

Higher Education Asset Preservation and Replacement (HEAPR)

November 2021

What is HEAPR?

HEAPR—Higher Education Asset Preservation and Replacement—creates a separate category for capital budget appropriations from bond proceeds to higher education institutions. HEAPR recognizes the uniqueness of the buildings and properties owned by the University of Minnesota and the Minnesota State systems, both in terms of their scale and complexity. The HEAPR statute ([Minn. Stat. § 135A.046](#), first enacted in 1994) exists to facilitate and provide standards for higher education capital projects that are intended to preserve and replace existing campus facilities. “Maintenance and preservation of existing facilities” is also one of the criteria that the University’s Board of Regents and Minnesota State’s Board of Trustees are asked to consider in creating their capital requests. See [Minn. Stat. § 135A.034](#), subd. 2.

What are the standards for funding a project using the HEAPR statute?

The HEAPR statute lists several broad categories of projects that are eligible for funding:

- code compliance, including health and safety
- Americans with Disabilities Act requirements
- hazardous materials abatement
- improvements for access or air quality
- building energy efficiency improvements
- building or infrastructure repairs necessary to preserve the interior and exterior of existing buildings
- building or infrastructure renewal to support the campus mission

The statute also allows up to 10 percent of an appropriation awarded to be used for design costs for eligible projects, in anticipation of a future HEAPR appropriation.

How are HEAPR projects prioritized for funding?

The statute requires both the governing boards of each system to establish priorities within its requested HEAPR projects. The boards must report to the commissioner of management and budget and to the legislature by January 15 of each year with a list of projects that have been paid for with HEAPR funds during the prior calendar year as well as a list of priority HEAPR projects that each system intends to seek in that year’s legislative session.

What does a HEAPR request look like?

A HEAPR request from a public postsecondary system may take one of several different forms. The request may be:

- a total dollar amount for systemwide HEAPR projects, without itemized detail on each individual project;

- a detailed list of specific projects, locations, and funding amounts for each; or
- included as part of a larger request for a specific project or project type.

Do HEAPR projects require user financing or a nonstate contribution?

Historically, the legislature has appropriated funds for HEAPR projects without requiring a nonstate contribution. This is not due to any requirement in the HEAPR law. Higher education capital projects that are not HEAPR projects have required one-third user financing or other system contribution to the costs of the project.

What happens if the legislature does not fund the full amount of a HEAPR request?

Though appropriations for HEAPR projects have been very common in bonding bills since the HEAPR law was enacted, the legislature has the discretion to fund only a portion—or none at all—of a HEAPR request.

If only a portion of a request is funded, it is not always obvious which projects will ultimately be pursued by the systems and which will be delayed or cancelled. This is particularly true if the original request lists a total overall funding request for projects, rather than an individual itemized list of projects and associated costs.

Past biennial HEAPR appropriations by public postsecondary system:

Minnesota State Colleges and Universities		University of Minnesota	
Bonding Bill	Amount	Bonding Bill	Amount
1994	\$24,738,000	1994	\$15,000,000
1995-1996	16,000,000	1995-1996	12,000,000
1997-1998	43,000,000	1997-1998	4,000,000
1999-2000	30,000,000	1999-2000	9,000,000
2001-2002	60,000,000	2001-2002	35,000,000
2003-2004	0	2003-2004	0
2005-2006	81,500,000	2005-2006	70,000,000
2007-2008	55,000,000	2007-2008	35,000,000
2009-2010	92,000,000	2009-2010	81,000,000
2011-2012	50,000,000	2011-2012	75,000,000
2013-2014	42,500,000	2013-2014	42,500,000
2015-2016	0	2015-2016	0
2017-2018	70,000,000	2017-2018	65,600,000
2019-2020	46,347,000	2019-2020	38,495,000



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