

Project Title	Agency Priority	Funding Source	Agency Request			Governor's Rec 2008	Governor's Planning Estimates	
			2008	2010	2012		2010	2012
Moose Lake - MSOP Expansion Phase Two	1	GO	\$90,000	\$0	\$0	\$0	\$100,079	\$0
System-Wide - Asset Preservation/Safety & Security	2	GO	5,000	6,000	6,500	5,000	5,000	5,000
System-Wide Campus Redevelopment/Reuse/Demolition	3	GO	4,500	4,500	0	4,500	4,500	0
Anoka - Remodel West Wing Miller Building	4	GO	380	4,325	0	0	0	0
St. Peter - Expand Forensic SNF (Design 2010 - Construct 2012)		GO	0	1,200	15,000	0	0	0
St. Peter - Remodel Shantz Hall (Design 2010 - Construct 2012)		GO	0	1,150	13,500	0	0	0
St. Peter - Remodel Bldgs #25 & #26 for Transition		GO	0	720	8,000	0	0	0
St. Peter - Remodel Dietary Department		GO	0	500	5,000	0	0	0
METO - Design & Construct One Residential Living Unit		GO	0	350	3,150	0	0	0

Project Total	\$99,880	\$18,745	\$51,150	\$9,500	\$109,579	\$5,000
General Obligation Bonding (GO)	\$99,880	\$18,745	\$51,150	\$9,500	\$109,579	\$5,000

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**Health care programs**

- ◆ Almost 666,000 people served in FY 2006
- ◆ Medical Assistance (MA) — 498,000 people
- ◆ MinnesotaCare — 129,000 people
- ◆ General Assistance Medical Care (GAMC) — 39,000 people

Economic assistance programs

- ◆ Food Support — 265,000 people per month
- ◆ Minnesota Family Investment Program (MFIP) and Diversionary Work Program (DWP) cases — 37,000 families
- ◆ General Assistance — 15,400 people
- ◆ More than 408,000 parents assisted through Child Support Enforcement
- ◆ \$603 million in child support payments collected in FY 2006
- ◆ 16,700 families received child care assistance for 30,000 children in FY 2006

Child welfare services

- ◆ Of the nearly 14,800 children in out-of-home placement in 2006, more than 10,800 children received care in family foster care
- ◆ More than 6,600 children were cared for by adoptive parents who receive financial assistance and support for children's special needs in calendar year 2006
- ◆ 572 children under state guardianship were adopted in calendar year 2006

Mental health services

- ◆ 112,600 adults received publicly-funded mental health services in 2006
- ◆ 42,315 children received publicly-funded mental health services in 2006

Operations and two-year state budget

- ◆ FY 2008-09 \$9.5 billion general fund budget
- ◆ FY 2008-09 \$20.1 billion all funds budget

- ◆ 86 percent of Department of Human Services (DHS) general fund budget is spent on health care and long-term care programs and related services
- ◆ 66,000 health care providers
- ◆ 38.5 million health encounters and claims processed
- ◆ Approximately 97 percent of DHS' budget goes toward program expenditures
- ◆ Approximately three percent of DHS' budget is spent on central office administration

Agency Purpose

The Minnesota Department of Human Services (DHS) helps people meet their basic needs so they can live in dignity and achieve their highest potential.

Ensuring basic health care for low-income Minnesotans, DHS administers

- ◆ Medical Assistance (MA), Minnesota's Medicaid program for low-income seniors, children and parents, and people with disabilities
- ◆ MinnesotaCare for residents who don't have access to affordable private health insurance and don't qualify for other programs
- ◆ General Assistance Medical Care (GAMC), primarily for adults without dependent children

Helping Minnesotans support their families

DHS works with counties and tribes to help low-income families with children achieve self-sufficiency through programs such as the Minnesota Family Investment Program (MFIP), the Diversionary Work Program (DWP), child support enforcement, child care assistance, food support, refugee cash assistance, and employment services.

Aiding children and families in crisis

DHS supports families to ensure that children in crisis receive the services they need quickly and close to home so they can lead safe, healthy, and productive lives. DHS guides statewide policy in child protection services, out-of-home care, and permanent homes for children.

Assisting people with disabilities

DHS promotes independent living for people with disabilities by encouraging community-based services rather than institutional care. DHS sets statewide policy and standards for care and provides funding for developmental disability services, mental health services, and chemical health services. DHS also provides services for people who are deaf or hard-of-hearing through its regional offices in Bemidji, Duluth, Mankato, Moorhead, Rochester, St. Cloud, St. Paul, St. Peter, and Virginia.

Direct care services

DHS provides an array of programs serving people with mental illness, developmental disabilities, chemical dependency, or acquired brain injury and people who pose a risk to society. These services include 16-bed psychiatric hospitals being developed in Alexandria, Annandale, Baxter, Bemidji, Cold Spring, Fergus Falls, Rochester, St. Peter, and Wadena; a mental health crisis center in Mankato; Anoka-Metro Regional Treatment Center; Minnesota State Operated Community Services, which provides day training, habitation, and residence services to people with disabilities; and Community Support Services, which supports people with disabilities in the community and in crisis homes. DHS also provides treatment for people civilly committed as sexual psychopathic personalities and/or sexually dangerous persons in the Minnesota Sex Offender Program at Moose Lake and St. Peter; people committed as mentally ill and dangerous at the Minnesota Security Hospital in St. Peter; and people who are developmentally disabled and present a risk to society at the Minnesota Extended Treatment Options Program in Cambridge.

Promoting independent living for seniors

DHS supports quality care and services for older Minnesotans so they can live as independently as possible. Quality assurance and fiscal accountability for the long-term care provided to low-income elderly people, including both home and community-based services and nursing home care, are key features.

Operations

DHS has a wide variety of customers and business partners, including the state's 87 counties and 66,000 health care providers. DHS provides significant operational infrastructure to Minnesota's human services programs, most of which are provided at the county level.

DHS licenses about 26,000 service providers, including group homes, treatment programs for people with chemical dependency, mental illness, or developmental disabilities, child care providers, and foster care providers. DHS also monitors their compliance with Minnesota laws and rules, investigates reports of possible maltreatment, and completes background studies on individuals who provide direct care.

DHS' operations support other providers who directly serve Minnesotans. DHS oversees significant computer systems support for: MAXIS, which determines eligibility for economic assistance programs; PRISM, the child support enforcement system; the Medicaid Management Information System (MMIS), which pays medical claims for publicly-funded health care programs; the Social Service Information System (SSIS), an automated child welfare case management system for child protection, children's mental health, and out-of-home placement; and MEC², the Minnesota Electronic Child Care system.

