



DEPARTMENT OF
ADMINISTRATION

Asset Preservation Summary Report

Calendar Year 2025

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Date: January 15, 2026

To: Erin Campbell, Commissioner, Minnesota Management & Budget
Legislative Committee Chairs, per M.S. 16A.632, subd. 4 (distribution list attached)

From: Tamar Gronvall, Commissioner

RE: Asset Preservation (AP) Summary Report for Calendar Year 2025

Pursuant to Minnesota Statutes 16B.307, Subdivision 2, enclosed is the Asset Preservation (AP) Summary Report. This report is a list of projects funded by AP appropriations during calendar year 2025.

cc: Governor Tim Walz
Legislative Reference Library

AP Summary Report Distribution

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Reporting Requirements

Minnesota Statutes 16B.307, subdivision 2, states that the commissioner of an agency that has received an appropriation for asset preservation (AP) shall submit:

- A list of the projects in each agency funded from Asset Preservation appropriations during the preceding calendar year; and
- A list of priority projects for which an AP appropriation will be sought.

Deferred Maintenance Backlog

Background

The Department of Administration (Admin) maintains a database of approximately 6,100 state-owned buildings as required by Minnesota Statutes §16A.633. Admin's Enterprise Real Property Program (ERPP) was established by the legislature to support consistent statewide inventory, condition assessment, and strategic management of state-owned real property assets.

Forecast Methodology and Estimates

The State's forecasted facility backlog reflects multiple estimates developed using different methodologies and should not be viewed as additive except where noted. Current Adjusted Deferred Maintenance (ADM)—defined as building systems in Poor or Crisis condition requiring correction to return facilities to Fair or better condition—is estimated at \$1.59 billion. Using an updated, Minnesota-specific model based on historical facility condition data and current inflation assumptions, the State estimates that \$1.73 billion over the next ten years is required to eliminate the ADM backlog. Agencies have also reported approximately \$3.46 billion in future Renewal and Replacement needs; however, these figures were developed using legacy methodologies and older national assumptions and are not directly comparable to ADM estimates. For purposes of assessing current building condition and near-term capital needs, the ADM and ten-year ADM elimination estimates provide the most reliable measures.

Please note that the above amounts do not include the deferred maintenance and asset preservation needs at Minnesota Department of Transportation (MnDOT), Minnesota State (formerly MnSCU) and the University of Minnesota (UMN), which are tracked and reported separately.

Cost of Delay

ERPP data demonstrates that delayed reinvestment is associated with significantly higher repair costs. For example, the average deferred maintenance cost per building system is approximately \$57,000 when a system is rated in Fair condition, compared to approximately \$196,000 when a system has deteriorated to Crisis condition. This data underscores the financial benefit of timely capital investment to prevent accelerated deterioration and higher long-term costs.

Funding Summary

In 2025, state agencies received \$50,260,000 in asset preservation funding from general obligation bonds and no asset preservation funding from the general fund in the 2025 bonding bill.

Admin receives and manages asset preservation appropriations on behalf of other state agencies that operate state-owned facilities.

The following tables summarize asset preservation funds appropriated in 2023 and 2025 that were expended on projects during calendar year 2025.

Table 1: Projects Funded in Calendar Year 2025 using the Fiscal Year 2023 Appropriation

