2026 Governor’s Capital Bonding Recommendations

Nancy Freeman | Chief Operating Officer

DIRECT CARE AND TREATMENT

About Direct Care and Treatment

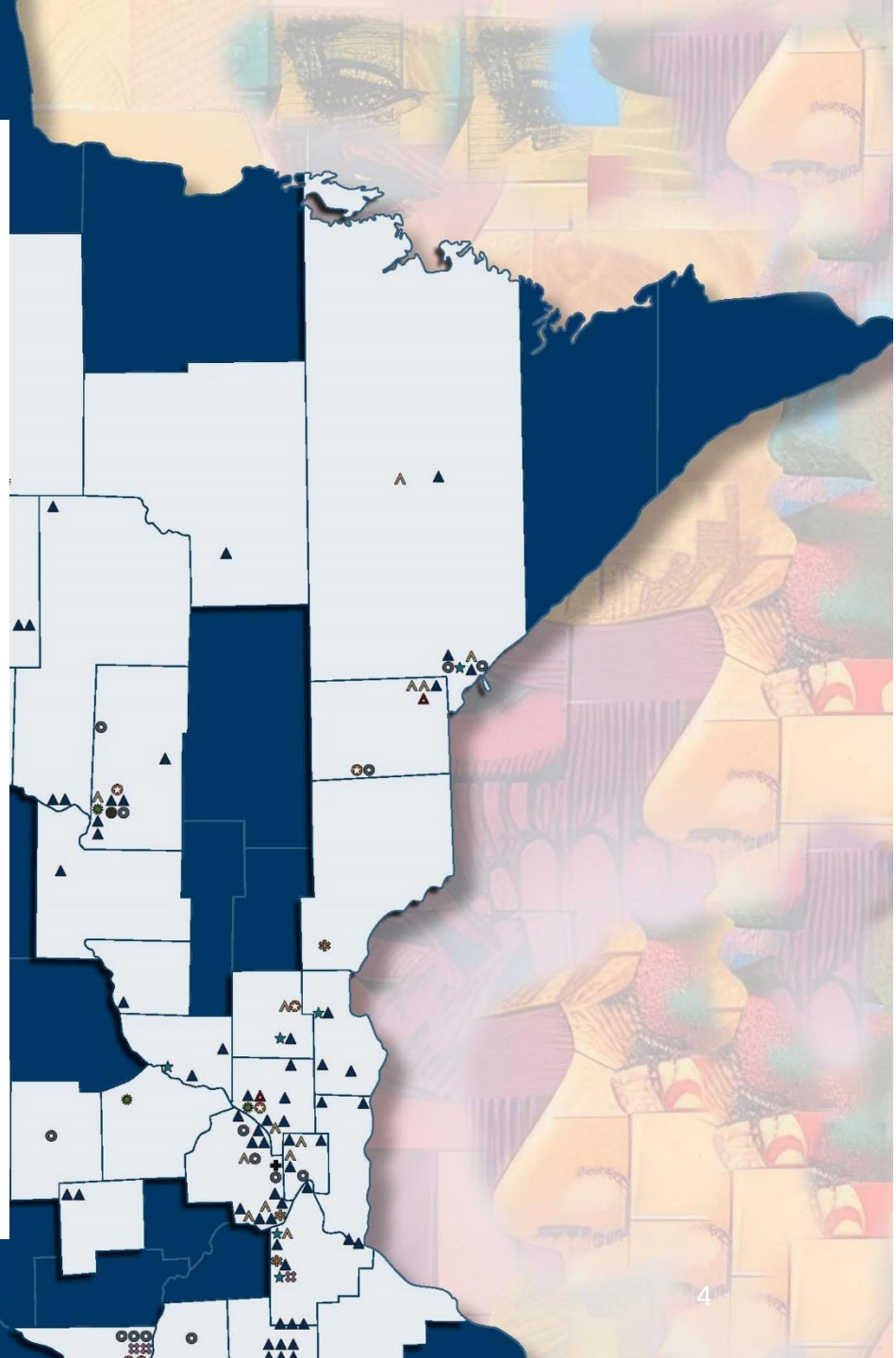
- Highly specialized, state-operated behavioral health care system.
- The only system of its kind, size and scope in Minnesota, DCT occupies a unique place in the state's behavioral health continuum of care
- Annually serves more than 12,000 patients and clients. Most have been civilly committed.
- Other providers cannot or will not serve these patients.