Budget

DHS is one of the state's largest agencies, comprising 36.3 percent of the state's total spending from all sources. DHS's FY 2008-09 budget from all funding sources totals \$20.1 billion. Of the total budget for the biennium, \$9.5 billion comes from general fund tax dollars. The remaining \$10.6 billion comes from federal revenue and other funds, such as the health care access fund, enterprise fund and agency fund. Approximately 6,900 full-time-equivalent employees work for DHS.

Contact

Minnesota Department of Human Services

Cal R. Ludeman, Commissioner

P.O. Box 64998

St. Paul, Minnesota 55164-0998

Phone: (651) 431-2709

World Wide Web Home Page: <http://www.dhs.state.mn.us>

General Information:

Phone: (651) 431-2000

TTY/TDD: (800) 627-3529

For information on how this agency measures whether it is meeting its statewide goals, please refer to <http://www.departmentresults.state.mn.us>.

At A Glance: Agency Long-Range Strategic Goals**Minnesota Department of Human Services (DHS)**

- ◆ Help people meet their basic needs so they can live in dignity and achieve their highest potential
- ◆ Ensure basic health care for low-income Minnesotans
- ◆ Help Minnesotans support their families
- ◆ Aid children and families in crisis
- ◆ Assist people with disabilities

State Operated Services (SOS)

- ◆ Provide an array of programs serving people with mental illness, developmental disabilities, chemical dependency, or acquired brain injury and people who pose a risk to society
- ◆ Reduce the state's cost of caring for persons with serious and persistent mental illness (SPMI)
- ◆ Complete the transition of State Operated Services for mentally ill from the regional treatment centers (RTCs) to community-based services
- ◆ Reduce/eliminate the large amount of non-functional surplus space throughout the regional treatment center system
- ◆ Continue to address critical repair, replacement, and renewal needs specific to the physical plants of the RTC campuses that will be used for future services

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

Since its peak in 1960, when state operated residential facilities served an average daily population of 16,355 persons, RTC population levels have steadily declined as part of a deliberate state strategy to integrate persons with disabilities into their home communities where it is beneficial and appropriate to do so. The present licensed capacity of the RTC system is approximately 2,500 beds and the RTCs collectively serve an average daily population of approximately 1,800 persons on their campuses.

This downsizing trend is a result of advances in the treatment of persons with disabilities, coupled with a recognition that all individuals can participate at some level in the activities of daily life in community settings. With increased emphasis on creative and flexible client services in the community, the need for institutional based services will continue to decline. The definition of the state's "safety net" for vulnerable populations is evolving. More and more this "safety net" function emphasizes outreach, training for community providers, and crisis intervention in the community instead of the historic practice of removing the client from their home or community and placing them in RTC campus based programs.

Mental Illness (MI)

Adult Mental Health (MH) Services include inpatient psychiatric services at community-based behavioral health hospitals. By serving patients as close as possible to their home communities, their natural support structures can aid and support treatment. Each patient receives an assessment of their mental, social, and physical health by a variety of medical professionals; an individual treatment plan, including medication management and 24-hour nursing care; and individualized discharge planning for transitioning back to an appropriate setting in the community. These hospitals are currently located in Alexandria, Annandale, Baxter, Bemidji, Cold Spring, Duluth, Eveleth, Fergus Falls, Rochester, St. Peter, Willmar, and the Anoka-Metro Regional Treatment Center. Kandiyohi County began construction on a new 16-bed Community Behavioral Health Hospital (CBHH) in Willmar in the fall of 2007. Additional services are also provided, in partnership with county social services agencies and mental health providers. These include:

Adult Rehabilitative Mental Health Services (ARMHS): These services instruct, assist, and support individuals in such areas as relapse prevention, transportation, illness management and life skills.

Assertive Community Treatment (ACT) Teams: These teams, which serve as "hospitals without walls," provide intensive, round-the-clock supports to people with serious mental illness in their homes, at work, and elsewhere in the community by multidisciplinary treatment teams to stabilize individuals to avoid entering a facility.

Crisis Response: This service provides mobile crisis teams for short-term crisis stabilization treatment.

State Operated mental health services provided inpatient and residential services to approximately 3,952 people, with an average daily population of 317 in FY 2007.

Historical Perspective: Minnesota's policy for services for people with disabilities has emphasized a broad array of community based treatment and support options enabling people to access the most appropriate care as close to their home community and natural support system as possible. This policy direction has resulted in the reduction in the reliance of care provided in large institutions of the past.

Enterprise Services

State Operated Services Enterprise Services operate in the market place with other providers, funded solely through revenues collected from third-party payment sources. These services focus on providing residential care and treatment for persons with chemical dependency, acquired brain injury, behavioral health issues, and developmental disabilities.

Enterprise Services include a variety of service lines:

Chemical Addiction Recovery Enterprise (C.A.R.E.) programs provide inpatient and outpatient treatment to persons with chemical dependency and substance abuse. Operated as a state-wide program, sites are located at Anoka, Brainerd, Carlton, Fergus Falls, St. Peter and Willmar.

Minnesota Neurorehabilitation Services (MNS), located at Brainerd, provides outreach and intensive rehabilitation services to people with acquired brain injury who have challenging behaviors. The MNS program services the entire state of Minnesota.

Child and Adolescent Behavioral Health Services (CABHS) provides an array of services ranging from in-home crisis intervention to hospital level of care. CABHS does this with its own staff and by partnering with other caregivers and contracting with private providers. Statewide hospital-level of care is provided at Brainerd and Willmar.

Minnesota State Operated Community Services (MSOCS) provides community-based residential services for persons with disabilities which are typically provided in four-bed group homes. Individual service agreements are negotiated with the counties or each client based on his/her needs. Clients take advantage of and are integrated into the daily flow of their community.

Day Training and Habilitation (DT&H) programs provide vocational support services to persons with disabilities and include evaluation, training, and supported employment. Individual service agreements are negotiated for each client.

Historical Perspective: Changes in the funding structure for chemical dependency treatment moved SOS CARE programs into enterprise services in 1988. In 1999, the legislature adopted statutory language that allowed SOS to establish other enterprise services. These services are defined as the range of services, which are delivered by state employees, needed by people with disabilities and are fully funded by public or private third-party health insurance or other revenue sources. SOS specializes in providing these services to vulnerable people for whom no other providers are available or for whom SOS may be the provider selected by the payer. As such, enterprise services fill a need in the continuum of services for vulnerable persons with disabilities by providing services not otherwise available.

Minnesota Security Hospital (MSH) and the Minnesota Extended Treatment Options Program

The Minnesota Security Hospital (MSH) and Minnesota Extended Treatment Options (METO) are operated by SOS and provide specialized treatment and related supports for persons committed by the courts as mentally ill and dangerous (MI&D), or with mental retardation (MR) who have been deemed a public safety risk by the courts.

