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CAPRA
SUMMARY REPORT
Capital Asset Preservation and Replacement Account
Summary Report

January 2007



DATE: January 12, 2007

TO: Commissioner Tom Hanson, Department of Finance
Legislators, per M.S. 16A.632, subd. 4 (distribution list attached)

FROM: *Dana B. Badgerow*
Commissioner Dana B. Badgerow, Department of Administration

SUBJECT: **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 from CAPRA appropriations during calendar year 2006.

c: Governor Tim Pawlenty
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Attachment: Distribution List

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for example, large print, Braille, or cassette tape, upon request
at TTY 651.297.1545 or by contacting

**Department of Administration
State Architects Office
Voice 651.201.2399
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Cost to prepare this report: \$600

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CAPRA Report Executive Summary

REPORTING REQUIREMENTS

Minnesota Statutes 16A.632, subdivision 4, states that the Commissioner of Administration shall submit:

- A list of the projects in each agency that were funded from the Capital Asset Preservation and Replacement Account (CAPRA) during the preceding calendar year
- A list of priority projects for which a CAPRA appropriation will be sought.

FUNDING SUMMARY

The Department of Administration received \$4 million in CAPRA funding in FY06. A total of \$2,854,138.31 was distributed to State agencies in CY2006 from FY06, FY05, and FY02 CAPRA appropriations as follows:

- FY06: \$ 686,400.44
- FY05: \$2,114,592.87
- FY02: \$ 53,145.00

It is expected that the balance of the FY06 appropriation, \$3,313,599.56, will be used for emergencies and unanticipated hazardous materials abatement over the next 2 years. All the funds in the FY02 and FY05 appropriations have been distributed.

Since the program was created in 1990, \$79.9 million has been appropriated for CAPRA projects.

The specific projects funded from the FY06 appropriation during the 2006 calendar year are described in Table One. Funds expended in CY2006 from previous CAPRA appropriations are noted in Tables Two and Three. The FY06 Capital Budget Request narrative is attached as Exhibit A.

HISTORY OF THE ACCOUNT AND FUTURE CONSIDERATIONS

In the past, agencies have had two sources of bonded funds available for facility maintenance: CAPRA dollars, as requested by Admin, and Asset Preservation money, as requested by each agency. The similarities of the two programs resulted in confusion among both users and those funding the requests. It also duplicated management efforts.

As a result, in FY04 Admin proposed a Capital Budget Request for CAPRA dollars only for unanticipated hazardous materials abatement and emergencies. The amount of that request was \$5 million. Since then, projects formerly requesting CAPRA funding have been included in individual agency Asset Preservation requests. While this has increased the total dollar amount of agency Asset Preservation Capital Budget Requests, it has decreased the total dollar amount of CAPRA requests.

Admin will not be making a funding request for CAPRA in the FY07 legislative session, but does expect to make a Capital Budget Request for CAPRA funding in FY08.

Typical projects for which CAPRA funding is used include: asbestos and lead abatement, emergency roof and pipe repairs, fire damage repairs, and replacement of failed air conditioning, boiler and water heater units.

TABLE ONE**Projects funded in CY06 using the FY06 CAPRA appropriation**

	Location	Description	Allocation	Agency Total
Administration				
	Transportation Building	Re-anchor exterior façade	\$122,850.00	
	Transportation Building	emergency repairs for water damage after electrical fire	\$250,000.00	
Total				\$372,850.00
Department of Corrections				
	Stillwater	Reroof Bldg 24 window removal	\$9,075.44	
	Moose Lake	Abate & remediation of boilers Power Plant	\$244,475.00	
Total				\$253,550.44
Department of Natural Resources				
	Region 1	Replace Warroad boathouse destroyed by tornado	\$60,000.00	
Total				\$60,000.00
Grand Total				\$686,400.44

TABLE TWO
Projects funded in CY06 using the FY05 CAPRA appropriation

	Location	Description	Allocation	Agency Total
Administration				
	Capitol Complex	Vets Service Bldg Abatement	\$5,744.64	
Total				\$5,744.64
Department of Corrections				
	Moose Lake	Abate & remediation of boilers	\$26,447.70	
	Red Wing	Asbestos abatement & replace ceilings & floors in school	\$440,000.00	
	Faribault	Dakota bldg basement air monitoring, power plant abatement	\$548,369.40	
	Stillwater	Bldg 9 abatement for new fresh air distribution	\$37,866.11	
	Stillwater	Bldg 19 abatement for low pressure boilers	\$41,241.92	
	Oak Park Heights	Replace Medical Complex roof	\$25,000.00	
	Faribault	Emergency repairs to high voltage damages	\$118,747.56	
	St. Cloud	Repair roadways	\$25,000.00	
Total				\$1,262,672.69