Agency and Project Number	Location	Description	Amount
Corrections			
78FA0088	Faribault	Replace Damaged Solar Array	350,000
78FA0098	Faribault	Upgrade Make Up Air (MUA) Coil	42,960
78LL0054	Lino Lakes	Replace High Voltage Cabling	42,771
78LL0061	Lino Lakes	Upgrade Cooling Equipment	350,654
78LL0064	Lino Lakes	Upgrade Fire Alarm Campus Wide	64,450
78OP0041	Oak Park Heights	Upgrade Phone System	50,000
78RC0037	Rush City	Replace Water Heaters	2,438
78RC0040	Rush City	Upgrade Cooler Mechanical	7,916
78RC0042	Rush City	Upgrade Roofing	700,264
78RC0044	Rush City	Upgrade HVAC Hangers	157,380
78RC0046	Rush City	Heat Pump Upgrades	61,600
78RW0049	Red Wing	Reroof Knox Building	120,000
78RW0052	Red Wing	Repair Concrete	150,944
78SC0083	St. Cloud	Upgrade Utility Connection	216,194
78SC0085	St. Cloud	Roofing Replacements	193,306
78SC0086	St. Cloud	Install Fire Suppression	325,000
78SC0087	St. Cloud	Repair Sprinkler Flood	750,000
78SC0088	St. Cloud	Repair HVAC Controls	26,450
78SH0054	Shakopee	Emergency Boiler Replacement	101,725
78TH0045	Togo	Upgrade Siding & Roofing	366,108

Agency and Project Number	Location	Description	Amount
	Shakopee, Oak Park Heights, Faribault, St. Cloud, Moose Lake	Replace Duct Hanger Deficiencies	492,846
78VA0011	Willow River	Resurface Shower Room Floor	205,000
78WR0017	Willow River	Upgrade Generator	5,000
78WR0018	Willow River	Update Arc Flash Plans	17,200
78WR0019	Willow River	Upgrade Security & ADA	100,000
78WR0020			
Corrections Total			\$4,900,206
Direct Care and Treatment			
51AK0001	Anoka	Repair Fence, Window Screen Building D1	31,600
51AK0002	Anoka	Repair Concrete	63,500
51AK0003	Anoka	Rebuild 2 Chillers	288,600
51BR0001	Brainerd	Design Tuckpoint/Window Building	90,000
51BR0002	Brainerd	Replace Pneumatic HVAC Control	300,000
51BR0003	Brainerd	Remodel Bathroom Building 21	100,000
51BR0004	Brainerd	Roof Replacement Building 21	1,140,000
51ML0001	Moose Lake	Replace Building Management System	628,000
51ML0002	Moose Lake	Window Replacement	250,000
51ML0003	Moose Lake	Shower Replacement	1,000,000
55BR0022	Brainerd	Replace Window/Tuckpoint, Building 20, 21, 22	179,848
55BR0030	Brainerd	Replace Water Mains, Building 21	17,000
55SR0163	St. Peter	Replace AC and Windows	4,557
55SR0175	St. Peter	Replace Lower Generator	150,000
Direct Care and Treatment Total			\$4,243,105
Minnesota State Academies			
44DA0048	Deaf Academy	Replace Freezer	25,000
44DA0049	Deaf Academy	Install Therapy Pool Lift	38,148
44DA0050	Deaf Academy	Repair Tate Hall Cupola	66,515
44DA0051	Deaf Academy	Replace Wilkins Hall Water Heater	15,183
44FA0035	Faribault	Repair Building Management System	204,290
44FA0036	Faribault	Repair Emergency Generator	25,000
44FA0037	Faribault	Repair Emergency Boiler	56,000
State Academies Total			\$430,136
Perpich Center for Arts Education			
25GV0039	Golden Valley	Exterior Dorm Panels Sealing	38,393
25GV0040	Golden Valley	Elevator Repair	34,000
25GV0041	Golden Valley	Remove Asbestos	41,980
25GV0044	Golden Valley	Sidewalk Replacement	33,000
25GV0046	Golden Valley	Asphalt Milling and Overlay	132,460
Perpich Total			\$279,833