Services for those committed by the courts as MI&D are provided at the MSH in St. Peter. The MSH is a secure treatment facility that provides multi-disciplinary treatment servicing adults and adolescents from throughout the state, who are admitted pursuant to judicial or other lawful orders, for assessment and/or treatment of acute and chronic major mental disorders.

MSH also provides comprehensive, court-ordered forensic evaluations; including competency to stand trial and pre-sentence mental health evaluations. The MSH also operates a transition program that provides a supervised residential setting offering social rehabilitation treatment to increase self-sufficiency and build the skills necessary for a reduction in custody. In addition, the MSH operates a forensic nursing facility which provides services to those individuals who are in need of nursing home level of care and are committed to the Commissioner of Human Services as MI&D, a Sexual Psychopathic Personality (SPP), a Sexually Dangerous Person (SDP), or individuals who are on a medical release from the Department of Corrections (DOC).

Services for individuals committed as MR who pose a public risk are provided at the METO program in Cambridge. METO provides specialized services for adults from across the state with the focus of treatment on changing client behavior and identifying necessary supports that will permit them to safely return to the community. In addition, staff provides technical assistance, provider training and education, and crisis intervention services for these clients.

Historical Perspective: Over the past several years, the services provided by the MSH and METO have seen significant population growth.

Minnesota Sex Offender Program (MSOP)

The MSOP provides specialized treatment for individuals committed by the courts as either a sexual psychopathic personality (SPP) or a sexually dangerous person (SDP). The majority of persons committed to this program have been referred by the Department of Corrections (DOC), upon completion of their criminal sentences, to individual counties for consideration of civil commitment. On 6-30-2007 MSOP had a population of 384 individuals.

Once an individual is civilly committed, they receive intensive, inpatient treatment. The philosophy of treatment is based on cognitive-behavioral techniques and includes harm reduction strategies. Within the MSOP, populations are subdivided by level of functioning, willingness to participate in treatment, and avoidance of criminal-type activity. This is to encourage individuals to participate in treatment and segregate others who are hindering progress.

MSOP services are in process of being gradually transitioned from the St. Peter campus to the MSOP Annex on the grounds of the Minnesota Correctional Facility-Moose Lake. This population will be transitioned from the MSOP-Annex site to the new MSOP building on the MSOP-Moose Lake campus once construction is completed. The transition is expected to begin at the end of FY 2009 and when finished, Moose Lake will be the primary site of the MSOP.

Historical Perspective: Over the past several years, the MSOP has experienced significant population growth. Efforts are underway to enhance treatment methods and security and to create operational efficiencies to assure that cost effective services are provided.

MSOP Capacity Issues: Over the last several years the DHS has been required to revise plans for developing new secure capacity for the MSOP several times. These revision or change in plans has been implemented to address the significant escalation in "annual net growth" to the MSOP.

In the fall of 2000 net growth to the MSOP programs was projected to range from between 18 and 24 patients per year. In 2002 the project net growth for SPP/SDP commitments was actually reduced to a rate of 15 to 18 per year, and it appeared that the department's 2000 capital plan for MSOP expansion would provide adequate bed capacity through 2006.

In late fall of 2003, the Department of Corrections (DOC) changed its policies associated with the referral to civil commitment of level-three sex offenders upon completion of their sentences. This new approach for referral by DOC was initially projected to increase civil commitments to the department's MSOP to 36 per year, which would require the program to open a new 24-bed unit every eight months.

This change in population projections caused the department to revise its earlier plans for developing/maintaining adequate capacity for the forensic division's programs, and the 2004 Six-Year Plan included funds to design and construct new bed capacity for the MSOP at the St. Peter campus.

The revised 2004-05 plan for maintaining capacity in the sex offender treatment program was to implement the construction of new facilities before the remodeling in Shantz Hall, and to use Shantz to maintain the needed bed

capacity until the new facilities were completed in 2008. The construction of the new facilities was hoped to provide adequate time to complete the Shantz remodeling project before the new beds are filled. Completion of the 2004-05 revised plan for the St. Peter campus would have provided a total program bed capacity of 550 beds, which at that time, was anticipated to meet program space requirements until March 2013.

In late spring of 2005 it became apparent that the earlier projections for MSOP growth were inadequate. In mid June 2005 the annual "net growth" to MSOP had escalated to a projected 80 sex offenders. Current population projections indicate that growth is averaging about 57 per year.

This higher than historical growth once again necessitated the department to make major revisions to its six-year capital budget plan to ensure that adequate bed capacity is maintained to accommodate the continuing increase in annual referrals/commitments to the department's MSOP and MSH programs.

Temporary Bed Capacity: To address the immediate capacity problem for MSOP beds in 2006, DHS and DOC implemented a plan to utilize several buildings on the existing Minnesota Correctional Facility (MFC) – Moose Lake as temporary facilities for the MSOP. This plan provided a short-term solution for addressing the serious bed capacity problem that the MSOP program would face until the Phase I Expansion project was complete and the Phase II expansion project is under construction. It also expanded program capacity (staffing) for the MSOP at a site that is adjacent to the department's primary MSOP facility.

The initial problem associated with the plan to use temporary beds at MCF – Moose Lake was the idea of employing a large number of new staff in an area different from our 2005 sex offender program facilities development plan (constructing new MSOP facilities on the St. Peter campus). The costs and problems associated with hiring and training new staff for the temporary facilities at the MCF – Moose Lake, and then asking these staff to relocate to St. Peter to work in the new facilities appeared to be unmanageable. It therefore became evident that because of the significant increase in annual admissions the department was experiencing the 2005 plan to construct the first phase of the MSOP expansion at St. Peter would have to be modified,

and the expansion of new facilities for MSOP would need to be redirected to Moose Lake.

This revised plan allowed the department to develop the necessary temporary beds on the MCF–Moose Lake campus; construct the new MSOP facilities within the same locale as the temporary site; and facilitate an easy transition from the temporary facilities to the new facilities without incurring significant staff relocation costs and causing disruption to the families of the approximately 300 staff that will be hired for the temporary facilities being developed at MCF – Moose Lake.

In addition, the department conducted a preliminary analysis of potential building and operations models for MSOP residential facilities. It was determined that utilizing the residential "K" building model that was established by the DOC, with some modifications particular to the DHS licensing requirements, would allow DHS to construct more secure space for less dollars. This new residential model (referred to as the Star Building) will provide enhanced security features while reducing operational costs associated with the security staffing levels used for the existing 25-bed unit model.

