



Capital Asset Preservation and Replacement Account 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: Capital Asset Preservation and Replacement Account (CAPRA)
Summary Report for Calendar Year 2025**

Pursuant to Minnesota Statutes 16A.632, Subdivision 4, enclosed is the Capital Asset Preservation and Replacement Account (CAPRA) Summary Report. This report is a list of projects funded by CAPRA appropriations during calendar year 2025.

cc: Governor Tim Walz
Legislative Reference Library

CAPRA Summary Report Distribution

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Capital Asset Preservation and Replacement Account

The Capital Asset Preservation and Replacement Account (CAPRA) is appropriated funds for the following uses:

1. Unanticipated emergencies of all kinds involving impacts to state-owned property;
2. Major projects to address life safety for existing buildings and sites, including but not limited to security, replacement of mechanical and other building systems, building code violations, or structural defects;
3. Removal or containment of hazardous substances like asbestos or PCBs;
4. Major projects to replace and repair roofs, windows, tuckpointing, and structural members necessary to preserve the exterior and interior of existing buildings; and
5. Up to ten percent of an appropriation awarded under this section may be used for design costs for projects eligible to be funded from this account in anticipation of future funding from the account.

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 limited relative to the overall asset preservation needs of the state. Specific capital bonding projects and agency operating funds are used to manage other longer-term asset preservation needs. Consequently, CAPRA funding is prioritized 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.

The CAPRA appropriation received in the 2023 legislative session (\$9 million) was the largest since 2002. Since 2002, a total of \$55.73 million has been appropriated for CAPRA 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.

A. CAPRA Funds available (as of January 1, 2026)

As of January 1, 2026, a total of \$171,508 are remaining from the following appropriations:

Appropriation Source	Amount remaining
Fiscal Year 2018	\$0
Fiscal Year 2020	\$0
Fiscal Year 2023	\$35,640
Fiscal Year 2025	\$135,868
Total Remaining	\$171,508

2018 appropriation: Laws 2018, Article 1, Ch. 214, Sec. 12, Subd. 2; 2020 appropriation: Laws 2020, 5th Special Session, Ch. 3, Art. 1, Sec. 12, Subd. 2; 2023 appropriation: Law 2023, Ch. 72, Art. 1, Sec. 12, Subd. 2; 2025 appropriation: Law 2025, 1st Special Session, Ch 15, Art. 1, Sec. 11, Subd. 2

B. CAPRA Funds expended (Calendar Year 2025)

A total of \$4,369,606 was expended in calendar year 2025, as follows:

Appropriation Source	Amount expended
Fiscal Year 2018	\$26,182
Fiscal Year 2020	\$259,719
Fiscal Year 2023	\$4,074,271
Fiscal Year 2025	\$9,434
Total Expended in FY 2025	\$4,369,606

C. CAPRA Funds remaining for future needs

The current unspent and unencumbered balance in the CAPRA program is \$171,508. Of the unencumbered balance \$0 is currently committed to specific projects, leaving a balance of \$171,508 available for any new emergencies that arise until any new CAPRA funds are appropriated by the legislature. CAPRA requests by their nature are unpredictable, although often arise in the early part of the calendar year.

History of the Account

Below is a list of CAPRA appropriations since 2002:

2025: \$1.0 million	2013: \$0
2024: \$0	2012: \$1 million
2023: \$9.0 million	2011: \$2.83 million
2022: \$0	2010: \$2 million
2021: \$0	2009: \$0
2020: \$4.5 million	2008: \$3.4 million
2019: \$0	2007: \$0
2018: \$5 million	2006: \$4 million
2017: \$5 million	2005: \$3 million
2016: \$0	2004: \$0
2015: \$0	2003: \$0
2014: \$1 million	2002: \$14 million

Asset preservation has become an increasingly significant challenge for state agency operations. Adequately maintaining state facilities is imperative to support the 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 on state-owned properties increases the likelihood that CAPRA and agency asset preservation funds must be used to bridge the gap rather than proactively maintain optimal building conditions.

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.

