

Project Title	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Rec	Governor's Planning Estimates	
				2004	2006	2008	2004	2006	2008
Minneapolis Waste Piping Replacement	1	410	GO	\$1,077	\$0	\$0	\$1,077	\$0	\$0
Asset Preservation	2	445	GO	11,006	6,000	6,000	6,000	6,000	6,000
Minneapolis Adult Day Care	3	320	GO	1,031	0	0	0	0	0
Silver Bay Master Plan Renovation	4	355	GO	1,347	0	0	0	0	0
Luverne Dementia Unit/Wander Area	5	320	GO	282	0	0	0	0	0
Minneapolis Dining/Kitchen Renovation	6	330	GO	1,612	0	0	0	0	0
Fergus Falls Special Care Unit	7	265	GO	2,325	0	0	0	0	0

Project Total	\$18,680	\$6,000	\$6,000	\$7,077	\$6,000	\$6,000
General Obligation Bonding (GO)	\$18,680	\$6,000	\$6,000	\$7,077	\$6,000	\$6,000

Funding Sources:	GF = General Fund	THF = Trunk Highway Fund	OTH = Other Funding Sources
	GO = General Obligation Bonds	THB = Trunk Highway Fund Bonding	UF = User Financed Bonding

Agency Profile At A Glance

- ◆ FY 2004-05 Operating Budget - \$119.5 million with revenues from
 - ⇒ 51% State Appropriation
 - ⇒ 23% USDVA Per Diems
 - ⇒ 26% Patient Pay
- ◆ 952 Operating Beds
- ◆ 98% Occupancy Statewide

Agency Purpose

The mission of the Veterans Homes Board is to assure the commitment of government to provide the highest possible quality programs for health care, supportive service, and housing to our Minnesota Veterans and their spouses while developing new and innovative solutions to meet the challenges of changing times.

M.S. 198.01 charges the Veterans Homes to "provide nursing care and related health and social services to veterans and their spouses who meet eligibility and admission requirements." Veteran's eligible for admission to our homes must have either "served in a Minnesota regiment or have been credited to the state of Minnesota, or have been a resident of the state preceding the date of application for admission." There are approximately 428,000 veterans in the state so one of every nine Minnesotans meets this criterion. Spouses of eligible veterans are also eligible for admission if they are "at least 55 years of age, and have been residents of the state of Minnesota preceding the date of application for their admission." Veterans or spouses must be unable by reason of wounds, disease, old age, or infirmity to properly care for themselves.

Core Functions

There are now five Veterans Homes operating in Minnesota. These include skilled nursing beds at Minneapolis, Silver Bay, Luverne and Fergus Falls

with domiciliary beds at Minneapolis and Hastings. The Minneapolis facility operates a 16-bed inpatient dual-diagnosis program for homeless veterans. Hastings has a transitional housing program for veterans who have been previously homeless. Both of these programs are funded jointly by the U.S. Department of Housing and Urban Development (HUD) and the State Veterans Home. Services provided are listed below:

- | | |
|--|------------------------------|
| ◆ skilled nursing | ◆ domiciliary (board & care) |
| ◆ special care units—Dementia & Alzheimer's | ◆ hospice |
| ◆ physical therapy | ◆ social services |
| ◆ occupational therapy | ◆ work therapy |
| ◆ speech therapy | ◆ drug & alcohol treatment |
| ◆ recreational therapy | ◆ transitional care |
| ◆ chiropractic (with doctor's order) | ◆ spiritual care |
| ◆ dental | ◆ volunteer programs |
| ◆ podiatry | ◆ mental incentive |
| ◆ optometry exams | |
| ◆ outpatient services (Fergus Falls – USDVA community based outpatient clinic) | |

The agency's core values are:

- ◆ quality performance;
- ◆ customer satisfaction;
- ◆ public acceptance; and
- ◆ pursuit of excellence.

Operations

A nine-member board is appointed by the governor whose responsibility is to oversee the management of the agency. An executive director is hired by the board and is responsible for all operational aspects of the agency. Board staff provide leadership and oversight of functional areas which include human resources, financial management, audit, quality assurance, legislative and public affairs, project management, safety, veterans benefits, legal, and computer systems management. Administrators provide day-to-day leadership to the five facilities located throughout the state. Each facility is organized into functional units based upon size and type of patient care delivered. Typical skilled care facilities encompass nursing, dietary,

housekeeping, social services, therapeutic recreation, facility maintenance, administration, admissions, business office, mental health, speech, physical and occupational therapy, chaplain, and other services provided through contractual arrangements. Board and care facilities focus on substance abuse counseling and transitional services.

Budget

The agency's operating funds generally come from three sources - state appropriations (51%), patient pay amounts (26%), and Department of Veterans Affairs (USDVA) per diems (23%). The agency's two primary sources of revenue include Federal per diem payments and resident maintenance charges, which, when combined with the General Fund appropriation, fund the operations of the homes. Fluctuations in federal per diems and patients' ability to pay the full cost of care put pressure on the state appropriation. Federal law sets USDVA per diem payments annually.

Resident maintenance charges are established as set forth in Minnesota Rules Chapter 9050. A monthly cost of care is first determined for each facility and each level of care. Residents are then billed the monthly charge, subject to income limitations, among other things.

Contact

Minnesota Veterans Homes
For more information, contact: Sandy Larson at (651) 296-2073.

The Minnesota Veterans Homes web site at www.mvh.state.mn.us gives visitors important information about the Veterans Homes. Types of information available through the site include history, bed availability, rules, agency initiatives, board meeting minutes, newsletters, vacancy data, and board member information. Applications can also be downloaded.

At A Glance: Agency Long-Range Strategic Goals

- ◆ To manage the Minnesota Veterans Home's with honesty, integrity, and cost effectiveness;
- ◆ To provide a therapeutic environment that encourages resident independence, respects individuality, promotes self worth, well being, and promotes quality care
- ◆ To target services to veterans with special needs;
- ◆ To be good stewards of our physical assets to ensure that our health care facilities are properly maintained and managed;
- ◆ To provide a continuous evaluation of care and services to be responsive to changing needs;
- ◆ To supporting research and education in geriatrics and long term care;
- ◆ To recognize employees for their contributions; and
- ◆ To coordinate services and working cooperatively with the medical communities.

Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs

There are 428,000 veterans in Minnesota and it is anticipated that this population will decrease by approximately 35% over the next 20 years. While the veteran population is expected to decrease over the next 20 years, the number of veterans 75 and older will grow 9% from today's rates. The VA report, "Caring for the Older Veteran," also highlights the growth trends of veterans' care needs overall. This report states that "the aging trend in the veteran population because of its unique composition is challenging the nation's health systems. Veterans tend to cluster in age groups related to service in major conflicts. At least 50% of the patients cared for in veteran's homes are between the ages of 75-84 and 21% over the age of 85. This is compared to private sector long-term care where approximately 31% are between the ages of 75-84 and 52% over 85. Our population is 86% male as compared to 26.7% in the private sector

In addition, The Department of Administration's 1989 Management Analysis Division report, titled "The Need for Additional Veterans Nursing Homes in Minnesota," complimented these aging and demand trends where they

concluded that veterans who will be in need of our nursing care services will continue to grow. (see below)

<u>Year</u>	<u>Minnesota Veterans</u>	<u>% Needing Care</u>	<u># Needing Care</u>
2000	428,632	1.6%	6,858
2010	337,366	2.6%	8,772
2020	263,186	3.1%	8,158

The top five primary diagnosis for skilled care in the veterans homes system is dementia, alzheimer's, coronary vascular disease, diabetes, chronic obstructive pulmonary disease. The top five secondary diagnoses are dementia, alzheimer's, hypertension, diabetes, and osterarthrosis/osteoporosis.

For domiciliary care the top five primary diagnosis are alcohol dependence/ Abuse, chronic obstructive pulmonary disease, hypertension, diabetes, athropathy with the top five secondary diagnosis being depression, tobacco use disorder, hypertension, complications of alcohol abuse and chronic obstructive pulmonary disease.

As a result of factors such as age, gender, case mix, diagnosis, and demographic changes, this agency has developed programs to meet the needs of the aging veteran population and has developed a strategic plan for future health care demands. It has also considered existing services for veterans provided by the USDVA and others to limit duplication of services, conducted gap analysis to identify unmet need, and considered the strategic direction of the state's long term care task force recommendations to develop future planning initiatives.

Finally, the Minneapolis Veterans Home has commissioned a study to update a master plan for future campus development. Information discussed in the previous paragraphs will be update to reflect current demographic and program issues and will serve as a blueprint for providing future new and expanded services for veterans in the Twin Cities and surrounding area.

Nationally, the State Veterans Homes programs represent the largest provider of long term care in the United States with 24,827 operating beds in 48 states. The U.S Department of Veterans Affairs (VA) provides

approximately \$100 million annually in the form of State Home Grants to supplement the construction and renovation of state veteran’s health care facilities. Over the next few years it is planned that there will be an additional 3000 beds added to that total nation-wide. As part of our strategy, we have submitted our major projects to the VA for State Home Grant funding. All of our project submissions have been approved by the VA and are waiting state funding. If state funding were awarded, final word on federal funding commitments is anticipated. Once state funding is approved we will update our submission to the VA and expect final word during the first quarter of the federal fiscal year.

Currently, the Minnesota State Veteran’s Homes are licensed for 600 skilled-care long-term and 354 domiciliary beds distributed as follows:

	<u>Board & Care Beds</u>	<u>Skilled Care Beds</u>
Minneapolis	154*	341
Hastings	200	0
Silver Bay	0	89
Luverne	0	85
Fergus Falls	0	85
Total beds	354	600

*61 operational

The mission statement of the Veterans Homes as well as the summary of diagnosis discussed above reflects the knowledge that we are focused on providing care for those "veterans with special needs" that often cannot or are not being met in other facilities. Our programs are specialized to our veterans' needs. We continue to evaluate our services on an ongoing basis to ensure that the care and services provided are appropriate to our mission and responsive to the changing special needs of the veterans' community. As of this writing, waiting lists collectively continue to grow at all our health care facilities with Minneapolis and Fergus Falls alone accounting for the over 400 active veterans seeking care.

This agency has initiated a number of activities to identify capital needs facing our homes over the next few years. A needs survey was conducted for veterans health care in Minnesota. A grass roots strategic planning process was implemented to identify capital and programming needs. This

information was consolidated by the agency’s leadership team, prioritized and presented to the Board of Directors for their approval. The board has approved the strategic plan and the bonding initiatives.

Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets

Currently, all of our licensed beds, with the exception of Building 16 (95 beds) at our Minneapolis campus are being fully utilized. An assessment of each facility follows.

Minneapolis – This is our oldest campus dating back to 1887. We continue to work on maintaining this 51-acre historic site. While major renovations have taken place over the past few years, work is still required to update various aspects of the buildings on site which are reflected in the asset preservation project list in the bonding request. Electrical upgrades, air handling systems, security, roof repairs and replacements, and other items are important to maintain the integrity of the campus. One of the biggest challenges today is the failing drain piping in building 17 which is deteriorating prematurely and requires immediate replacement. Minneapolis maintains a waiting list of over 300 veterans seeking skilled care services.

Hastings – This site is beginning the final phase (Phase III) of a campus renovation. Beginning with a major rework of the infrastructure, the renovations are now proceeding with updates to the mechanical systems in the major patient care buildings and finally to the repair or replacement of the remaining tunnels, updates to the power plant, roof repairs or replacements, and other energy conservation items. It is anticipated that at the end of Phase III the majority of the campus will be updated.

Silver Bay – This facility was an elementary school built in 1953. It was converted to a nursing home and a number of space and functional deficiencies remain. Currently a new roof project is underway which will replace a failing roof structure that leaked significantly. The proposed master plan update project will bring the facility up to current nursing home construction standards and provide a better environment for providing patient care services.

Luverne – This facility recently completed a mold abatement project and is in acceptable condition. The Alzheimer’s wing is space deficient and the proposed project to add an Alzheimer’s space will rectify that issue. Work to correct water runoff in the parking lots has become a safety issue and is addressed in the asset preservation requests.