Change in Plans for Developing Additional Capacity for MSOP: With its 2006 capital budget plan DHS modified its prior request by locating the new facilities on the Moose Lake MSOP campus, and increasing the capacity of the MSOP facilities with a multi-year two-phase expansion at the Moose Lake MSOP campus, resulting in an increased bed capacity of 800 additional beds. The revised 2006 six-year plan was designed to address the program capacity problem that the MSOP and MSH are experiencing due to increased growth rates by outlining a capital plan that would increase MSOP capacity by 400 by the Spring of 2009 (MSOP Expansion Phase I) and another 400 beds by the Fall of 2010 (MSOP Expansion Phase II). The legislature appropriated funding in 2006 to construct the MSOP Phase I Expansion, and to develop construction documents for the MSOP Phase II Expansion.

The 2008 DHS Six-Year Capital Plan requests the funds for the MSOP Phase II Expansion.

Other Forces Impacting Capital Planning

As services for mental health and developmental disabilities have transitioned to community-based services, more buildings have become unoccupied on the RTC campuses. As the resident tenant of state property, the responsibility to maintain vacant and unused buildings and grounds falls to the RTC system. The costs of these maintenance efforts was consuming a greater proportion of the operational funding allocated to the state operated system. Accordingly, DHS, in collaboration with the Department of Administration (Admin), has taken steps to sell or demolish the surplus property and buildings.

Comprehensive Redevelopment Plans (Master Plans)

The 2003 Legislature authorized DHS to collaborate with local government entities to complete a comprehensive redevelopment plan (master plan) for the future use of the RTC campuses (grounds and vacant buildings) vacated as a result of further expansion of community-based care (Laws 2003, 1st Special Session, Chapter 14, Section 64, Subd. 2). The department, in collaboration with Admin and local units of government, completed this process for Ah-Gwah-Ching, Fergus Falls, and Willmar in 2004. The comprehensive master planning process for the Brainerd campus was completed in the spring of 2007.

The master plan process, done in collaboration with local units of government, was and is intended to generate viable reuse/redevelopment strategies for the old campus properties and buildings. To implement these master plans the department anticipated the need for funds for infrastructure modification, building modifications, and demolition of structures that were determined to be non-functional for future utilization.

The 2005 Legislature appropriated approximately \$8.9 million for the first phase of this request: \$4 million for the Ah-Gwah-Ching campus; \$1.9 million for the Willmar campus; and approximately \$3 million for the Fergus Falls campus.

In January 2006, final details for the transfer/sale of the Willmar campus were completed between the state, Kandiyohi County, and a private company from the Willmar area. In June of 2007, Admin signed a sales agreement with the city of Fergus Falls for the Fergus Falls RTC campus, and a purchase agreement with Cass County for the Ah-Gwah-Ching

campus with a transfer of ownership proposed sometime during the period of Fall of 2007 and Summer of 2008.

In September 2007, staff from DHS and Admin began discussions with the city of Brainerd for developing an implementation agreement for the transfer of the Brainerd campus to the city of Brainerd.

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

Over the last 25 years, program and ancillary facilities have been constructed an/or remodeled for the MSH at St. Peter, the Anoka-Metro RTC, the METO program at Cambridge, and the MSOP at Moose Lake and St. Peter. With the exception of the development of additional secure capacity to address the continuing growth of the forensic populations, and the need for a system-wide training center strategically located at Anoka, projected improvements for the remaining RTC campuses over the next six years will focus on: replacing and upgrading antiquated and worn infrastructure through requests for asset preservation; improvements (including demolition and renovation) associated with the effective and efficient operation of the RTC system; and the disposition/redevelopment/reuse of the remaining surplus RTC campuses.

Long-Range Strategic Goals and Objectives of State Operated Services

Historically, one of the primary roles of SOS in the mental health system has been to provide inpatient care to persons with SPMI. This also happens to be one of the most expensive services in the mental health system, and to the extent that there is over-capacity in those programs, resources are not available for other important community mental health programs.

Another primary role of SOS as required by various laws (M.S. 246B.02, 253B.18, and 253B.185) is to accept individuals who are committed by the court system as MI&D, SDP, SPP, or deemed a public safety risk, into the forensic service treatment programs located at St. Peter, Moose Lake and Cambridge.

The first strategic objective has long focused on the shift of campus-based MH services to an array of community-based MH services that provide appropriate levels of care closer to patients' homes. This strategy focuses on

providing better care to patients, increasing federal participation in funding care, and reducing use of less effective, more expensive RTC based services.

The second strategic objective focuses on the need to ensure that the state maintain an adequate bed capacity required to serve the increased number of persons being committed to the state's forensics programs. As previously mentioned, the projected increase in commitments to the sex offender treatment program continues to place significant demands on the SOS system.

The third strategic objective focuses on completing the reduction/elimination of the large amount of non-functional surplus space throughout the RTC system. In the spring of 2001, DHS initiated a program to address this issue with the objective to convert surplus property to other ownership. In addition, funds were requested and appropriated during the 2002 legislative session to start the process of demolishing buildings that are determined to be non-functional and/or are considered to have exceeded their useful, designed life.

In 2005 SOS, in partnership with local communities, completed comprehensive redevelopment/reuse plans for the AGCC, FFRTC and WRTC campuses. In the fall of 2005, SOS and Admin, in conjunction with Crow Wing County and the city of Brainerd, began the process of developing a comprehensive redevelopment plan for the Brainerd Regional Human Services Center.

The 2005 Legislature authorized the disposition of the Ah-Gwah-Ching, Fergus Falls and Willmar RTC campuses. The 2006 Legislature authorized the disposition of the Brainerd campus. In addition, the 2005 and 2006 Legislatures appropriated funds for improvements to facilitate the redevelopment/disposition of these campuses, including funds for demolition of deteriorated, unsafe, non-functional buildings and improvements to public infrastructure needed to support redevelopment of the surplus campuses.

The fourth strategic objective relates to asset preservation. This objective centers on the need to address critical repair, replacement, and renewal needs specific to the physical plants of RTCs. Extensive assessments of the facilities include the following: safety hazards, code compliance issues, and mechanical and structural deficiencies; major mechanical and electrical utility

system repairs/replacements/improvements; abatement of asbestos containing materials; roof work and tuck pointing; and other building envelope work such as window replacement, elevator repairs/upgrades, and road/parking lot maintenance. Asset preservation projects included in this capital plan are consistent with the anticipated needs of the evolving state-operated mental health service system, and the future needs of the department's campus-based forensic programs.

