



January 18, 2023

2023 Capital Investment Request

House Capital Investment Committee

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Thank you!



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We are Minnesota State



300,000 Students annually

223,000 in credit classes

59% in greater Minnesota

64,600 students of color and Indigenous students

60,600 low-income, Pell-eligible students

40,400 first generation students

7,300 veterans

67,977 are 25 years and older

33 Colleges and Universities

7 universities

26 colleges

54 Campuses

47 Communities across the State

From International Falls to Worthington



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We educate the entire talent pipeline

36,000 awards conferred annually

4,000+ academic programs, from certificate to applied doctorate

9,950 customized/specialty/occupational and professional classes

Across **54** campuses, operate nearly **2,250** classrooms and **1,625** labs

Maintain **843** academic buildings



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2023 Capital Investment Request



Total program: **\$348.7 million**

Asset preservation - HEAPR:

- **\$173.7 million**

Major projects:

- **\$175.0 million**

- **19 major capital projects**

- 4 Construction of previously funded design

- 7 Design and construction

- 8 Design for future construction

Program financing:

- State (GO): **\$290.4 million**

- User (UF): **\$58.3 million**



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2022 → 2023 Program Development

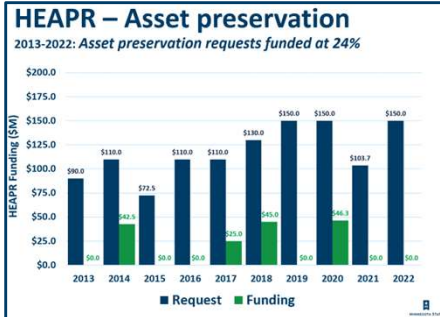
<p>College and university facilities planning</p> <p>Comprehensive Facilities Plans (CFPs)</p>	Board Guidelines	March 2020	✓
	Candidate project predesign development and review	April – Dec 2020	✓
	Candidate project scoring	March 2021	✓
	Chancellor's review and recommendation development	March – April 2021	✓
	Board review and approval	May – June 2021	✓
	• Advocacy • Campus tours	September – December 2021	✓
	2022 Legislative Session	January – May 2022	✓
	Program review and affirmation	July – October 2022	✓
	Board review and approval	November 2022	✓
2023 Legislative Session	January- May 2023	←	



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Program priorities

Priority	Institution	Title	2023 Request (\$000)
1	Systemwide	Higher Education Asset Preservation and Replacement (HEAPR)	\$173,680



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Program priorities

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1	Systemwide	Higher Education Asset Preservation and Replacement (HEAPR)	\$173,680
2	Minnesota State University Moorhead	Weld Hall Renovation and Accessibility Additions	\$23,099
3	Inver Hills Community College	Technology and Business Center Renovation	\$22,025
4	Minneapolis College	Management Education Center	\$20,457
5	Pine Technical and Community College	Technical/Trades Lab Addition and Renovation	\$21,468



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Program priorities

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1	Systemwide	Higher Education Asset Preservation and Replacement (HEAPR)	\$173,680
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3	Inver Hills Community College	Technology and Business Center Renovation	\$22,025
4	Minneapolis College	Management Education Center	\$20,457
5	Pine Technical and Community College	Technical/Trades Lab Addition and Renovation	\$21,468
6	Saint Paul College	Academic Excellence Renovation – Design	\$1,671
7	Vermilion Community College	Classroom Building Renovation	\$3,633
8	Central Lakes College	Brainerd Student Services Renovation	\$11,591
9	Northland Community and Technical College	Effective Teaching and Learning Labs	\$3,281
10	Minnesota State University, Mankato	Armstrong Hall Replacement – Design	\$8,460
11	Winona State University	Center for Interdisciplinary Collaboration, Engagement, & Learning - Design	\$4,866
12	Lake Superior College	Integrated Manufacturing Workforce Labs	\$8,316
13	Metropolitan State University	Cyber Security Lab	\$5,197



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Program priorities

Priority	Institution	Title	2023 Request (\$000)
14	Alexandria TCC	Transportation Center Construction, Student Services Renovation, and Selective Campus Demolition – Design	\$955
15	Riverland Community College	Student Services Renovation	\$12,084
16	Southwest Minnesota State University	Wellness and Human Performance Center – Design	\$1,327
17	St. Cloud State University	Education and Learning Design Complex Design	\$5,450
18	Rochester Community and Technical College	Heintz Center Renovation: Reimagining Education for a Diverse Workforce – Design	\$1,546
19	Minnesota West CTC	Nursing, Law Enforcement, and Student Service Renovation	\$2,253
20	Ridgewater College	Healthcare, Construction, Student Services, and Classroom Renovation	\$17,367
Totals			\$348,725
GO			\$290,377
UF			\$58,348
Projects			\$175,045



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Thank you - 2020 Capital Funding