Fergus Falls – This is our newest facility and has recently upgraded the mechanical system to digital controls in an effort to more efficiently manage energy consumption. The facility is in acceptable condition. The project proposed for this facility would add a 20-bed special care unit for Alzheimer’s, that has become a major focus within our agency. Fergus Fall also has had a major waiting list for care and the additional beds will help to alleviate that unmet demand.

This agency spearheaded the implementation of the ARCHIBUS system which automates the work on demand and preventive maintenance processes. This standardization of procedures at all of our facilities will provide us with better information as to how well we are maintaining our facilities, how efficiently we are utilizing our maintenance personnel, and it will provide information with which to base future maintenance and repair budget upon.

Agency Process Used to Arrive at These Capital Requests

The agency's long-range strategic operating plans and capital budget goals are to ensure that each of our homes is able to provide the highest quality of care to our residents in a therapeutic, highly adaptive and dignified environment.

In order to meet these goals, we must ensure that each veteran’s home is in good operating condition. The agency has conducted a comprehensive strategic process to identify programmatic and facility needs and these are reflected in our bonding and capital requests. If a home requires renovation or new construction, we have analyzed the need, reviewed the options, and requested the necessary funding. We have also completed pre-designs on major requests in an effort to provide more detailed and accurate information with our requests. These requests have been reviewed, prioritized, and approved by the agency’s Board of Directors. We have also commissioned studies to determine future demand for services both from a qualitative and

quantitative focus. An update to the master plan for the Minneapolis campus will be completed by the end of September and will provide future direction of development on that campus.

The current capital budget requests have been reviewed and recommended by the homes and the board. The priorities were reviewed using the following criteria:

- ⇒ **Quality patient care.** This includes both the services available to the residents and the environment in which residents reside.
- ⇒ **Maintenance and protection of the physical plant.** This includes correcting current deficiencies and maintaining the integrity of the physical plant.
- ⇒ **Adequate, viable infrastructure support.** This includes providing management with the tools necessary to ensure efficient operation of the homes.

The long-range Planning Study and the Historic Structures Report used to develop these requests contain a building-by-building evaluation of all buildings at the Minneapolis and Hastings veteran’s homes. These evaluations detail the condition of the buildings, the asbestos content, and the modification needed to comply with ADA standards. The study also includes long-range strategic plans for the Minneapolis and Hastings veteran’s homes' renovations, remodeling, and new constructions. These plans, if implemented, will not only bring the homes into compliance with current health care and safety standards, but will also improve the service delivery to our residents.

These plans have not been developed in a vacuum. There has been a study of the long-term care needs of veterans in Minnesota that has helped to shape these requests. As part of this process, these strategic initiatives have also had input from our constituents at the grass roots level. There has been an active strategic planning process at the facility and agency level and strategic initiatives have been reviewed, prioritized, and approved by the Board of Directors.

Major Capital Projects Authorized in 2002 and 2003

Hastings – Phase III – The Minnesota Veterans Home at **Hastings** proceeded with an \$8.158 million final phase of their campus renovation. This phase will correct some or all deficiencies within buildings 20, 23, 24, and 25.

Silver Bay Veterans Home roof is currently being replacement. The current roof is approximately 13 years and is a flat roof with a rubberized membrane. The membrane has shrunk over time and has pulled away at seams and the edges of the roof causing a significant leaking problem. The new roof is a metal pitched roof, which is more appropriate for northern Minnesota weather and that will allow for proper drainage.

Asset Preservation - The board was provided \$2 million for agency-wide asset preservation projects.

Minneapolis Waste Piping Replacement

2004 STATE APPROPRIATION REQUEST: \$1,077,000

AGENCY PROJECT PRIORITY: 1 of 7

PROJECT LOCATION: 5101 Minnehaha Avenue South, Minneapolis

Project At A Glance

- ◆ Estimated 50% of drain pipes in failure
- ◆ Ensures continued full use of existing patient care beds
- ◆ Prevents potential crisis "fix" when major building systems fail

Project Description

The Minnesota Veterans Homes Board (MVHB) is requesting \$1.077 million for sanitary waste pipe replacement in building 17, at the Minnesota Veterans Home in Minneapolis. This capital request would provide funding for replacement of sanitary discharge piping from resident bathrooms and above the critical service areas such as the kitchen and dining area, pharmacy, and physical therapy.

The pipe in building 17 is in need of replacement because of gas vapors that have caused the metal pipe to deteriorate. The corrosion is manifested by off gassing of waste flowing through the pipe, specifically H₂S gas. The pipe installed in this building when it was built in 1978 was a type B, gray cast iron. This type of cast iron is particularly susceptible to graphite corrosion. These pipe conditions are widespread through out the building. The corrosion manifests itself from the inside out so visual exterior pipe inspections would not identify the problem until total deterioration has occurred. The interior corrosion/deterioration of this pipe attacks the pipe non-uniformly due to such pipe configuration features as elbows, cleanouts, and a variety of slopes concentrating larger volumes of gasses in some places more than in others.

Facility staff have on an urgent basis replaced a few sections of this pipe where leakage has occurred. This is a temporary fix to a much larger problem that may occur through out the building if left unattended.

Impact on Agency Operating Budgets (Facilities Notes)

If this waste water piping problem is not addressed in a timely fashion, the pipe failure may result in displacement of residents for long periods of time at other sites causing an increase in operational costs.

The nature of this improvement should not have any significant impact on the ongoing operating costs of the facility if completed in a timely fashion. There would not be any mechanical equipment operational efficiencies affected by this pipe replacement.

Previous Appropriations for this Project

There has not been any Capital Funding requested for this project. \$121,000 of 2000 bonded funds for building 17 has been directed to study this project to identify the magnitude of the problem, and clarify locations of any urgent pipe replacement.