Minnesota State Academies				
	Deaf Academy	AHERA re-inspection survey	\$49,900.00	
	Deaf Academy	Emergency replacement of underground water lines	\$15,705.92	
Total				\$65,605.92
Minnesota Veterans Homes				
	Minneapolis	Asbestos survey update for campuswide	\$23,800.00	
	Hastings	Asbestos abate Bldg 23, room 150B	\$1,220.87	
	Hastings	Increase size of heat plate exchanger	\$24,500.00	
	Minneapolis	Asbestos abate window caulk bldgs 12-12A & 14	\$10,700.00	
	Minneapolis	Fungal Remediation	\$45,952.75	
Total				\$106,173.62
Perpich Center for Arts Education				
	Golden Valley	Delta Bathrooms abatement	470,000.00	
Total				\$470,000.00
Department of Natural Resources				
	Region 4	New London Fish Hatchery abatement	14,080.00	
Total				\$14,080.00
Department of Human Resources				
	St. Peter RTC	Abate asbestos and lead in Old Center	80,600.00	
Total				\$80,600.00

Iron Range Resources				
	Ironworld	Discovery Center ampitheater roof	109,716.00	
Total				\$109,716.00
Grand Total, FY05 Funds				\$2,114,592.87

TABLE THREE**Projects funded in CY06 using the FY02 CAPRA appropriation**

	Location	Description	Allocation	Agency Total
Administration				
	Veterans Service Bldg	Abatement at 1st floor and basement	2,845.00	
Total				\$2,845.00
Department of Corrections				
	MCF-Stillwater	Reroof bldg 16 and 25	50,300.00	
Total				\$50,300.00
Grand Total, FY02 Funds				\$53,145.00

EXHIBIT A

Administration, Department of Statewide CAPRA

Project Narrative

2006 State Appropriation Request: \$5,000,000

Agency Project Priority: 2 of 10

Project Location: Statewide

Project Description

CAPRA, established under M.S. 16A.632, is a statewide fund, centrally managed by Admin for use by state agencies. The Higher Education Asset Preservation and Renewal Account (HEAPRA) is requested separately by the Minnesota State Colleges and Universities and the University of Minnesota, and should not be confused with this request. Asset Preservation Capital Budget Requests that are requested by individual state agencies to address the known facility repair and maintenance needs of the facilities under their custodial control, should also not be confused with this request.

Projects that have typically received CAPRA funding have fallen into three categories: Emergencies of all kinds, hazardous material abatement, and non-recurring, small repair and maintenance projects ranging in cost from \$25,000 to \$350,000.

As facility repair and maintenance needs outgrew the ability to be adequately funded by CAPRA, individual agencies began making Capital Budget Requests for Asset Preservation. Projects done with these Asset Preservation funds were the same types of projects done with CAPRA funds, but generally had a project cost of over \$350,000.

Given the parallel nature of the Asset Preservation and CAPRA programs, and the need to more efficiently plan, manage, and complete projects, and the potential cost savings opportunities to bundle projects together, a decision was made in FY04 to limit the types of projects funded by CAPRA to emergency and unanticipated abatement only. Agency Asset Preservation requests will now fund repair and maintenance projects costing between \$25,000 and \$350,000. This has decreased the amount of funding requested for CAPRA, and increased the amount of funding requested by agencies for asset preservation projects

State agencies served by this request in the past include Administration, Center for Arts Education, Corrections, Employment and Economic Development, Historical Society, Human Services, Military Affairs, State Academies, Natural Resources, Veterans Homes Board, and the Minnesota Zoological Gardens.

Impact on Agency Operating Budgets (Facilities Notes)

CAPRA funding provides rapid financial assistance to agencies for emergencies and unanticipated abatement needs. This keeps agency funds available for ongoing operations, and helps mitigate additional damage.

Previous Appropriations for this Project

Since the program was created in 1990, \$75.9 million has been appropriated for CAPRA projects through state bonding bills.

Other Considerations

This CAPRA request does not fund any known agency repair and maintenance projects, making it imperative that agency Asset Preservation requests be funded. The amount of this request is based on historical spending as well as anticipated needs. Asset renewal continues to be an issue, and adequately maintaining state facilities is imperative to support the delivery of service to our customers, the taxpayers and citizens of Minnesota.

