

February 15, 2026

Senator Aric Putnam, Chair
Senator Torrey Westrom, Ranking Member
Agriculture, Veterans, Broadband, and Rural
Development Committee

Representative Matt Bliss, Co-chair
Representative Jay Xiong, Co-chair
Veterans and Military Affairs Division

SENT VIA EMAIL

Subject: New Veterans Homes Construction Report

Dear Legislators,

Pursuant to 2022 Minnesota Laws Chapter 54, Article 2, Section 11, attached is the New Veterans Homes Construction Report. The report details how appropriations were spent for the Bemidji, Montevideo, and Preston state veterans homes construction projects.

Please contact Julie Bayerl, julie.bayerl@state.mn.us, if you have any questions or need assistance.

Sincerely,

Tamar Gronvall
Commissioner

Attachment

cc: Legislative Reference Library

Final Report - New Veterans Home Construction

February 15, 2026

Executive Summary

This report provides a final accounting of the appropriations and spending on the design, construction, and equipping of the state veterans homes in Bemidji, Montevideo, and Preston.

This report fulfills an obligation of 2022 Minnesota Laws Chapter 54, Article 2, Section 11, which states:

VETERANS HOMES; REPORT... By February 15, 2026, the commissioner of administration must submit a final report to the legislative committees with jurisdiction over veterans affairs on how the total appropriations were spent.

The source of funds for these projects included state bond and general appropriations, gift funds, and federal grant matches from the U.S. Department of Veterans Affairs (USDVA). The total appropriations to complete the three veterans homes projects amounted to \$157.6 million and produced 198 beds for veteran care.

As of February 2026, all three facilities are completed and operational, serving the veteran communities in their respective regions. The following information details the final expenditure on all funds.

Project Overview

Bemidji

Minnesota Veterans Home – Bemidji is a one-level facility and includes a partial basement with support functions, including main kitchen, storage and mechanical rooms. The new facility comprises 80,616 gross square feet on a 14.75-acre site. The Bemidji veterans home contains 72 resident rooms served with skilled nursing care and is organized into four 18-bed households with a central core for facility operations and administration. Construction began August 4, 2021 and opened for residents in February 2024. The facility cost \$51.2 million to build.

Montevideo

Minnesota Veterans Home – Montevideo is a one-level facility that includes a partial basement similar in support functions to Bemidji. The facility comprises 95,513 gross square feet on a 13.4-acre site. The Montevideo home contains 72 resident rooms served with skilled nursing care and is organized into four 18-bed households and central core for facility operations and administration areas, including a community room wing supported by local donations. Construction began August 24, 2021 and opened for residents in January 2024. The facility cost \$63.6 million to build.

Preston

Minnesota Veterans Home - Preston is a one-level facility with 58,217 gross square feet on a 14.43-acre site. The program provides 54 resident rooms served with skilled nursing care, including three 18-bed households and a center core for facility operations and administration areas. Construction began August 26, 2021, and opened for residents in January 2024. The facility cost \$42.1 million to build.

Each home included similar construction materials of steel structure with steel studs, brick and stone veneer. Surface parking lots surround each facility along with native landscaping and storm water retention areas. Each site includes a detached maintenance garage.

Financial Overview: Sources and Expenditures

The total funding for these projects included a combination of state appropriations, agency funds, gift funds, and federal grant matches from the U.S. Department of Veterans Affairs (USDVA).

Funding Sources

State Sources

In 2018, the state appropriated \$32 million of general obligation bonds to the Commissioner of Administration to support the design, construction, furnishing, and equipping of new veterans homes in Bemidji, Montevideo and Preston (2018 Minnesota Laws Art. 1, Sec. 19, Subd. 3.) Of that amount, \$12,400,000 was appropriated for Bemidji; \$9,400,000 for Montevideo and \$10,200,000 for Preston. 2018 Minnesota Laws Chapter 214, Art. 2, Sec. 44. also authorized the state's Department of Veterans Affairs to apply for federal funding and authorized the acceptance of gift funds for purposes of providing matching funds to support overall development of the homes.