Project Contact Person

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Governor's Recommendations

The Governor recommends general obligation bonding of \$1.077 million for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	9	0	0	0	9
3. Design Fees	112	0	0	0	112
4. Project Management	0	10	0	0	10
5. Construction Costs	0	1,032	0	0	1,032
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	35	0	0	35
TOTAL	121	1,077	0	0	1,198

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	121	1,077	0	0	1,198
State Funds Subtotal	121	1,077	0	0	1,198
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	121	1,077	0	0	1,198

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,077	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Minneapolis Waste Piping Replacement

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	105
Customer Service/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	60
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	410

Asset Preservation

2004 STATE APPROPRIATION REQUEST: \$11,006,000

AGENCY PROJECT PRIORITY: 2 of 7

PROJECT LOCATION: 1200 East 18th Street, Hastings, 1300 North Kniss, Luverne, 1821 North Park Street, Fergus Falls, 45 Banks Boulevard, Silver Bay, 5101 Minnehaha Avenue South, Minneapolis

Project At A Glance

- ◆ Provides updates to over 50 buildings statewide
- ◆ Continues to provide a safe environment for caring for vulnerable adults
- ◆ Ensures continued full use of all of our physical assets
- ◆ Repairing/replacing now eliminated future higher costs

Project Description

The Minnesota Veterans Homes Board (MVHB) is requesting \$11.006 million for agency wide asset preservation.

The MVHB manages 50 buildings at five facility locations while providing care for over 900 residents. This asset preservation request will assist the agency in addressing building repair items that go beyond the day-to-day maintenance needs of the facilities.

This request would update a variety of resident building components. These projects serve to maintain a safe, efficient, and manageable environment for the residents at the Homes. Included in this request are the replacing of exterior envelope components, roof replacement, tuckpointing, and window replacement, mechanical and electrical updates, and resident bathroom and central shower updates.

The Minneapolis campus building 17, nursing care residence building is in need of remodeling/repair to central tub rooms, and residence bathrooms, unit dining rooms, and replacement of resident windows.

The Hastings campus, building 20 is in need of exterior envelope repairs, building 23 roof replacements, building 30 exterior envelope repairs. The water tower on this campus will need to be taken down and old wells capped as a result of changing this campus over to city water.

The out-state campuses at Luverne, Silver Bay, and Fergus Falls are in need of a variety of building repairs, including but not limited to resident room door replacements, nurse call and phone system replacement, generator upgrade, boiler burner parts replacement, and storage building repairs.

The 1998 bonding bill contained a provision requiring state agencies to include in their operating budgets amounts necessary to adequately maintain their facilities. Based on this directive, the Statewide Facilities Management group, with assistance from the Department of Administration's Building Construction Division, and in consultation with the Department of Finance, developed a set of funding guidelines. At that time, these guidelines indicated that the annual maintenance funding for the Veteran's Homes agency facilities would be \$2.9 million each year.

The amount identified in this asset preservation request reflects the shortfall created as a result of previous underfunding of building repair and replacement requests. Funding in our operating account for repairs and betterment has only been at the \$1.19 million level. These funds have largely been reprogrammed during the FY 2002-03 biennium to deal with operating budget shortages. The same scenario will occur during the FY 2004-05 biennium. In addition to the loss of agency funds for repair and betterment, the Department of Administration has announced that it will no longer seek Capital Asset Preservation and Repair Account (CAPRA) funds for other than emergency projects. Each agency is expected to include funding for projects under Asset Preservation that in the past have come from non-emergency CAPRA dollars.

Impact on Agency Operating Budgets (Facilities Notes)

The nature of these asset preservation improvements should not have any significant impact on the ongoing operating costs of the facility and may correct inefficiencies in mechanical equipment ultimately reducing operating costs.

Asset Preservation

Previous Appropriations for this Project

Asset preservation funded in the past, including a direct appropriation of \$2 million in FY 2002. There were additional resources from CAPRA funds at the Department of Administration.

Project Contact Person

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Governor's Recommendations

The Governor recommends general obligation bonding of \$6 million for this project. Also included are budget planning estimates of \$6 million in 2006 and \$6 million in 2008.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	1,074	550	512	2,136
4. Project Management	0	362	185	172	719
5. Construction Costs	0	8,898	4,547	4,242	17,687
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	672	718	1,074	2,464
TOTAL	0	11,006	6,000	6,000	23,006

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	11,006	6,000	6,000	23,006
State Funds Subtotal	0	11,006	6,000	6,000	23,006
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	11,006	6,000	6,000	23,006

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	11,006	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Asset Preservation

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	60
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
Total	700 Maximum	445

Minneapolis Adult Day Care

2004 STATE APPROPRIATION REQUEST: \$1,031,000

AGENCY PROJECT PRIORITY: 3 of 7

PROJECT LOCATION: 5101 Minnehaha Avenue South, Minneapolis

Project At A Glance

- ◆ Adult Day Care helps meet demand for additional services
- ◆ Alternative to skilled nursing care keeping veterans at home longer
- ◆ 65% Federal Funding
- ◆ Would serve 30 – 35 residents per day

Project Description

The Minneapolis Veterans Home is requesting \$1.031 million as the state's portion (35%) of this \$2.947 million project to remodel building 4 to provide adult day care services to veterans in the surrounding communities. The remaining 65% had been submitted for funding to the US Department of Veterans Affairs (VA) State Home Grant program who have tentatively approved this project for their FY 2004-project list. The VA will only provide their funding when the state makes their commitment for their 35% share of project funding.

This project request is a result of a grass roots strategic planning process begun at the facility level, reviewed by the agency's leadership council, and approved and prioritized by the board of directors.

Building 4 is a "home like" cottage style Richardsonian Romanesque design building which was built in 1889. The exterior of this building has been refurbished recently to include tuckpointing and a new roof and windows. However, the interior of this building does not meet occupancy code; the building is currently unoccupied. Building 4 has approximately 11,200 square feet distributed on four levels. The building exterior has been refurbished but the interior requires renovation to bring it up to code as well

as redesigned for patient activities. Site amenities would include Americans with Disabilities Act accessibility, a private vehicle and van access drive, security fencing surrounding a walking path, garden, and sitting area. On-grade and raised gardening beds would accent this secured outdoor wandering area environment. The interior renovation will include an elevator for egress to all four floors of this building.

The proposed adult day care program will provide services to veterans eight to 10 hours a day and can accommodate 30 to 35 residents per day. A transportation network sponsored by veteran's organizations would be accessible to provide service to veterans in need of adult day care on this site.

