/3 amount).
 - The U and MinnState's 1/3 shares are not counted towards GO total in tracking, does not impact final debt service figure.

- **GO/TF:** Transportation Fund

- counts toward GO debt
- Different from Trunk Highway Bonds – tracked in Transportation Committee

- **AP:** Appropriation Bonds

Total - General Obligation (Excludes TF, Max Effort)	GO	1,298,235	-
Total - GO / TF (Transportation Fund is GO Debt)	GO/TF	219,214	-
Total - User Financing	UF	45,006	-
Total - General Fund	GF	224,900	850,655
Total		1,787,355	850,655
General Fund Supported GO Debt (GO + TF + MAX)		1,517,449	-

- **MMB assumes the size of bonding bills each forecast for the current year and future years**
 - Historically based on average size of GO bonds authorized in capital budgets over the past 10 years
 - Assuming a larger bill in even-numbered years and smaller bill in odd-numbered years
 - Bill size assumptions follow three debt guidelines
- **November 2024 Forecast** – assumes a \$790M GO bonding bill during the 2025 legislative session
 - \$1.01B in subsequent even-numbered years
 - \$165M in subsequent odd-numbered years
- **Governor’s Recs (Jan. 16, 2025)** – assumes a \$790M GO bonding bill in tracking data, detailed capital budget to be released

Debt Service

Debt Service in Forecast

- Nov. 2024 Forecast includes debt service needed for a \$790M GO bill passed this year
- Any amount authorized above \$790M would be an additional general fund cost to debt service

2023 Capital Budget - Laws 2023 Chapters 71 & 72

All figures in thousands 000's

	Fund	Ch. 72 (HF669)	Ch. 71 (HF670)
941 Debt Service Schedule (amounts compared to Feb 23 Forecasted Base)			
942 <u>General Obligation Debt Service</u>			
943 FY 2024		9,527	
944 FY 2025		30,282	
945 FY 24/25 Biennium		39,809	
946 FY 2026		46,923	
947 FY 2027		51,095	
948 FY 26/27 Biennium		98,018	
949			
950 Net General Fund Impact			
951 <u>General Obligation Debt Service</u>			
952 FY 2024		234,427	810,050
953 FY 2025		30,282	
954 FY 24/25 Biennium		264,709	810,050
955 FY 2026		46,923	
956 FY 2027		51,095	
957 FY 26/27 Biennium		98,018	
958	Net Total Cash both bills FY24-25		1,074,759
959	Net Total Cash both bills FY26-27		98,018

960 *** In addition to the General Fund refunds, there is a loss of \$30,000 to Legacy Fund revenue in FY24-25.

- **Cancellation Report** (January 17, 2025), reported by MMB
 - Includes the GF and GO amounts authorized more than 4 years before January 1, 2025, which are expected to cancel on July 1, 2025.
 - Unless specifically reauthorized/extended by the legislature
- **GF cancellation amount:** \$4.014M
- **GO cancellation amount:** \$30.26M
- Cancellation amounts will be tracked in legislative tracking
- Extensions will also be tracked in legislative tracking given a new budget rule

Capital Investment

More information:

- Spreadsheet tracking: <https://www.senate.mn/tracking/2025>
- Fiscal Reviews:
<https://www.senate.mn/departments/scr/report/index.html>
- Contact info:
Hannah Grunewald Noeldner
Fiscal Analyst
hannah.grunewald.noeldner@mnsenate.gov
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