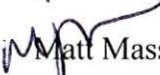




DATE: January 15, 2015

TO: Myron Frans, Commissioner, Minnesota Management & Budget
Legislator Committee Chairs, per M.S. 16A.632, subd. 4
(Distribution list attached)

FROM:  Matt Massman, Commissioner

SUBJECT: **2014 Capital Asset Preservation and Replacement Account (CAPRA)
Summary Report**

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 2014.

Enclosures

c: Governor Mark Dayton
Legislative Reference Library (2)

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CAPRA SUMMARY REPORT

**Capital Asset Preservation and Replacement Account
Summary Report
For Calendar Year 2014**

This document can be made available in alternative formats, such as large print, Braille, or audio tape or disk upon request at TTY 1-800-627-3529 or by contacting:

**Department of Administration
Real Estate and Construction Services
Voice 651.201.2550
Fax 651.215.6245**

Cost to prepare this report: \$600

Reporting requirements

Minnesota Statutes 16A.632, subd. 4, states that the Commissioner of Administration shall 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

CAPRA funding provides rapid financial assistance to agencies for emergencies and unanticipated hazardous material abatement needs related to the State's capital assets. The program helps minimize the impact of facilities-related emergencies and unanticipated conditions on the delivery of services and programs by agencies.

Since CAPRA's creation in 1990, \$90.13 million has been appropriated for projects. Examples of CAPRA-funded projects include asbestos and lead abatement, emergency roof and pipe repair, and replacement of failed air conditioning, boiler and water heater units. Recent projects using CAPRA funds are shown in the attached Tables 1 and 2.

The Department of Administration received \$1,000,000 of CAPRA funding in fiscal year 2014 (Laws 2014, Chapter 295, Section 4), \$1,000,000 of CAPRA funding in fiscal year 2012 (Laws 2012, Chapter 293, Section 13, Subd. 4), \$2.83 million in funding in fiscal year 2011 (Laws 2011, Chapter 12, Section 4, Subd. 2) and \$2 million in funding in fiscal year 2010 (Laws of 2010, Chapter 189, Section 11, subd. 2). A total of \$1,188,813.47 was expended in calendar year 2014(CY14), as follows:

- \$ 242,334.71 from fiscal year 2010 (FY10) CAPRA appropriation
- \$ 946,478.76 from FY11 CAPRA appropriation
- \$ 0.00 from the FY12 appropriation
- \$ 0.00 from the FY14 appropriation

All funds from the FY10 appropriation have been assigned to projects or expended. It is anticipated that the FY11, FY12 and FY14 appropriations will pay for emergencies, unanticipated abatement of hazardous materials and small repair and maintenance projects during CY15. Funds expended in CY14 from FY10 and FY11 appropriations are noted in the attached Tables 1 and 2.

History of the account and future considerations

Historical appropriations for CAPRA since 2002 are:

- 2014 \$1 million
- 2012: \$1 million
- 2011: \$2.83 million
- 2010: \$2 million
- 2008 \$3.4 million
- 2006: \$4 million
- 2005: \$3 million
- 2002: \$14 million

Prior to 2004, two sources of bonded funds were available to agencies for facility repair/maintenance: CAPRA, as requested by Admin, and Asset Preservation (AP), as requested by agencies individually. The similarities of the two programs led to uncertainty by both users and decision-makers about each fund's purpose and also duplicated management efforts. Due to this uncertainty, Admin in 2003 proposed a FY04 capital budget request for CAPRA dollars *only for emergencies and unanticipated hazardous materials abatement*. While this has increased the total dollar amount of agency AP capital budget requests, it has decreased the total dollar amount of CAPRA requests.

Although CAPRA funding was received in 2011 (odd-numbered year); Admin typically requests CAPRA funds during legislative bonding sessions (even-numbered years).

Priority projects for which funding will be sought

Since CAPRA funds address primarily emergency and unanticipated needs, it is impossible to identify/prioritize specific projects for which funding will be sought. In general, the priority for CAPRA spending is as follows:

1. Emergencies of all kinds
2. Hazardous material abatement
3. Non-recurring, small repair and maintenance projects ranging in cost from \$25,000 to \$350,000.

State agencies served by the CAPRA program in recent years include Corrections, Human Services, Perpich Center for the Arts, Minnesota State Academies, and Veterans Affairs.

TABLE ONE**Projects funded in CY14 using the FY10 CAPRA appropriation (\$2.00 million appropriated)**

	Location	Description	Allocation	Agency Total
Minnesota State Academies				
44BA0017	Blind Academy	Repair Pool exterior wall	24,730.09	
Total				20,730.09
Department of Corrections				
78SW0029	Stillwater	Repair B-20 Frozen water main	48,734.24	
78SH0019	Shakopee	Replace hot water system	120,200.00	
78SH0018	Shakopee	Main Boiler re-tube & supply line	52,670.38	
Total				\$221,604.62
Grand Total				\$242,334.71

TABLE TWO

Projects funded in CY14 using the FY11 CAPRA appropriation (\$2.83 million appropriated)

	Location	Description	Allocation	Agency Total
Department of Corrections				
78SW0029	Stillwater	Repair frozen water main B-20	19,351.76	
78SH0024	Shakopee	Repair hot water heating line to Greenhouse	85,000.00	
78FA0033	Faribault	Replace east water main	95,000.00	
78ML0049	Moose Lake	Perimeter fence electrical circuits	25,000.00	
78ML0050	Moose Lake	Repair electrical grounding	87,127.00	
78FA0036	Faribault	Mitigate Industry flooding	50,000.00	
78TH0013	Thistedew	Admin storm damaged roof	30,000.00	
78SH0027	Shakopee	Replace boiler expansion chambers	29,000.00	
78SC0036	St. Cloud	Perimeter fence erosion	150,000.00	
78ML0054	Moose Lake	Repair shower leaks	30,000.00	
78SW0035	Stillwater	Tuckpoint Education Building 13	30,000.00	
78SW0036	Stillwater	Shore kitchen freezer floor	66,000.00	
Total				\$696,478.76
Department of Veterans Affairs				
75MP0050	Minneapolis	Repair B-19 water damage from leaks	200,000.00	
75MP0051	Minneapolis	Abate B-6 mold and waterproof	50,000.00	
Total				\$250,000.00
Grand Total				\$946,478.76