This structure will require a complete wall to wall interior remodel package. The interior of this structure will be upgraded to meet "I" (Institutional) occupancy by replacing the wood floor with a steel/concrete system. The interior will be remodeled to accommodate/meet adult day care program use and building code compliance. This construction would include a new energy efficient mechanical system tied into the campus infrastructure.

Impact on Agency Operating Budgets (Facilities Notes)

The United States Department of Veterans Affairs has legislation in support of state veterans homes programs for adult day care. The legislation would pay a daily per diem to the veteran's home for eligible veterans receiving care in this program. The current per diem is 50% of the daily rate up to a specified maximum. The remaining portion of costs would be a patient pay amount. Due to the federal participation, adult day care on campus would be affordable to a greater portion of veterans who would not otherwise be able to avail themselves of this service.

The adult day care program implementation would meet Minnesota statutory requirements, associated Minnesota Department of Human Services Rules, and Federal Veterans Administration Standards pertaining to environmental operations.

Previous Appropriations for this Project

None.

Minneapolis Adult Day Care

Other Considerations

The Minneapolis facility receives numerous requests for adult day care services service's throughout the year and is not able to accommodate this need. The Veterans Homes Board conducted a study of veterans health care needs in the state, which identified adult day care as a priority. The Minneapolis facility leadership conducted an in depth strategic planning process, which identified adult day care as one of their priority initiatives. Our mission to provide high quality health care services to veterans and adult day care fits well within that mission as well as providing alternatives to a higher cost skilled care service. We will also be able to provide additional services on campus without significant increased costs since the services are already available and can be provided at a marginal additional cost.

The Minnesota Veterans Home in Minneapolis is on the National Historic Register. Any renovation on this campus will require prior approval of the Minnesota Historic Society. All proposed building construction projects at this campus require special design consideration to meet historic preservation guidelines.

Ongoing operating funds for an adult day care program at the Minneapolis veterans home would come from daily per diems and patient pay amounts.

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	10	0	0	0	10
3. Design Fees	0	194	0	0	194
4. Project Management	0	114	0	0	114
5. Construction Costs	0	2,135	0	0	2,135
6. One Percent for Art	0	19	0	0	19
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	222	0	0	222
9. Inflation	0	263	0	0	263
TOTAL	10	2,947	0	0	2,957

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,031	0	0	1,031
State Funds Subtotal	0	1,031	0	0	1,031
Agency Operating Budget Funds	10	0	0	0	10
Federal Funds	0	1,916	0	0	1,916
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	10	2,947	0	0	2,957

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	928	1,484	2,412
Other Program Related Expenses	0	85	0	85
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	1,013	1,484	2,497
Revenue Offsets	0	<928>	<1,484>	<2,412>
TOTAL	0	85	0	85
Change in F.T.E. Personnel	0.0	11.7	11.7	23.4

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,031	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Minneapolis Adult Day Care

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	65
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	320

Silver Bay Master Plan Renovation

2004 STATE APPROPRIATION REQUEST: \$1,347,000

AGENCY PROJECT PRIORITY: 4 of 7

PROJECT LOCATION: 45 Banks Boulevard, Silver Bay

Project At A Glance

- ◆ Provides improved clinical and program space
- ◆ 65% federally funded
- ◆ Brings facility up to current skilled care space standards
- ◆ Provides improved physical environment for patient care
- ◆ Improved services with intergenerational care – Adult Day Care/Child Care

Project Description

The Silver Bay Veterans Home is requesting \$1.347 million as the state's portion (35%) of this \$3.849 million project for renovation of existing space and a structural building addition to the nursing care facility. The remaining 65% had been submitted for funding to the US Department of Veterans Affairs (VA) State Home Grant program who have tentatively approved this project for their FY 2004 project list. The VA will only provide their funding when the State makes their commitment for their 35% share of project funding.

The Minnesota Veterans Home in Silver Bay is located on Minnesota's north shore just north of Two Harbors in Lake County. This nursing care facility was originally built as a grade school in 1953. Upon receipt of a federal grant, legislation in 1989 authorized the retrofit of this facility into an 89-bed nursing care facility.

This funding initiative would renovate select space within the facility to provide additional clinical space, enhance resident programming space, and provide additional space for administration offices. The first level building

renovations and additions would allow dedicated space for a pharmacy, exam room, chapel, resident day room, private family meeting space, hospice rooms, freezer and dish room space, resident library, and a dining hall expansion. A lower level vehicle, cold storage, and maintenance shop would also serve as a shipping and receiving collection point. The expansion would include an elevator to facilitate the distribution of storage items to the first level and access to the lower level for residents to be loaded inside heated space for transportation on inclement weather days.

This project request is a result of a grass roots strategic planning process begun at the facility level, reviewed by the agency's Leadership Council, and approved and prioritized by the Board of Directors. Our previous request for a maintenance facility and storage has been incorporated into this request.

A study of the interior of this facility was conducted to primarily identify clinical space deficiencies. The Minnesota Department of Health Nursing Home Rules and U.S. Department of Veterans Affairs environmental space requirements were reviewed as part of this study. Space deficiencies were identified when a comparison was made between these current program design standards and existing space. A goal of the study was to improve resident programming needs, provide workflow efficiencies, improve services provided, and ultimately enhance the quality of life for the residents by reducing the institutional qualities of these spaces.

Incorporating the results of this study into a predesign was the next challenge for this campus. Developing unused space under the facility in the lower level of this facility during this renovation will lower the over all cost of this construction. The proposed addition would improve staff support to residents, and improve administrative areas increasing staff efficiency.

The lower level of the proposed addition would contain the transportation vehicles, storage, intergenerational care program area, loading dock for deliveries, and staff and volunteer locker rooms. The transportation vehicle garage space would also be used to load residents in the warmth of a garage in the winter, adding resident comfort and enhance mobility to outpatient clinic appointments. Housing these vehicles inside during the winter will reduce accelerated wear and tear due to road salt, paint deterioration, and rusting parts. The accelerated deterioration of these vehicles causes undue hardship to the facility budget. One of the stalls in the new maintenance

Silver Bay Master Plan Renovation

facility would have floor drains for use as a wash bay for the transportation vehicles.