Safe, therapeutic care requires facilities that are in good repair

- DCT facilities are highly regulated by state and federal agencies and are at risk for citations or the loss of operating licenses if facilities are in poor condition
- Regular maintenance and proper upkeep contribute greatly to the therapeutic atmosphere and treatment success in our inpatient facilities and group homes

DCT statewide locations

Owned Buildings	174 Buildings
Square Feet	3,113,046 sf
Acres	1,066 acres
Facility operating costs	$28.6M FY26
Leased Sites	117 Sites
Square Feet	509,636 sf
Facility operating costs	$13.7M FY26
Cemeteries	4 managed sites
	27 acres

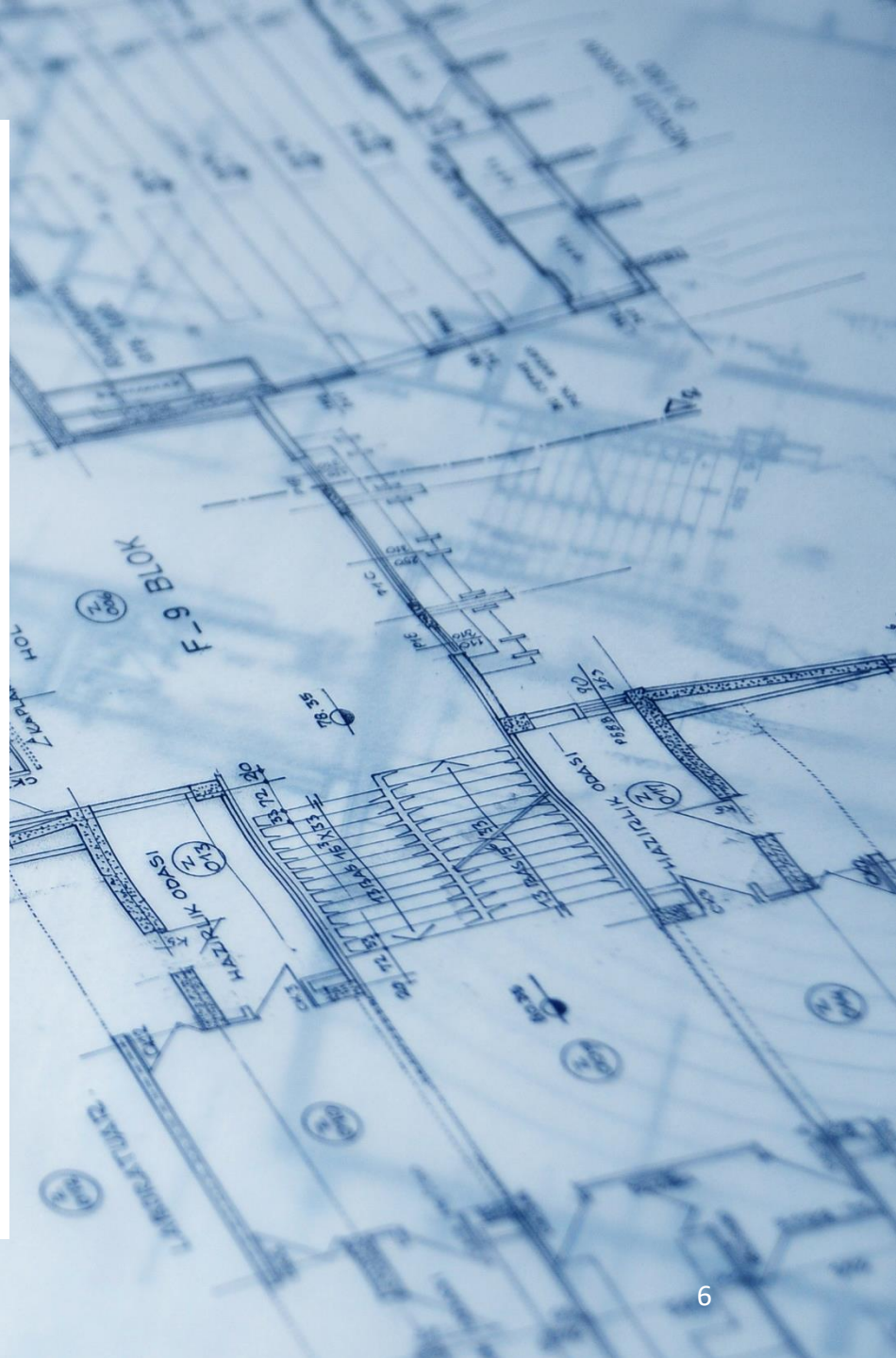


Deferred maintenance across DCT facilities statewide is substantial

	Total	Crisis	Poor	Fair	Good	Excellent
Building Count	174	7	19	63	70	15
Gross Square Feet	3,113,046	8,321	195,505	1,115,894	1,692,163	101,163
Current Replacement Value (CRV)	$1,051,688,200	$1,561,110	$92,932,502	$395,876,735	$515,676,905	$45,640,948
Deferred Maintenance	$162,766,340	$1,034,634	$33,895,369	$78,363,303	$47,962,695	$1,510,438

Our top bonding priorities for 2026 focus on critical infrastructure

- Asset preservation: $23.7 million
- Water and sewer construction: $18.8 million
- Total request: $42.5 million



Asset preservation: $23.7 million General obligation bonds

- Addresses life and safety concerns
- Health, safety and code compliance
- Major mechanical and electrical systems
- Roof, window, and door replacement, tuck-pointing, foundation repairs

History of DCT asset preservation appropriations 2005 to 2025

2005	$3.0 M	2012	$2.0 M	2019	$0
2006	$3.0 M	2013	$0	2020	$8.0 M
2007	$0	2014	$3.0 M	2021	$0
2008	$3.0 M	2015	$0	2022	$0
2009	$2.0 M	2016	$0	2023	$9.2 M
2010	$2.0 M	2017	$0	2024	$0
2011	$4.7 M	2018	$10.0 M	2025	$7.5 M