Future Considerations

Admin regularly requests CAPRA funds during legislative bonding sessions (even-numbered years). In 2018, the Governor recommended \$5.0 million in CAPRA funds; the legislature appropriated \$5.0 million. In 2020, the Governor recommended \$10.0 million in CAPRA funds; the legislature appropriated \$4.5 million. In 2022, the Governor recommended \$7.5 million in CAPRA funds; no capital investment legislation was enacted that year. In 2023, the Governor recommended \$9.0 million in CAPRA funds; the legislature appropriated \$9.0 million. In 2025, the Governor recommended \$1.56 million in CAPRA funds; the legislature appropriated \$1.0 million.

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 competently plan for and keep up with routine maintenance, and increases the potential for emergency repairs, unsafe conditions, and lost asset value.

CAPRA Balances and Expenditures

Table 1 below identifies the annual CAPRA balances as of January 1 on the identified years and offers a snapshot of the funds the state had available to address unanticipated building emergencies.

Table 1: Capital Asset Preservation Account (CAPRA) Annual Balances 2015-2025

Year	Annual Balance
2015	\$1,230,990
2016	\$47,743
2017	\$4,700,000
2018	\$925,292
2019	\$100,850
2020	\$4,600,850
2021	\$4,670,979
2022	\$3,948,605
2023	\$10,294,919
2024	\$2,284,111
2025	\$171,508

As shown in Table 2 below, with one exception, 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 to handle future emergency requests from state agencies.

Table 2: Annual CAPRA Expenditures 2015-2025

Year	Expenditures
2015	\$1,175,127
2016	\$1,660,626
2017	\$277,753
2018	\$3,076,283
2019	\$4,484,414
2020	\$2,862,887
2021	\$225,991
2022	\$120,377
2023	\$2,089,898
2024	\$5,723,398

Year	Expenditures
2025	\$4,369,606

CAPRA funds are aimed primarily at addressing emergency and unanticipated needs, thus 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

State agencies served by the CAPRA program in recent years include Administration, Corrections, Human Services, Perpich Center for the Arts, Public Safety, Minnesota State Academies, Commerce, Amateur Sports Commission and Veterans Affairs.

Funded Projects

Detail table 1: Projects funded in Calendar Year 2025 using the Fiscal Year 2023 appropriation

Agency and Project Number	Location	Description	Amount
Administration			
02AS0038	Admin Building	Replace Ramp Gate	464,808
Administration Total			\$464,808
Amateur Sports Commission			
9DBE0007	Blaine	Replace Compressor, Water Heater	253,869
Amateur Sports Total			\$253,869
Corrections			
78LL0065	Lino Lakes	Repair Sanitary Mains	22,850
78LL0068	Lino Lakes	Repair Entrance Road Culvert	312,000
78LL0069	Lino Lakes	Upgrade Emergency Make-up Air	250,330
78RW0049	Red Wing	Reroof Knox Building	120,000
78RW0055	Red Wing	Hazardous Cleanup	89,587
Corrections Total			\$794,767
Iron Range Resources			
43EV0009	Eveleth	Repair Admissions Building	216,587
Iron Range Resources Total			\$216,587
Public Safety			
07AH0005	Arden Hills	Replace Broken Sewer Line	40,000

Agency and Project Number	Location	Description	Amount
Public Safety Total			\$40,000
Veterans Affairs			
75MP0118	Minneapolis	Repair Water Intrusion B21	150,000
75MP0119	Minneapolis	Sprinkler System Water Damage B1	500,000
Veterans Affairs Total			\$650,000
Grand Total-All Agencies from FY23 Appropriation			
			\$2,420,031

Detail table 2: Projects funded in Calendar Year 2025 using the Fiscal Year 2025 appropriation

Agency and Project Number	Location	Description	Amount
Administration			
02AD0036	Admin Building	FY25 Ramp Repairs	440,000
02AS0038	Andersen Building	Replace Ramp Gate	35,192
Administration Total			\$475,192
Corrections			
78RW0055	Red Wing	Hazardous Clean Up	60,000
Corrections Total			\$60,000
Iron Range Resources			
43GR0014	Giant Ridge	Replace Windows/Doors	60,000
Iron Range Resources Total			\$60,000
Grand Total-All Agencies from 2025 Appropriation			\$595,192