An undersized maintenance shop office currently doubles as a repair shop, creating unsafe, cramped working conditions. The existing maintenance shop has been cited for safety code violations because of space restrictions. The space offered for maintenance shop in the lower level of the expansion would offer an ergonomically safe maintenance shop for staff.

The space study was conducted because this long-term nursing care facility was extremely short of space in general. The lower level storage space in the pre-design plans would free up space within the main level of the nursing home and allow space for programming such as pharmacy, accessible resident lounge space, library, and exam room. The United States Department of Veterans Affairs (USDVA) adopted legislation that would reimburse the Silver Bay Veterans Home for medication purchased for residents if space was provided establishing an in-house pharmacy. Continuation of the present situation will result in a loss of state operational budget revenue.

The facility has been encountering storage space problems causing daily operational difficulties. Safety issues have arisen attracting the attention of regulatory agencies such as the State Fire Marshal. Code violations have also been cited. Current storage space is inadequate, which causes the home to lose significant volume discounts in purchasing, as well as jeopardize the safety of residents and staff due to congestion.

Finally, included in the addition is space for intergenerational programming. This includes the initiation of adult day care and child day care programs. There is an expressed demand for adult day care services by veterans in the area. Child day care would assist in the recruitment and retention of staff in an area where recruitment is extremely difficult and retention is the key to continuity and quality.

Impact on Agency Operating Budgets (Facilities Notes)

The project will increase the useful life of the home's vehicles, snow removal and lawn equipment, lower routine maintenance costs, allow for savings from bulk purchases, as well as minimize the fire hazard liability potential. Adding

storage space to this facility will be a direct resident quality benefit because of the inconvenience of residents sharing programming space. There will be a marginal increase in operating costs estimated to be \$44,500 annually.

Previous Appropriations for this Project

None.

Other Considerations

The grounds of the home are adequate to accommodate the addition without impacting the integrity or character of the current structure. An asphalt fire road would be installed surrounding the facility in addition to using this road for a drop off, shipping, and receiving location accessibility.

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	31	0	0	0	31
3. Design Fees	0	300	0	0	300
4. Project Management	0	134	0	0	134
5. Construction Costs	0	2,893	0	0	2,893
6. One Percent for Art	0	22	0	0	22
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	235	0	0	235
9. Inflation	0	265	0	0	265
TOTAL	31	3,849	0	0	3,880

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,347	0	0	1,347
State Funds Subtotal	0	1,347	0	0	1,347
Agency Operating Budget Funds	31	0	0	0	31
Federal Funds	0	2,502	0	0	2,502
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	31	3,849	0	0	3,880

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	152	152	304
Other Program Related Expenses	0	19	19	38
Building Operating Expenses	0	81	81	162
Building Repair and Replacement Expenses	0	8	8	16
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	260	260	520
Revenue Offsets	0	<171>	<171>	<342>
TOTAL	0	89	89	178
Change in F.T.E. Personnel	0.0	1.5	1.5	3.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,347	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Silver Bay Master Plan Renovation

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	65
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	25
Total	700 Maximum	355

Luverne Dementia Unit/Wander Area

2004 STATE APPROPRIATION REQUEST: \$282,000

AGENCY PROJECT PRIORITY: 5 of 7

PROJECT LOCATION: 1300 North Kniss. Luverne

Project At A Glance

- ◆ Improves programming space for number 1 facility diagnosis
- ◆ Provides activity/wander area for residents
- ◆ 65% Federally funded
- ◆ Marginal \$7,500 additional operating costs

Project Description

The Luverne Veterans Home is requesting \$282,000 as the state's portion (35%) of this \$807,000 project for a structural building addition to the nursing care facility. This structure would contain an Alzheimer's/Dementia (A/D) day programming space attached to the existing A/D patient care wing similar to our Silver Bay facility. The remaining 65% had been submitted for funding to the US Department of Veterans Affairs (VA) State Home Grant program who have tentatively approved this project for their FY 2004 project list. The VA will only provide their funding when the state makes their commitment for their 35% share of project funding.

The Minnesota Veterans Home in Luverne is located in southwestern Minnesota. This 85-bed nursing care facility was completed in 1993 on 13.5 acres in the north end of the city. This nursing care facility has maintained full occupancy from soon after opening to present day.

This nursing care facility has dedicated one wing of this facility (17 beds) to caring for veterans with A/D diagnosis. The day activities for these residents are currently conducted in the center corridor of this wing. Feeding, therapeutic activities, wandering, visiting, and other social functions are conducted in this limited space. The limited space in this corridor restricts

the programming of activities and becomes a quality of care issue. Congestion in this corridor for residents with this diagnosis contributes to frustration, agitation, and anger. Increased agitation causes greater acting out, physical aggression, and a greater safety concern for residents and staff.

The proposed open air, one room, cathedral-ceiling structure would provide day activity space for residents and a special programming area for the residents, with walking paths for patients to wander, all of which significantly improving their quality of life. This space will also be used for special dining and programs that are specifically focused on the needs of patients (e.g. aromatherapy) with Alzheimer's or dementia. This type of space assists with improving behaviors and has the potential of reducing reliance on medication management thus reducing medication costs.

Wandering is a natural behavior and characteristic of many people with dementia and can be a means of both physical and emotional release. For some, it is a coping mechanism to relieve stress and tension. It may be an expression of restlessness, boredom, or the need for exercise. And for some, it may be searching for a part of life lost to the disease or for a person, place, or object from the past. There is also an agitated kind of pacing that occurs with some individuals. Since trying to stop the activity may increase agitation, and cause anger and frustration, a better alternative is to encourage walking by providing safe, secure, and interesting paths to walk.

This 1,500 square foot room would allow the resident room to wander and/or participate in activities within this day room. The quality of life for these residents would increase and a more therapeutic and safe environment would be created.

Impact on Agency Operating Budgets (Facilities Notes)

There will be a marginal increase in building operations costs estimated to be \$7,500 annually.

Previous Appropriations for this Project

None.