In 2022, the state appropriated \$16,544,000 to the Commissioner of Administration for the design, construction, and equipping of site and building improvements at the Bemidji, Montevideo, and Preston state veterans home building projects (2022 Minnesota Laws Chapter 54, Art. 1, Sec. 3, Subd. 2(b)). This appropriation was also available to be used for furniture, fixtures, and equipment. Of this amount, \$4,351,000 was appropriated for Bemidji; \$5,269,000 for Montevideo; and \$6,924,000 for Preston. This one-time appropriation remained available until the projects were completed or abandoned subject to Minnesota Statutes, section 16A.642. In 2022, the state also appropriated \$10,329,000 to supplement the funds appropriated in 2018 to include \$2,389,000 for Bemidji; \$6,955,000 for Montevideo; and \$985,000 for Preston (2022 Minnesota Laws Chapter 54, Art. 1, Sec. 4(b)).

Federal Sources

Federal grants from the U.S. Department of Veterans Affairs provided significant matching funds, which were critical to completing these projects. The State Veterans Home Construction Grant Program (SHCGP) under 38 USC Section 8131-8138 and regulated in 38 CFR Part 59 provides federal assistance to states by funding up to 65

percent of the cost of construction and renovation of state veterans homes. The state received approval for federal funding from the USDVA in August 2021. The USDVA contributed \$86.9 million toward the three homes.

Local/Gift Sources

Each community raised funds from local governmental units, organizations, and private donors as a local match and in support of the projects. Bemidji used \$2,481,395, Montevideo used \$8,044,592 and Preston used \$1,163,365 for a total of \$11.69 million of gift and local funds.

Sources and Uses Table

A table summarizing the sources and uses of funds for the three new Veterans Homes are listed below.

