




Memo

Date: May 15, 2023

To: CFOs, Budget Directors, and Agency Capital Budget Coordinators

From: Jim Schowalter, Commissioner 

RE: 2024 Capital Budget Instructions

I am pleased to present the 2024 Capital Budget Instructions. Agency preliminary requests are due to Minnesota Management and Budget (MMB) through CBS by June 16, 2023, and final requests are due October 13, 2023. Governor Walz's capital budget will continue to focus resources on the most critical projects and strategic investments across the state, particularly projects that:

- Address life and safety issues
- Preserve existing infrastructure and repair existing facilities before starting new projects
- Reflect state agencies' strategic capital investment plans
- Reflect state agencies' strategic plans
- Minimize construction tails and operating costs
- Are proposed following community engagement
- Aid in making Minnesota the best state in the country for kids to grow up
- Reflect the priorities and goals found in the One Minnesota Plan
- Address and undo historical and systemic disparities and inequities, including those based on race, gender, veterans' status, geography, and economic status

Key Dates

- **June 16, 2023** – Agency preliminary requests are due to MMB through CBS.
- **July 17, 2023** – MMB submits state agency preliminary requests and all local unit of government requests to the Legislature.
- **September 15, 2023** – Updated agency profile and strategic planning summary forms are due in SharePoint. Asset preservation lists are also due in SharePoint, if applicable.
- **October 13, 2023** – Agency final requests are due to MMB through CBS.
- **January 16, 2024** – Governor Walz submits his 2024 Capital Budget Recommendations to the Legislature and MMB publishes all requests.

How to Submit Your 2024 Capital Budget Request

- Review the state agency-specific 2024 Capital Budget Instructions posted on [MMB's Capital Budget Instructions website](#). The website also includes answers to frequently asked questions about bonding including allowable uses of general obligation bond proceeds.
- Agency capital budget coordinators were sent information on how to authorize Capital Budget System (CBS) users. If you have not yet verified access to CBS, email Budget.Finance.mmb@state.mn.us.
- Review CBS training materials, including the User Guide and the new CBS training video, on the ["System Training Materials" section of MMB's CBS website](#) for details about how to use the system.

New in 2024

- A new "Capital Request Form" (PDF) will be available on [MMB's Capital Budget Instructions website](#) to provide users the option to work on narratives and other information offline, before entry in CBS.
- MMB will host a Q&A session for state agencies on **May 30 at 1 p.m.** The session is designed to answer questions brought by state agencies, after they have reviewed the 2024 Capital Budget Instructions, the [FAQ website](#), and CBS training materials, including the training video. MMB will send a meeting invitation to CBS users.

Reminders

State agencies should submit draft bill language for their requests using the "Upload Documents" screen in CBS by October 13.

Agencies may choose to copy a previous year's project request narrative by using the "Copy Previous Requests" function in CBS. As with all 2024 requests, project costs must be entered in July 2023 dollars to use MMB's inflation schedule to add inflation costs. If a project from 2022 is copied over into 2024, you can escalate project costs by:

- Identifying the 2022 project costs before inflation is included, which are in July 2021 dollars.
- Adding 17% to those project costs, which brings amounts to July 2023 dollars.
- Agencies should enter an updated mid-point of construction date in the Project Overview screen of CBS to add system-generated inflation unless the request is a statewide grant program or an asset preservation program. Updated construction inflation factor estimates are presented in Appendix 2 of the 2024 State Agency Capital Budget Instructions, based on various mid-point of construction dates.

MMB has placed the most recent copy of your Agency Profile and Strategic Planning Summary in your agency's Capital Budget/2024 folder in the Budget Division [SharePoint document management site](#). Please edit these documents with tracked changes, reflecting action taken in the 2023 legislative session and any other changing circumstances. If you have an asset preservation request, please complete the asset preservation form found on MMB's Capital

Budget Instructions website and upload it to your agency's Capital Budget/2024 SharePoint folder. Notify your assigned Executive Budget Officer when your edits to these documents are complete, by September 15.

Questions?

If you have questions about the capital budget process, requirements, or due dates, please contact MMB's Capital Budget Coordinator, Marianne Conboy (Marianne.Conboy@state.mn.us or 651-201-8189).

If you have questions about CBS, including system access and system issues, please contact MMB Budget Operations (Budget.Finance.MMB@state.mn.us).

Governor Walz and MMB appreciate your dedication in preparing timely and thoughtful requests. We look forward to discussing your projects.