Luverne Dementia Unit/Wander Area

Other Consideration

The grounds of the home are adequate to accommodate the addition without impacting the integrity or character of the current structure. This A/D addition will be attached at the end of the wing with minimal remodeling of the existing entrance. The proposed addition would be built on a loose back fill and would require, per verified soil borings, an extended depth footing for support of the building. In an effort to utilize the space under this structure and eliminate costly engineered fill the lower level would be used for heating and air conditioning, nursing home equipment, material stock, and vehicle storage. The total usable space of the entire proposed addition would be 3,000 square feet.

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	9	0	0	0	9
3. Design Fees	0	54	0	0	54
4. Project Management	0	69	0	0	69
5. Construction Costs	0	631	0	0	631
6. One Percent for Art	0	5	0	0	5
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	48	0	0	48
TOTAL	9	807	0	0	816

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	282	0	0	282
State Funds Subtotal	0	282	0	0	282
Agency Operating Budget Funds	9	0	0	0	9
Federal Funds	0	525	0	0	525
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	9	807	0	0	816

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	15	15	30
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	15	15	30
Revenue Offsets	0	0	0	0
TOTAL	0	15	15	30
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	282	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Luverne Dementia Unit/Wander Area

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	65
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	25
Total	700 Maximum	320

Minneapolis Dining/Kitchen Renovation

2004 STATE APPROPRIATION REQUEST: \$1,612,000

AGENCY PROJECT PRIORITY: 6 of 7

PROJECT LOCATION: 5101 Minnehaha Avenue South, Minneapolis

Project At A Glance

- ◆ Improved dining space
- ◆ Provides more efficient kitchen service
- ◆ Improves tray line service
- ◆ 65% Federally funded
- ◆ Meets future needs

Project Description

The Minneapolis Veterans Home is requesting \$1.612 million as the state's portion (35%) of this \$4.607 million project for remodeling and expansion of the main dining room and food preparation and kitchen space in building 17. The remaining 65% had been submitted for funding to the US Department of Veterans Affairs (VA) State Home Grant program who have tentatively approved this project for their FY 2004 project list. The VA will only provide their funding when the state makes their commitment for their 35% share of project funding.

This project request is a result of a grass roots strategic planning process begun at the facility level, reviewed by the agency's leadership council, and approved and prioritized by the board of directors.

Building 17 was built in 1980 as a 250-bed nursing care facility to augment the existing patient care programming. This building is home to the largest number of residents on this campus. The dining/kitchen also serves an additional 91 patients in the Alzheimer dementia building and the 61 patients in the board and care facility. In addition, meals are prepared for 16 patients from the homeless dual diagnosis program. This additional growth has been

the result of the campus-wide renovation that has activated almost all of the available beds on campus. It is anticipated through increased site programming, that this facility could service an additional 95 residents as well as an adult day care population for their noontime meal. The dining area and kitchen are currently significantly undersized for the current population and future program additions places greater pressure to develop better dining and food preparation space.

It is the goal of the facility to serve as many residents as possible in the main dining room. The daily dining experience is often a highlight of a resident's day and serves as a significant social event. While some residents are not able to attend meals in the dining room and are served in their rooms on their units, every effort is made to have residents participate in the dining room experience. We have also developed a more diverse patient population with greater dietary requirements thus making food preparation a challenge in the existing kitchen areas.

In addition, the serving line needs to be redesigned for accommodating a greater patient population in wheelchairs, walkers, and other assistive devices. The renovation would reorganize the kitchen and provide a better access for residents and offer an efficient food preparation work area for staff.

The dining room expansion is designed to accommodate future needs, increasing seating from 110 to 250 seats. Included in the dining room expansion is space for private family dining for special occasions. At the present time, there is no space for this to occur. We also serve meals to employees and there is not a defined area for them to eat. This is a significant recruiting and retention issue for the facility.

Other improvements made by this renovation would include the enlargement and relocation of manager and supervisor offices near the dining room to provide better supervision and accommodate increased staff. The dietary office would be located near the tray line to make it more efficient to make menu or tray changes.

Minneapolis Dining/Kitchen Renovation**Impact on Agency Operating Budgets (Facilities Notes)**

The building 17 improvements will not significantly impact current operating budgets.

Previous Appropriations for this Project

None.

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	15	0	0	0	15
3. Design Fees	0	334	0	0	334
4. Project Management	0	198	0	0	198
5. Construction Costs	0	3,625	0	0	3,625
6. One Percent for Art	0	33	0	0	33
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	100	0	0	100
9. Inflation	0	317	0	0	317
TOTAL	15	4,607	0	0	4,622

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,612	0	0	1,612
State Funds Subtotal	0	1,612	0	0	1,612
Agency Operating Budget Funds	15	0	0	0	15
Federal Funds	0	2,995	0	0	2,995
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	15	4,607	0	0	4,622

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,612	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Minneapolis Dining/Kitchen Renovation

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	65
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	330

Fergus Falls Special Care Unit

2004 STATE APPROPRIATION REQUEST: \$2,325,000

AGENCY PROJECT PRIORITY: 7 of 7

PROJECT LOCATION: 1821 North Park Street, Fergus Falls

Project At A Glance

- ◆ Provides increase capacity to meet demand (22 special care beds)
- ◆ Improved clinical space for number 1 diagnosis
- ◆ 65% Federally funded
- ◆ Improves patient physical environments

Project Description

The Fergus Falls Veterans Home is requesting \$2.325 million as the state's portion (35%) of this \$6.642 million project to construct a 22 bed special care unit. The unit will meet the strong demand for services and the particularly unique needs of its Alzheimer and dementia residents who comprise nearly 59% of its population. The remaining 65% had been submitted for funding to the US Department of Veterans Affairs (VA) State Home Grant program who have tentatively approved this project for their FY 2004 project list. The VA will only provide their funding when the state makes their commitment for their 35% share of project funding.

The Minnesota Veterans Home—Fergus Falls is a 85 bed Skilled Nursing facility located in North Western Minnesota proximate to two major highways, Interstate 94 and State Highway 210. It is extremely accessible to all state residents but especially so for those residents in North Western and North Central Minnesota. The Fergus Falls Veterans Home completed construction in October of 1997 and received its first resident March of 1998.