2025 Asset Preservation Projects

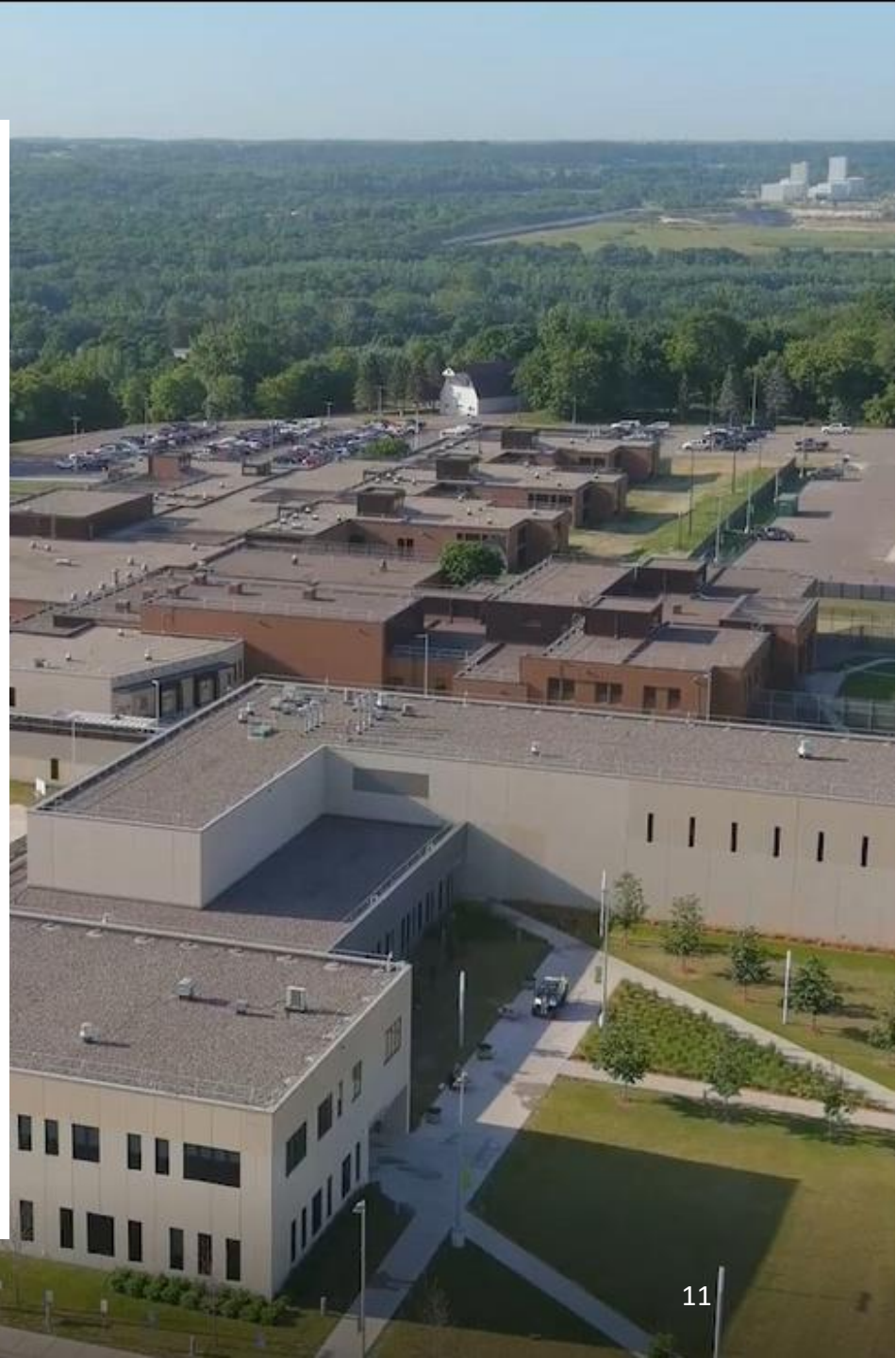
Project	Amount Received
AMRTC: Rebuild two chillers	$ 288,600
AMRTC: Repair concrete	$ 63,500
AMRTC: Replace wind screen	$ 31,600
Brainerd: Replace pneumatic HVAC controls on three buildings	$ 300,000
Brainerd: Roof replacement	$ 1,140,000
Brainerd: Window/tuckpoint	$ 90,0000
MSOP Shantz: Remodel showers	$ 980,000
MSOP Pexton: Upgrade pneumatic controls	$ 603,295

Water & sewer rehab: $18.8 million General obligation bonds

- Replaces water mains, sanitary and storm sewers throughout the lower St. Peter campus
- The systems were constructed in the 1950s and have far exceeded their useful life
- Avoids likely system breakdown and failure
- Ensures safe, sanitary conditions for about 700 patients and clients and nearly 2,000 staff

This mission-critical infrastructure serves a sprawling St. Peter campus

- 574 acres on an upper and lower campus
- More than 1.1 million square feet
- 55 buildings supporting treatment, administration and operations, constructed between 1867 and 2019
- One mile of underground tunnels



The consequences of delaying a project that has waited too long

- Project costs will continue to rise
- Since 2022, when we first sought funding, project costs have risen by $8.4 million due to inflation
- Risk of catastrophic system failure rises each year the project is further delayed
- In the event of failure, emergency sanitation measures will be costly, inconvenient, unsafe for patients and staff – and yucky!

Questions?

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Thank You!

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