Agency Process Used to Arrive at These Capital Requests

Each SOS program develops a well-defined, long-range operational program for its facility. These operational programs are updated biennially with the intent to outline and describe services to be provided, methods of delivering these services, and resources required for providing these services in the future. These operational programs must demonstrate a strategic link to the agency's system-wide strategic objectives/goals. Upon review and approval of each facility's operational strategic plan, the SOS executive team initiates long-range capital planning. This process includes:

- ◆ A comprehensive facilities analysis and planning program
- ◆ Identification of viable alternatives for meeting future physical plant needs
- ◆ Identification of any surveys or studies (predesign) that may be required to assess viable alternatives
- ◆ A long range space utilization plan
- ◆ Preliminary campus master planning

After completion of this work all facilities revise their long-range (six-year) physical plant project budgets. These six-year plans outline all capital projects proposed for the facilities and also identify all known physical plant deficiencies, scheduled maintenance, or proposed/required improvements. Each project is evaluated and listed in the appropriate budget category, repair and replacement (R&R), R&R special projects, asset preservation, capital asset preservation and repair account [CAPRA], capital, etc. This information is then used to:

- ◆ Establish potential costs associated with improving specific buildings or groups of buildings
- ◆ Determine the appropriateness of related or proposed expenditures
- ◆ Assess alternatives for meeting an individual facility's operational program

- ◆ Developing recommendations for the agency's senior staff to review and consider for inclusion in the agency's six-year capital budget plan

The six-year plan that results outlines an incremental plan for improving and upgrading the physical plant resources required to support future operational programs at the SOS facilities in accordance with the strategic goals and objectives outlined in preceding sections of this Strategic Planning Summary document.

Major Capital Projects Authorized in 2006 and 2007 (\$000's)

Laws of Minnesota, 2006, Chapter 258, Section 18

Total:		\$58,321
Moose Lake	New Facilities for Sex Offender Program Phase I	\$41,321
System-Wide	Roof Renovation and Repair	\$1,500
System-Wide	Asset Preservation and MSOP Phase II Facility Design	\$3,000
System-Wide	Security Upgrades	\$5,000
System-Wide	Redevelopment, Reuse, or Demolition	\$5,000
St. Peter RTC	Program Activity Building	\$2,500

Moose Lake - MSOP Expansion Phase Two

2008 STATE APPROPRIATION REQUEST: \$90,000,000

AGENCY PROJECT PRIORITY: 1 of 4

PROJECT LOCATION: Moose Lake

Project At A Glance

- ◆ Design, construct, furnish and equip additional secure facilities for the Moose Lake Sex Offender Treatment Program facilities, including programming space and ancillary support/service facilities.
- ◆ This project will provide funds for construction and furnishings, fixtures and equipment (FF&E) for the second phase of the expansion for Moose Lake Minnesota Sex Offender Program (MSOP) campus.
- ◆ Funds for the first phase of construction (400-beds) and the design of Phase Two were appropriated during the 2006 legislative session.

Project Description

This is the second phase of the two-phase project proposed in the department's 2006 – 2011 Capital Budget Plan presented during the 2006 legislative session to expand program capacity for the Minnesota Sex Offender Program (MSOP).

The 2006 Legislature authorized a total of \$44.580 million for the first phase of the MSOP expansion. Phase One focuses on the development of the site needed for the two-phase expansion project; construction of residential facilities for 400-beds; and construction of basic ancillary facilities needed to support/operate the first 400-beds while the second phase of the project is under construction. The 2006 Legislature also authorized the use of an additional \$3 million to design the second phase of the Moose Lake MSOP expansion.

This request (Phase Two) includes funds to construct, furnish and equip: an additional 400-bed secure residential facility (bedrooms, toileting and bathing, dining and day space); appropriate program areas

(treatment/activity, work activity, group rooms, indoor/outdoor recreation, visitation, medical treatment, warehousing etc.); and ancillary space (dietary, mechanical and electrical, storage space, control centers, program administration, etc.). In addition, this project will also require the expansion and upgrading of interior/exterior security systems (including fencing and electronic surveillance, communications, and man-down systems), reconfiguration of some road ways and parking areas, and some changes/modification to the facility's basic utility infrastructure (sewer and electrical distribution) systems.

Utilizing the residential "K" building model that has been established by the Department of Corrections (DOC), with some modifications particular to the Department of Human Services (DHS) licensing requirements, allows DHS to construct significantly more secure space/beds for fewer dollars. This new residential model (referred to as the Star Building) will provide enhanced security features while reducing operational costs associated with the security staff levels used for the previously constructed 25-bed MSOP living units.

In addition, employees from the DOC have been key members on the MSOP Expansion Project design team to make sure that the new MSOP facilities have built-in flexibility for the future utilization of these new secure facilities.

Background

In late Spring 2005 it became apparent that earlier projections for the forensics programs underestimated growth in commitments. This growth caused a capacity problem for the forensic programs.

In the Spring of 2006 it was necessary for the department to find temporary space to house individuals committed to the MSOP. All appropriate/available secure facilities at State Operated Services (SOS) facilities were full in June 2006. To address the associated capacity problem DHS and DOC implemented a plan to utilize space at the Minnesota Correctional Facility – Moose Lake as temporary facilities for the MSOP. Because the program will already be operating at the temporary site in Moose Lake, staff and resources can be easily transferred to DHS' new MSOP at Moose Lake when the new facilities under the 2006 Phase One expansion project are completed and ready for occupancy.

Moose Lake - MSOP Expansion Phase Two

(Please note that the option to use space at DOC's Moose Lake facility is temporary and is due to the recent slowdown in DOC's population growth. These beds may not be available or appropriate space for the long-term.)

The second phase of expansion proposed for the Moose Lake campus is needed to ensure that adequate bed capacity is maintained to facilitate the level of court ordered commitments that the department projects will continue until such time as longer sentencing guidelines for sex offenses mandated by the 2005 Legislature actually begin to impact the annual number of referrals to the MSOP program.

Change in Plans for Developing Additional Capacity

The growth of the forensics program at SOS has been of concern for some time now. Traditionally, growth of the forensic program population was stable and predictable. In 2003, the DOC changed their referral policy for individuals released from jail, increasing the number of individuals referred for civil commitment to SOS.

Until 2003, growth in the MSOP and the Mentally Ill and Dangerous (MI&D) populations was fairly consistent. The MSOP population grew by approximately 18 per year while the MI&D population grew by approximately 5 per year, a total of 23 per year. After the policy change, the department estimated that growth would increase to 36 per year, a 56 percent increase.

The department witnessed a significant increase in admissions beginning in 2004 and continuing in 2005, but believed that was a one time occurrence in response to the new referral policy. As time has progressed, additional data on MI&D and MSOP admissions demonstrates that the increase was not an isolated occurrence and earlier projections significantly underestimated population growth. Based on this additional data for actual referrals, the department is now projecting growth at 73 per year, 57 in the MSOP population and 16 in MI&D population.