This project is a necessary expansion in order to meet the sustained and increasing demands of the Veteran population in the geographic area. Since the establishment of full census in September of 1998, the facility has been

faced with increased demand for its services that it has been unable to meet. Facility waiting lists have grown to a maximum of 85 on the facility active waiting list and 205 on the inactive waiting list. Lists of this length could experience up to a 12-month delay before admission to this facility. The active waiting List demand has consistently remained above 40 over the last four years and is currently at 51 on the active list and 195 on the inactive list. (*Active Waiting List* is defined as an expressed interest in immediate placement; *Inactive Waiting List* is defined as expressing placement interest at an undetermined future time). This prevents the facility from effectively meeting current demand and precludes them from addressing any immediate post acute needs of Veterans.

Fergus Falls Veterans Home receives admissions from a service area that comprises 23 counties. These counties are made up of 160,272 veterans according the Veteran Population 2001 model. Discounting those counties adjacent to the Twin Cities Metro area there is a total count of 21 counties totaling 54,779 Veterans within the immediate service area.

Veteran Trends Effecting Demand

There are 442,000 veterans in Minnesota and it is anticipated that this population will decrease by approximately 35% over the next 20 years. While the veteran population is expected to decrease over the next 20 years, the number of veterans 75 and older will grow 9% from today's rates. The VA report, "Caring for the Older Veteran," also highlight the growth trends of veterans' care needs overall. This report states that the aging trend in the veteran population because of its unique composition is challenging the nations health systems. Veterans tend to cluster in age groups related to service in major conflicts. At least 50% of the patients cared for in veteran's home are between the ages of 75-84 and 21% over the age of 85. These statistics reflect the increasing demand that will even further stress the current delivery systems and will further delay meeting current needs.

Facility Design Elements of Special Care Unit: Existing facility square footage stands at 71,130 square feet. The Special Care Unit would add an additional 33,500 square feet (19,500 first level; 14,000 basement/mechanical). Though not all residents with Alzheimer's and dementia would benefit from a Special Care Unit addition (early and late stage residents) we estimate that up to half of the currently effected facility population would

Fergus Falls Special Care Unit

require these services in their lifetime. Resident's with Alzheimer's wander in and out of rooms and the facility on a regular basis. Unless there is a secure setting and a setting separate from residents that are more cognitively aware, the resident's are at risk because of their inability to self preserve and because of the inevitable conflicts which will occur with cognitively aware residents. With Alzheimer residents there is an aimless wandering pattern which leads them in an out of rooms. Large interesting wandering paths within a Special Care Unit as well as secured wandering paths outside a building are important design elements. The more they are confined and not allowed to wander the more agitated they will become. In a special setting those areas of risk can be controlled and those functions which help independence can be supported. Locks can be installed on all resident cabinets to prevent conflict. Fiddle stations can be created to allow them the proper outlet to safely explore. Multiple interesting stations along their wandering paths can create focus for them and keep them from conflict with others. Cues in the environment are important to keeping them independent. Visible toilets in resident rooms can encourage incontinence independence. Room entrances stylized like house entrances can cue function. Kitchen areas styled like home kitchens can cue eating habits as well as smells created by the local preparation of food. Special sights and sound cues can support normal sleeping patterns. The effects of sundowning (a condition where behavioral problems increase when the sun goes down) can be countered by a system of special full spectrum lights being turned on an hour before bed. Sounds of crickets and other night sounds can be fed into the area to cue them to the time of day and help them to reestablish more normal sleeping patterns. Certain colors on the carpet can prevent wandering into certain areas as well as the lack of certain confusing patterns can help them to calm down. All these design elements can be incorporated in this specialized unit.

The Fergus Falls Veterans Home though constructing 22 beds for its facility will not be adding requested beds to the system which are not currently Federally authorized under Minnesota's bed allotment model.

Impact on Agency Operating Budgets (Facilities Notes)

The phased July 2007 opening of the 22 beds would require the addition of 31 FTEs to perform nursing, direct support, and indirect support for the additional residents. Also, the related dietary, drug, medical supplies, etc.

will be required. Other plant operating costs will accrue due to the additional square footage. Partial costs will begin in FY 2008 with full costs in FY 2009.

Previous Appropriations for this Project

None.

Other Considerations

The Fergus Falls Veterans Home has from its inception been a leader and innovator in Long Term Care for Veterans. During its second year of operation it had the honor of becoming the first Nurse Practitioner Nursing Home Based VA Clinic in the Nation. Through a Shared Use agreement, the U.S. Department of Veterans Affairs can now serve over 600 area veterans within their geographic area. In exchange for hosting the clinic the Veterans Home is able to obtain Nurse Practitioner and other services for Veterans at no cost.

With the growing demand for these services, the Fergus Falls Veterans Home proposes expansion of VA's space at the facility by constructing an additional space of 2,550 for their exclusive use. This proposed space was included after consultation with the local Veterans Service Integrated Network Director and if accepted will mark another first in delivering services to Veterans.

Project Contact Person:

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	10	0	0	0	10
2. Predesign Fees	42	0	0	0	42
3. Design Fees	0	314	0	0	314
4. Project Management	0	250	0	0	250
5. Construction Costs	0	4,763	0	0	4,763
6. One Percent for Art	0	39	0	0	39
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	773	0	0	773
9. Inflation	0	503	0	0	503
TOTAL	52	6,642	0	0	6,694

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,325	0	0	2,325
State Funds Subtotal	0	2,325	0	0	2,325
Agency Operating Budget Funds	52	0	0	0	52
Federal Funds	0	4,317	0	0	4,317
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	52	6,642	0	0	6,694

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	2,770	2,770
Other Program Related Expenses	0	0	487	487
Building Operating Expenses	0	0	185	185
Building Repair and Replacement Expenses	0	0	133	133
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	3,575	3,575
Revenue Offsets	0	0	<1,381>	<1,381>
TOTAL	0	0	2,194	2,194
Change in F.T.E. Personnel	0.0	0.0	31.0	31.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	2,325	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
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Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Fergus Falls Special Care Unit

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	0
User and Non-State Financing	0-100	65
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	20
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	265