Sources of Funding and Expenditures

Bemidji											
Admin	FY	Fund	Type	Approp	Budget	Xfer Out	Xfer In	Expended	Encumbered	Unobligated/Cancel	Legal Cite
	2018	3600	GO/Bond	G0215H5	12,400,000.00			12,391,912.00	-	8,088.00	18 214 01 019 003
	2022	3501	GF - Construction	G021162	2,389,000.00	1,653,773.00	22,857.47	758,084.47	-	-	22 054 01 04B 000
	2023	3501	GF - Construction	G021165	4,351,000.00			4,318,348.08	-	32,651.92	22 054 01 003 02B
	2022	2403	Gift Fund	G021620	17,161.00	-	-	17,161.00	-	-	18 214 02 044 003
	2023	2403	Gift Fund	G021620	349,101.72	692,134.00		349,101.72	-	-	
	2024	2403	Gift Fund	G021620	1,078,872.75	-	390,083.99	1,078,606.91	265.84	0.00	
	2025	2403	Gift Fund	G021620	704,105.08	-	-	704,105.08	-	-	
	2026	2403	Gift Fund	G021620	13,982.77	-	-	-	-	13,982.77	
				Total	21,303,223.32	2,345,907.00	412,941.46	19,617,319.26	265.84	54,722.69	
MDVA	2022	3501	GF - FF&E MDVA	H752I26		22,857.47	1,653,773.00	1,630,915.53	-	(0.00)	
	2023	2403	Gift Fund - FF&E MDVA	H752I25	264,873.69		692,134.00	264,873.69	-	-	
	2024	2403	Gift Fund - FF&E MDVA	H752I25	37,176.32	390,083.99		37,176.32			
	2026	2001	Special Misc Revenue - MDVA	H752A27	53,000.00			30,910.23	21,735.00	354.77	
	2022	3000	Federal - Construction MDVA	H752I40	7,656,848.66			7,656,848.66	-	-	
	2023	3000	Federal - Construction MDVA	H752I40	20,993,125.79			20,993,125.79	-	-	
	2024	3000	Federal - Construction MDVA	H752I40	894,254.27			894,254.27	-	-	
	2025	3000	Federal - Construction MDVA	H752I40	46,880.97			46,880.97	-	-	
				Total	29,946,159.70	412,941.46	2,345,907.00	31,554,985.46	21,735.00	354.77	
				Bemidji Total	51,249,383.02	2,758,848.46	2,758,848.46	51,172,304.72	22,000.84	55,077.46	
Montevideo											
Admin	FY	Fund	Type	Approp	Budget	Xfer Out	Xfer In	Expended	Encumbered	Unobligated/Cancel	Legal Cite
	2018	3600	GO/Bond	G0215H6	9,400,000.00	-		9,399,028.14	-	971.86	18 214 01 019 003
	2022	3501	GF - Construction	G021163	6,955,000.00	2,876,444.99	548,192.38	4,626,747.39	-	-	22 054 01 04C
	2023	3501	GF - Construction	G021166	5,269,000.00	133,555.03		5,081,651.26	20,259.81	33,533.90	22 054 01 003 02B
	2023	2403	Gift Fund	G021619	1,878,248.76	-	-	1,878,248.76	-	-	18 214 02 044 003
	2024	2403	Gift Fund	G021619	5,943,022.69	-	-	5,943,022.69	-	-	
	2025	2403	Gift Fund	G021619	120,938.59	-	-	120,938.59	-	-	
	2026	2403	Gift Fund	G021619	103,491.22	-	-	102,372.36	0.50	1,118.36	
				Total	29,669,701.26	3,010,000.02	548,192.38	27,152,009.19	20,260.31	35,624.12	
MDVA	2022	3501	GF - FF&E MDVA	H752V25		548,192.38	2,876,444.99	2,001,807.64	30,000.00	296,444.97	22 051 01 04C
	2023	3501	GF - FF&E MDVA	H752V26			133,555.03	91,999.37	-	41,555.66	22 054 01 003 02B
	2022	3000	Federal - Construction MDVA	H752V40	12,831,486.03			12,831,486.03	-	-	
	2023	3000	Federal - Construction MDVA	H752V40	21,497,352.97			21,497,352.97	-	-	
				Total	34,328,839.00	548,192.38	3,010,000.02	36,422,646.01	30,000.00	338,000.63	
				Montevideo Total	63,998,540.26	3,558,192.40	3,558,192.40	63,574,655.20	50,260.31	373,624.75	
Preston											
Admin	FY	Fund	Type	Approp	Budget	Xfer Out	Xfer In	Expended	Encumbered	Unobligated / Cancel	Legal Cite
	2018	3600	GO/Bond	G0215H7	10,200,000.00	891,455.43	257.66	9,296,393.32	2,605.00	9,803.91	18 214 01 019 0003
	2022	3501	GF - Construction	G021164	985,000.00	-	-	969,900.00	-	15,100.00	22 054 01 04D 000
	2023	3501	GF - Construction	G021167	6,924,000.00	31,858.50	-	6,853,645.48	17,223.68	21,272.34	22 054 01 003 02B
	2023	2403	Gift Fund	G021618	35,792.00	1,013,024.65		35,792.00	-	-	18 214 02 044 003
	2024	2403	Gift Fund	G021618	18,391.35	-	357,389.44	18,391.35	-	-	
	2025	2403	Gift Fund	G021618	437,581.73	-	-	437,581.73	-	-	
	2026	2403	Gift Fund	G021618	22,317.49	18,141.50	-	15,965.36	5,538.67	813.46	
				Total	18,623,082.57	1,954,480.08	357,647.10	17,627,669.24	25,367.35	46,989.71	
MDVA	2018	3600	GO/Bond - FF&E MDVA	H752T26		257.66	891,455.43	891,197.77	-	0.00	
	2023	3501	GF - FF&E MDVA	H752T27			31,858.50	-	-	31,858.50	
	2023	2403	Gift Fund - FF&E MDVA	H752T25	570,624.77		1,013,024.65	570,624.77		-	
	2024	2403	Gift Fund - FF&E MDVA	H752T25	85,010.44	357,389.44		85,010.44		-	
	2026	2403	Gift Fund - FF&E MDVA	H752T25	18,141.50		18,141.50	-	-	18,141.50	
	2022	3000	Federal - Construction MDVA	H752T40	10,227,893.41			10,227,893.41		-	
	2023	3000	Federal - Construction MDVA	H752T40	12,810,408.90			12,796,189.83	14,219.07	0.00	
				Total	23,712,079.02	357,647.10	1,954,480.08	24,570,916.22	14,219.07	50,000.00	
				Preston Total	42,335,161.59	2,312,127.18	2,312,127.18	42,198,585.46	39,586.42	96,989.71	
				Grand Total	157,583,084.87	8,629,168.04	8,629,168.04	156,945,545.38	111,847.57	525,691.92	
								157,583,084.87			