Because of this unprecedented growth, the agency had to alter its 2006 six year plan to increase capacity for both the MI&D and MSOP populations. In order to accommodate this growth, SOS needed to request resources for additional capacity.

The Moose Lake MSOP expansion will address projected MSOP bed capacity needs until 2012. The relocation of MSOP patients from the St. Peter campus to the new Moose Lake facilities will free up secure bed capacity on the St. Peter campus, which should address the current projected growth of the MSH MI&D population for approximately six to seven years.

Impact on Agency Operating Budgets (Facilities Notes)

The increasing sex offender population will impact the agency's operating budget. The estimated changes in operating costs are shown on the Project Detail page.

Previous Appropriations for this Project

The Legislature appropriated funds to construct the original 100-bed facility at Moose Lake in 1994. Funds for the first 50-bed addition to Moose Lake were appropriated in 1998. In 2005, the Legislature appropriated \$3.259 million for design for new forensic facilities on the St. Peter campus. The 2006 Legislature revised the 2005 appropriation so it could be used to design the MSOP Expansion at Moose Lake. The 2006 Legislature also appropriated \$41.3 million for design, construction, furnishings, and equipment for the new facilities for sex offenders at Moose Lake.

Rider language in the 2006 bonding bill allowed for any portion of the DHS 2006 asset preservation appropriation to be used to design the second phase of the MSOP expansion at Moose Lake.

Other Considerations

The department's 2006 six-year plan outlined State Operated Services' plan to request design, construction and FF&E funds for the first phase of expansion for MSOP facilities at Moose Lake. It also indicated the department's intention to request funds for construction and FF&E for the MSOP Phase Two Expansion in 2008. This request follows that plan.

Moose Lake - MSOP Expansion Phase Two**Project Contact Person**

Alan Van Buskirk
Physical Plant Operations Manager
State Operated Services
Department of Human Services
Phone: (651) 431-3695
Email: alan.vanbuskirk@state.mn.us

Governor's Recommendations

The governor does not recommend capital funds for this request in 2008. A budget planning estimate of \$100.079 million in 2010 is included for anticipated funding of the project at that time.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	2,990	2,301	0	0	5,291
4. Project Management	10	890	0	0	900
5. Construction Costs	0	71,674	0	0	71,674
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	4,500	0	0	4,500
9. Inflation	0	10,635	0	0	10,635
TOTAL	3,000	90,000	0	0	93,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	3,000	90,000	0	0	93,000
State Funds Subtotal	3,000	90,000	0	0	93,000
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	3,000	90,000	0	0	93,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	7,100	14,200	21,300
Other Program Related Expenses	0	2,142	4,284	6,426
Building Operating Expenses	0	900	100	1,000
Building Repair and Replacement Expenses	0	60	20	80
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	10,202	18,604	28,806
Revenue Offsets	0	0	0	0
TOTAL	0	10,202	18,604	28,806
Change in F.T.E. Personnel	0.0	115.0	229.5	344.5

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	90,000	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)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

System-Wide - Asset Preservation/Safety & Security

2008 STATE APPROPRIATION REQUEST: \$5,000,000

AGENCY PROJECT PRIORITY: 2 of 4

PROJECT LOCATION: System-wide

Project At A Glance

- ◆ Maintain and preserve capital investments in state assets
- ◆ Provide repairs and replacements to basic facility infrastructure and key mechanical, electrical, utility, and heating ventilation and air conditioning (HVAC) systems
- ◆ Address known code deficiencies, security and safety hazards, and health risks
- ◆ Repair and replace leaking or deteriorated roofing systems
- ◆ Maintain the basic building envelope systems of the state's buildings

Project Description

This project request involves the repair, replacement, and renewal needs specific to the operations of each Regional Treatment Center (RTC). It is also intended to address known code deficiencies, safety hazards, security deficiencies, and health risks. These needs developed over time, and represent a system-wide assessment of the facilities' deficiencies, including, but not limited to, the following:

- ◆ Life/fire safety deficiencies (fire sprinkling, detection/alarm systems)
- ◆ Energy conservation
- ◆ Security issues
- ◆ Building code and program licensing compliance
- ◆ Joint Commission accreditation deficiencies
- ◆ Emergency/backup power systems
- ◆ Roof repair and replacements
- ◆ Mechanical and structural deficiencies
- ◆ Tuck pointing and other building envelope work (window and door replacement, fascia and soffit work, re-grading around foundations, etc.)

- ◆ Elevator repairs/upgrades/replacements
- ◆ Road and parking lot maintenance
- ◆ Major mechanical and electrical utility system repairs, replacements, upgrades and/or improvements, including the replacement of boilers and upgrade of steam systems
- ◆ Abatement of hazardous materials (e.g., asbestos containing pipe insulation, floor and ceiling tile, lead paint, etc.), and
- ◆ Demolition of deteriorated/unsafe/non-functional buildings and structures

Background Information

Funding of this request will enable the department, and its facilities, to continue to address/reduce the problem of deferred maintenance and deferred renewal at the RTCs. Failure to fund this request will only intensify the problem. Additional deterioration will result and the state's physical plant assets will continue to decline. Future costs may actually compound, as complete replacement may become the most cost effective and efficient alternative for addressing related deficiencies.

The key objective of asset preservation is to help reduce the amount of deferred maintenance and deferred renewal referred to as the "capital iceberg." Although most projects associated with this request are considered nonrecurring in scope, all facility components require scheduled maintenance and repair, and eventually many require replacement. The average life cycle of most projects associated with this request range between 25 and 30 years; however, some have longer life cycles, (i.e. tuck pointing, window replacement), and a few may have shorter life cycles, (i.e. road and parking lot seal coating and overlays, exterior building painting, etc.). These projects involve significant levels of repair and replacement and because of the system-wide magnitude cannot be addressed with the current level of repair and replacement funding in the agency's operating budget.

Each of the department's facilities is responsible for maintaining a list of projects required to preserve their fixed assets. These perpetual and ever changing lists are comprised of projects directly related to asset preservation and/or deferred maintenance and renewal. The facilities' asset preservation plans must support the future need and projected use of the facility. Building components are not evaluated on an individual deficiency basis, but rather on an overall building evaluation or assessment basis to determine that its

System-Wide - Asset Preservation/Safety & Security

life cycle characteristics and program suitability of the related spaces are in balance.

A list of projects related to this request is available upon request.

Impact on Agency Operating Budgets (Facilities Notes)

Lack of funding of this request will require the use of a large percentage of limited repair and replacement operating funds to address critical and expensive asset preservation projects. This action would limit the agency's ability to address routine preventative, predictive and corrective facility maintenance and would actually compound the existing deferred maintenance problem and result in a substantial increase in the long-range deferred maintenance/renewal at the agencies facilities.