Agency and Project Number	Location	Description	Amount
Veterans Affairs			
75HA0039	Hastings	Repair HVAC Building 30	25,500
75HA0052	Hastings	Replace Fire Doors	31,903
75HA0061	Hastings	Replace Boiler #3	400,000
75LF0010	Little Falls	Replace Flooring & Wall Finishes	8,370
75LF0014	Little Falls	Replace Exterior Doors Maintenance Building	125,000
75LN0021	Luverne	Replace Fire Doors	50,000
75LN0022	Luverne	Upgrade Digital Controls	50,000
75LN0023	Luverne	Update Main Office Security	26,800
75LN0024	Luverne	Replace Boiler & Fuel Tank	1,500,000
75MP0106	Minneapolis	Repair Bridge 5756	92,173
75MP0113	Minneapolis	Upgrade HVAC/DDC Building 1, 2, & 10	125,000
75MP0115	Minneapolis	Replace Cooling Tower B16	26,733
75MP0116	Minneapolis	Replace Water Softener	111,000
75MP0117	Minneapolis	Replace Leaking Transformer	300,000
75PC0002	Preston Cemetery	Replace Low Voltage Lighting	115,000
Veterans Affairs Total			\$2,987,479
Grand Total All Agencies from FY23 Appropriation			\$12,840,759

Table 2: Projects Funded in Calendar Year 2025 using the Fiscal Year 2025 Appropriation

Agency and Project Number	Location	Description	Amount
Corrections			
78FA0089	Faribault	Repair Tunnel Section AD & AI	3,721,809
78FA0098	Faribault	Upgrade Make Up Air Coil	42,960
78FA0099	Faribault	Upgrade Paving for ADA	64,901
78FA0100	Faribault	Upgrade Domestic Water Filtration	1,000,000
78FA0101	Faribault	Repair Broken Water Main	25,500
78LL0061	Lino Lakes	Upgrade Cooling Equipment	618,995
78ML0098	Moose Lake	Upgrade Industry Stairs	89,042
78ML0099	Moose Lake	Fire Alarm Upgrades	2,000,000
78OP0042	Oak Park Heights	Deferred Maintenance Projects	3,000,000
78RC0047	Rush City	Upgrade Sewage Grinder	35,106
78RW0048	Red Wing	Upgrade Sanitary Sewer & Gate	250,000
78SC0085	St. Cloud	Roofing Replacement	806,694
78SC0086	St. Cloud	Install Fire Suppression	1,000
78SC0087	St. Cloud	Repair Sprinkler Flood	330,000
78SC0089	St. Cloud	Upgrade Storm Water Culvert	200,000
78TH0045	Togo	Upgrade Siding & Roofing	500

Agency and Project Number	Location	Description	Amount
78SH0046	Togo	Deferred Maintenance Projects	1,250,000
78WR0020	Willow River	Upgrade Security & ADA	200,000
	Faribault & St. Cloud		
78VA0009	Cloud	Repair Water Towers	55,000
Corrections Total			\$13,691,507
Direct Care and Treatment			
51SR0001	St. Peter	Remodel Shantz Hall Showers	980,000
51SR0002	St. Peter	Upgrade Pneumatic Controls	603,293
51SR0003	St. Peter	Resurface Kitchen Wash Bay	53,890
51WI0001	Willmar	Replace AC Units and AHU Coils	83,457
55ML0027	Moose Lake	Rebuild Chillers	8,000
Direct Care and Treatment Total			\$1,728,640
Minnesota State Academies			
44BA0037	Blind Academy	Repair Condensate Pipe	6,822
44DA0049	Deaf Academy	Install FTA Lift	232,500
44DA0050	Deaf Academy	Repair Tate Hall Cupola	38,485
44DA0051	Deaf Academy	Replace Water Heater Wilkins Building	30,817
44DA0053	Deaf Academy	Replace Boiler Wilkins Building	70,000
44FA035	Faribault	Repair Building Management System	8,210
State Academies Total			\$386,834
Perpich Center for Arts Education			
25GV0038	Golden Valley	Upgrade Building Automation System	70,000
25GV0045	Golden Valley	Repair Dock Area Drainage	49,600
Perpich Total			\$119,600
Grand Total All Agencies from FY25 Appropriation			\$15,926,581

Priority Projects for New Asset Preservation Funding

State agencies have submitted their 2026 asset preservation funding requests to Minnesota Management and Budget in accordance with established capital planning processes. These requests reflect agency-identified priorities to address critical building systems, life-safety needs, and deferred maintenance across the state's facility portfolio.

The Governor will review these submissions and make funding recommendations to the Legislature for consideration during the 2026 legislative session.