Total program: **\$90.9 million**

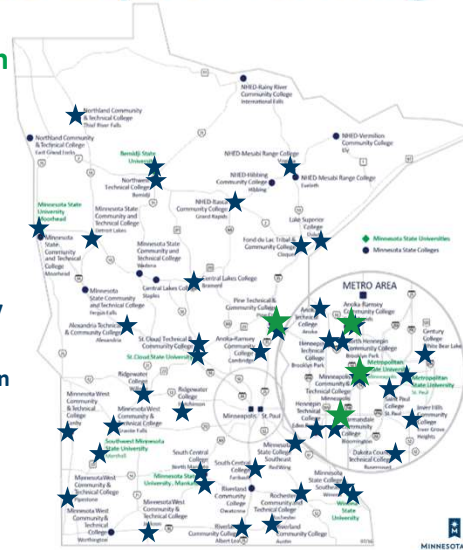
Asset preservation - HEAPR:

- **\$46.4 million**
- **56 projects statewide**

Major projects:

- **\$44.5 million**
- 2 Construction of previously funded design
- 2 Design for future construction

- ★ Major Capital Project
- ★ HEAPR Project



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User Financing (UF)

Minnesota Statute 16A.662 *Infrastructure Development Bonds.*

Subd 5. ...the commissioner of management and budget shall assess each higher education system for one-third the amount that would otherwise need to be transferred with respect to those bonds sold to finance capital improvement projects at institutions under the control of the system...

General application:

- Applicable to individual college and university projects
- Does NOT apply to asset preservation (HEAPR) funding

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User Financing (UF)

Minnesota State application:

- One-half of the UF amount is paid by the system (state appropriations)
- One-half of the UF amount is paid by the gaining institution from their general operating funds (state appropriations and tuition revenues)

Example: Total project funding = \$9.0 million

- State financing (GO) = \$6.0 million
- User Financing (UF) = \$3.0 million
 - \$1.5 million serviced by Minnesota State system
 - \$1.5 million serviced by the gaining college or university



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User Financing (UF)

Current Minnesota State position:

- \$171.8 million in outstanding UF debt from previously funded projects
- \$27.0 million debt service paid in FY2022

Impacts:

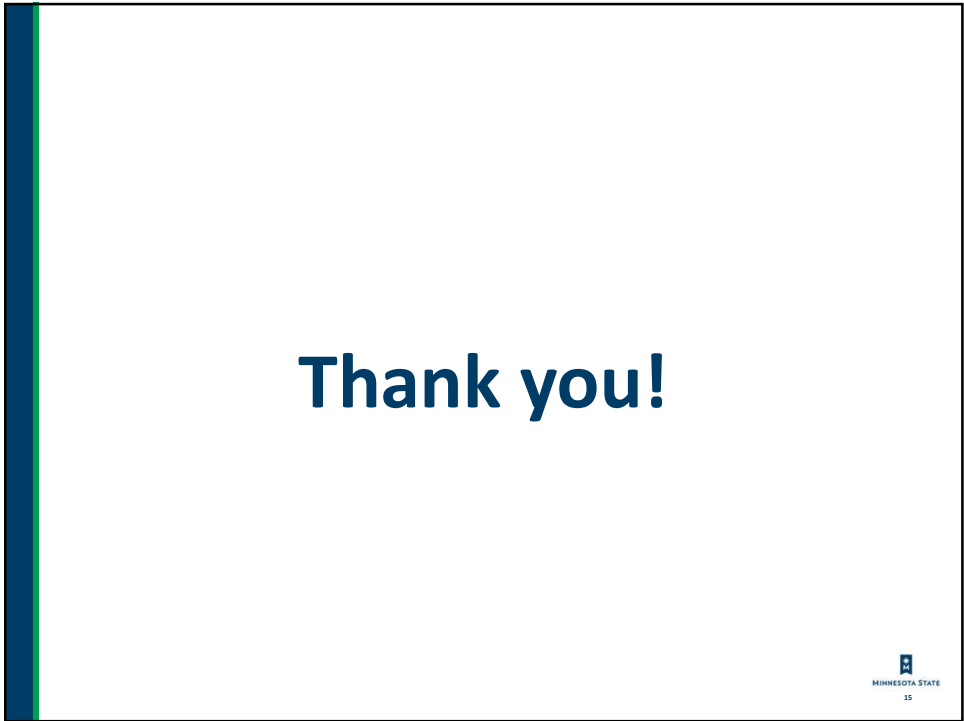
- Total annual debt service represents roughly 1.9% of college and university state appropriation and tuition revenues.
- Ranges:
 - Colleges: 0.7% - 3.2%
 - Universities: 1.0% - 2.7%

2023 Capital Investment Request

- Total User Financing (UF) = \$58.3 million
- Estimated annual debt service = \$1.4 million



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