Some projects such as window replacement will result in energy savings; however, other projects such as modernizing air conditioning and ventilations systems actually add some cost to the facility's operation budgets. Funding of this request will not require the agency's operating budget to increase or decrease.

Previous Appropriations for this Project**Asset Preservation**

- 2006 Legislature appropriated \$3 million
- 2005 Legislature appropriated \$3 million
- 2002 Legislature appropriated \$4 million
- 2000 Legislature appropriated \$3 million
- 1998 Legislature appropriated \$4 million

Roof Repairs and Replacements

- 2006 Legislature appropriated \$1.5 million
- 2005 Legislature appropriated \$1.014 million
- 2002 Legislature appropriated \$2.789 million
- 2000 Legislature appropriated \$1.971 million
- 1998 Legislature appropriated \$1.9 million

Security/Safety Upgrades

- 2006 Legislature appropriated \$5 million

Other Considerations

Continued funding at the requested level for several biennia will enable the department to make a significant impact on the system's deferred maintenance problem.

In some cases repair and improvement may be a very prudent measure, while in other cases total replacement may be the most viable alternative. However, in light of the department's current excess building capacity, demolition of some buildings may be determined to be the most economical and prudent choice of action. In addition, downsizing of facilities and/or deactivation of individual buildings must also be considered when prioritizing asset preservation needs.

Project Contact Person

Alan Van Buskirk
Physical Plant Operations Manager
State Operated Services
Department of Human Services
Phone: (651) 431-3695
Email: alan.vanbuskirk@state.mn.us

Governor's Recommendations

The governor recommends general obligation bonding of \$5 million for this project. Also included are budget planning estimates of \$5 million for 2010 and \$5 million for 2012.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	408	546	553	1,507
4. Project Management	0	0	0	0	0
5. Construction Costs	0	4,060	4,250	4,150	12,460
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	532	1,204	1,797	3,533
TOTAL	0	5,000	6,000	6,500	17,500

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,000	6,000	6,500	17,500
State Funds Subtotal	0	5,000	6,000	6,500	17,500
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	5,000	6,000	6,500	17,500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	5,000	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 2013

System-Wide Campus Redevelopment/Reuse/Demolition

2008 STATE APPROPRIATION REQUEST: \$4,500,000

AGENCY PROJECT PRIORITY: 3 of 4

PROJECT LOCATION: Brainerd

Project At A Glance

- ◆ Upgrade building/facility components to facilitate redevelopment/reuse of surplus Regional Treatment Center (RTC) campuses
- ◆ Demolish old, non-functional buildings and infrastructure considered non-functional for redevelopment/reuse or determined too expensive to redevelop for an alternative reuse
- ◆ Address other issues associated with disposition of the surplus RTC campuses

Project Description

This capital budget request is a continuation of several previous capital requests for funds necessary to facilitate the disposition (sale/transfer of ownership) of the Department of Human Services' (DHS) surplus RTC campuses. The primary focus of this request is for the Brainerd Regional Human Services Center Campus. The department is also requesting authority to utilize funds to address any final details associated with the disposition of the other surplus campuses.

All of the system-wide campus redevelopment/reuse/demolition capital budget requests, including this 2008 request, have focused on the following key objectives:

- ◆ To repair, replace and/or improve key building components and basic infrastructure necessary to support initiatives to redevelop/reuse surplus RTC properties, especially buildings listed on the National Register of Historic Sites.
- ◆ To demolish buildings and campus infrastructures that are considered non-functional for current or future use by state programs, or those that

are determined non-functional as part of the final disposition plan is approved/implemented in conjunction with master planning efforts for these three RTC campuses.

- ◆ To address other issues that may surface as the disposition of these surplus campuses proceeds.

Background Information

The 2003 Legislature authorized the DHS to collaborate with local government entities to complete a comprehensive redevelopment plan (master plan) for the future use of the RTC campuses (grounds and vacant buildings) vacated as a result of further expansion of community-based care (Laws 2003, 1st Special Session, Chapter 14, Section 64, Subd. 2). The department, in collaboration with the Department of Administration and local units of government, completed this process for Ah-Gwah-Ching, Fergus Falls, and Willmar in 2004. The master planning project for the Brainerd campus was completed during the spring of 2007.

The master plan process, done in collaboration with local units of government, was intended to generate viable reuse/redevelopment strategies for the old campus properties and buildings. To implement these master plans the department anticipates the need for funds for infrastructure modification, building modifications, and demolition of structures that are determined to be non-functional for future utilization.

Results

In January 2006, the transfer/sale of the Willmar campus was worked out between the state, Kandiyohi County, and MNWest, a private company from the Willmar area.

The sale of the historic Fergus Falls campus to the city of Fergus Falls was closed in June 2007.

Cass County signed a contingent purchase agreement for approximately 131 acres and 250,000 square feet of buildings at the end of June 2007. Closing of this sale is scheduled to occur thirty (30) days after DHS completes the transition of the Ah-Gwah-Ching program/operations from the Ah-Gwah-Ching campus (AGC) (currently scheduled for January/February 2008).

System-Wide Campus Redevelopment/Reuse/Demolition

The city of Brainerd, one of the community partners involved with the Brainerd campus Master Planning Project, has agreed to take the lead role for future redevelopment/reuse activities at the Brainerd campus. The first meeting with the Brainerd Reuse Taskforce occurred in September 2007, and plans and specifications for the demolition of the Brainerd campus buildings that the master planning process determined to be non-functional are currently being developed.

Impact on Agency Operating Budgets (Facilities Notes)

Reducing costs associated with heating and maintaining the unused spaces in the numerous vacant buildings on the Brainerd campus would provide immediate, and significant savings to overhead costs associated with operating/maintaining the existing Brainerd facilities. However, the impact on the agency's operating budget will be contingent on the number of buildings that are actually demolished and/or reused for alternative purposes, and the length of time that unused buildings are heated and maintained and/or preserved for future reuse.

Preliminary estimates to provide minimal heat, basic building and grounds maintenance and security for the large amount of non-utilized building space on the Brainerd campus range from \$1 to \$1.25 million a year. Some of this cost is directly attributed to the continued operation of the high-pressure steam plant currently used to heat buildings and provide hot water on the Brainerd campus. This high pressure plant requires 24 hour per day monitoring by licensed steam engineers, 365 days per year.

Decommissioning of the existing steam plant and installation of individual heating units and hot water heaters in buildings that will continue to be utilized in the future would eliminate the need for the 24 hour per day monitoring. This alone would provide an approximate \$300,000 cost savings to facility's current annual operational expenses.

Previous Appropriations for this Project

The 2005 Legislature appropriated \$8.91 million for this request: \$4 million for the Ah-Gwah-Ching campus; \$1.9 million for the Willmar campus; and approximately \$3 million for the Fergus Falls campus.

