

UNIVERSITY OF MINNESOTA

Crookston • Duluth • Morris • Rochester • Twin Cities

University Services
Office of the Vice President

*308 Morrill Hall
100 Church Street Southeast
Minneapolis, MN 55455
612-327-2729*

To: Senate Capital Investment Committee

From: Alice Roberts-Davis, Vice President for University Services *ARD*

Date: 5/7/2025

Re: 2025 University of Minnesota Capital Request

Chair Sandra Pappas, Vice Chair Susan Pha, Ranking Minority Member Karin Housley and members of the Committee:

Thank you for scheduling time in your committee meetings this session to learn more about the University's capital investment priorities. The February 11 Agency Panel on Deferred Maintenance helped set the stage for our formal capital request presentation on February 18, when President Rebecca Cunningham and I outlined the challenges we're facing due to declining campus condition, and how essential HEAPR funding is to properly stewarding and extending the life of buildings.

We recognize the challenging fiscal realities facing the State as conversations continue on the size and scope of the bonding bill. Higher education was historically the largest recipient of state bond funding, receiving approximately one-third of the bill through the 1990s and early 2000s. That figure has declined to less than 10% in the last two bonding bills (2020 and 2023). We have been heartened by our conversations with Chair Pappas' and other legislators this year who recognize this troubling trend, and their interest in helping to reverse it. As a reminder, it would take approximately \$75 million in HEAPR funding for the University to complete a significant project on each of our eligible system campuses.

There is increasing risk in not reinvesting in the University's physical plant. More than half of our buildings are over 50 years old. Almost 9 million square feet (1/3 of total campus space) are in poor or critical condition according to our recently completed Facilities Condition Assessment. We cannot recruit, retain and graduate the best students to fill Minnesota's most acute workforce challenges unless we provide them with learning spaces that fully prepare them for modern careers. When students choose schools with superior facilities, our enrollment declines, and the future state workforce suffers. Once a student leaves the state for college, it is unlikely they will ever return.

The Board of Regents places a high priority on not just maintaining what we have, but also looking to future needs for the University and the state. Through the Future of Advanced Agricultural Research in Minnesota (FAARM) project, Senate File 1263, we are aiming to combine agricultural research efforts across our institution with other industry and higher education partners to grow public/private partnerships towards clear goals: enhanced knowledge around agricultural systems with more economic and sustainable production for a hungry world. State investment in FAARM's project design would be a strong signal of commitment to agricultural research and innovation development in Minnesota.

As a public entity, we rely on the State to be a major partner in our work. We know that our mutual success depends on it. The University of Minnesota system directly or indirectly supports more than 89,000 jobs throughout the State of Minnesota, and our most recent Economic Impact Report shows that the University contributes ~\$11.5 billion annually to Minnesota's economy.

When we receive state funding, we put it to good use—and we're poised to do the same in 2025. Our track record has been to spend or encumber about 90% within two years of the bill. As reported in January, 85% of the 2023 appropriation has already been allocated to critical renewal projects. It's evident that capital investment is good for the local economy too, as these recently funded projects have supported hundreds of vendors across the state with 90% of expenditures going back into Minnesota companies.

Thank you for your support and consideration of our capital requests. We look forward to inviting the committee to campus this Fall to celebrate the new chemistry undergraduate teaching facility, Fraser Hall, the latest great example of partnership with the State of Minnesota.