In addition, the 2005 Legislature re-authorized \$3 million appropriated in the 2002 Bonding Bill for the Fergus Falls RTC so it could be used for this purpose.

The 2006 Legislature appropriated \$5 million for this system-wide request "to demolish surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional facilities and infrastructure at Department of Human Services campus that the commissioner of administration is authorized to convey to a local unit of government under Laws of 2005, chapter 20, article 1, section 46, or other law."

Other Considerations

The extensive surplus space on the RTC campuses, the age of the facilities, and the estimated cost for ongoing maintenance of the physical plants created financial pressures that could not be ignored. The collaborative effort of local communities and the state to redevelop these surplus campuses has produced results. The state sold the Willmar and Fergus Falls campuses, and a contingent purchase agreement has been executed for the sale of the Ah-Gwah-Ching campus to Cass County.

The department is now focusing on the disposition of the Brainerd campus. If viable reuse cannot be identified for the surplus buildings on the Brainerd campus, the department's recommendation is to demolish all of the vacant non-functional buildings/facilities to eliminate the related ongoing operating expenses.

Funding of this proposal will enable the department to work aggressively to convert the remaining surplus facilities (land and buildings) to other ownership and/or alternative uses. If an alternative use cannot be found, adequate funds will be available for demolition, and the need to expand state dollars to maintain these non-utilized, non-functional buildings in the future can be eliminated.

Project Contact Person

Alan Van Buskirk
Physical Plant Operations Manager
State Operated Services
Department of Human Services
Phone: (651) 431-3695
Email: alan.vanbuskirk@state.mn.us

Governor's Recommendations

The governor recommends general obligation bonding of \$4.5 million for this project. Also included is a budget planning estimate of \$4.5 million in 2010.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	281	280	0	561
4. Project Management	0	0	0	0	0
5. Construction Costs	0	3,632	3,244	0	6,876
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	587	976	0	1,563
TOTAL	0	4,500	4,500	0	9,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	4,500	4,500	0	9,000
State Funds Subtotal	0	4,500	4,500	0	9,000
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	4,500	4,500	0	9,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	4,500	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)
No	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 2013

Anoka - Remodel West Wing Miller Building

2008 STATE APPROPRIATION REQUEST: \$380,000

AGENCY PROJECT PRIORITY: 4 of 4

PROJECT LOCATION: Anoka-Metro Regional Treatment Center

Project At A Glance

- ◆ **Phase One (2008)** – Design the renovation/construction of available space in the West Wing of the Anoka-Metro Regional Treatment Center's (A-MRTC) Miller building for a training center and office complex. This space will be used as a state-wide clinical training center and support facility for State Operated Services (SOS) programs.
- ◆ **Phase Two (2010)** – Implement renovation/construction project and furnish, fixture and equip new training center, including construction of appropriate parking and program support infrastructure.

Project Description

This request is for funds to design the renovation, construction of the Miller Building West Wing as a clinical training, office, and support complex for the SOS system.

This project will include renovation; construction of a mezzanine; installation of windows, elevators, sprinklers, fire detection, alarm systems, and security systems; communications; video conferencing; mechanical electrical upgrades to support the new use of the space; and the development of new/additional parking on campus.

The 2008 request is for funds to design the renovation/construction required to accommodate the new training center. The department plans to request funds for renovation/construction, furniture, fixtures and equipment (FF&E), tele/data communications infrastructure, hazardous materials abatement, and other related project components during the 2010 capital budget process.

Background Information

The Miller Building on the Anoka campus was designed with four distinct units. Miller North and South units were designed, and have been used since construction, as residential units for the facility's mental health program. Miller East was originally designed as A-MRTC's medical support complex. It was constructed with a swimming pool, gymnasium, weight room, offices, several small classrooms, and locker/shower rooms. Over the years, use of the pool declined and pool maintenance was deferred. In 1999, because of the very limited use by patients, SOS decided to demolish the swimming pool rather than spend in excess of a million dollars to meet required codes/standards. As part of this demolition, the pool and pool deck were removed and the area was filled with an appropriate compacted gravel/sand base. Heat in the space was reduced and it has remained vacant since that point in time.

The pool building is a structural steel framed building with masonry infill between the exterior wall steel columns. It has a steel framed/decked roof design and a solid, well-maintained roofing system. The building is in good structural condition and is very suitable for the proposed program. In addition, this area of the campus has adequate room to develop the additional parking requirements this program will need. The Anoka campus is centralized with most of SOS' out state facilities and has very good highway access from most parts of the state.

At completion of the system's transition of the adult mental health program to community settings, and the disposition of the Willmar, Fergus Falls, Ah-Gwah-Ching, and Brainerd campuses, most of the space previously used for training out state will no longer be available. The development of this clinical training center on the Anoka campus will provide this badly needed space while facilitating the joint education relationship SOS has with the University of Minnesota Medical School and other metro area professional/technical colleges.

Classrooms and support spaces will be specifically designed to accommodate this specialized training, and in a location most appropriate for it to be, in close proximity to the hospital. Locating this training facility at A-MRTC will facilitate the integration of theory and practice, and the linking of clinician training directly to patients. This renovated space will also act as a

Anoka - Remodel West Wing Miller Building

lab for best practices and evidence-based practices. It will also provide an environment for professionals in psychiatry, nursing, social services, psychology, program administration, and support functions to learn in a clinical environment.

Impact on Agency Operating Budgets (Facilities Notes)

This renovated space will increase the facility's annual fuel and utility budget by a small percentage. It will also cause a slight increase in the facility's annual maintenance budget. However, these costs should be more than offset by operational savings attributed to leasing space in the community for this training, and the staffing efficiency associated with having clinicians train for several hours a day, and then walk to their treatment units to serve patients for the balance of their shift.

Previous Appropriations for this Project

None. This is the first time funds have been requested for this project.

Other Considerations

Rent/lease space for training in the community.

Project Contact Person

Alan Van Buskirk
Physical Plant Operations Manager
State Operated Services
Department of Human Services
Phone: (651) 431-3695
Email: alan.vanbuskirk@state.mn.us

Governor's Recommendations

The governor does not recommend capital funds for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	20	0	0	20
3. Design Fees	0	310	0	0	310
4. Project Management	0	0	30	0	30
5. Construction Costs	0	0	3,060	0	3,060
6. One Percent for Art	0	0	28	0	28
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	427	0	427
9. Inflation	0	50	780	0	830
TOTAL	0	380	4,325	0	4,705

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	380	4,325	0	4,705
State Funds Subtotal	0	380	4,325	0	4,705
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	380	4,325	0	4,705

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	380	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)
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)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013