1998-2003
Minnesota Strategic Capital Budget Plan

Health and Human Services

Presented by Governor Arne H. Carlson to the 80th Legislature

MINNESOTA STRATEGIC CAPITAL BUDGET PLAN 1998-2003

-INDEX-

HEALTH AND HUMAN SERVICES

The Governor's 1998-2003 Strategic Capital Budget Plan ***Executive Summary*** and ***Requests for Each Agency*** can be viewed at the Department of Finance's web site at: http://www.finance.state.mn.us/bis

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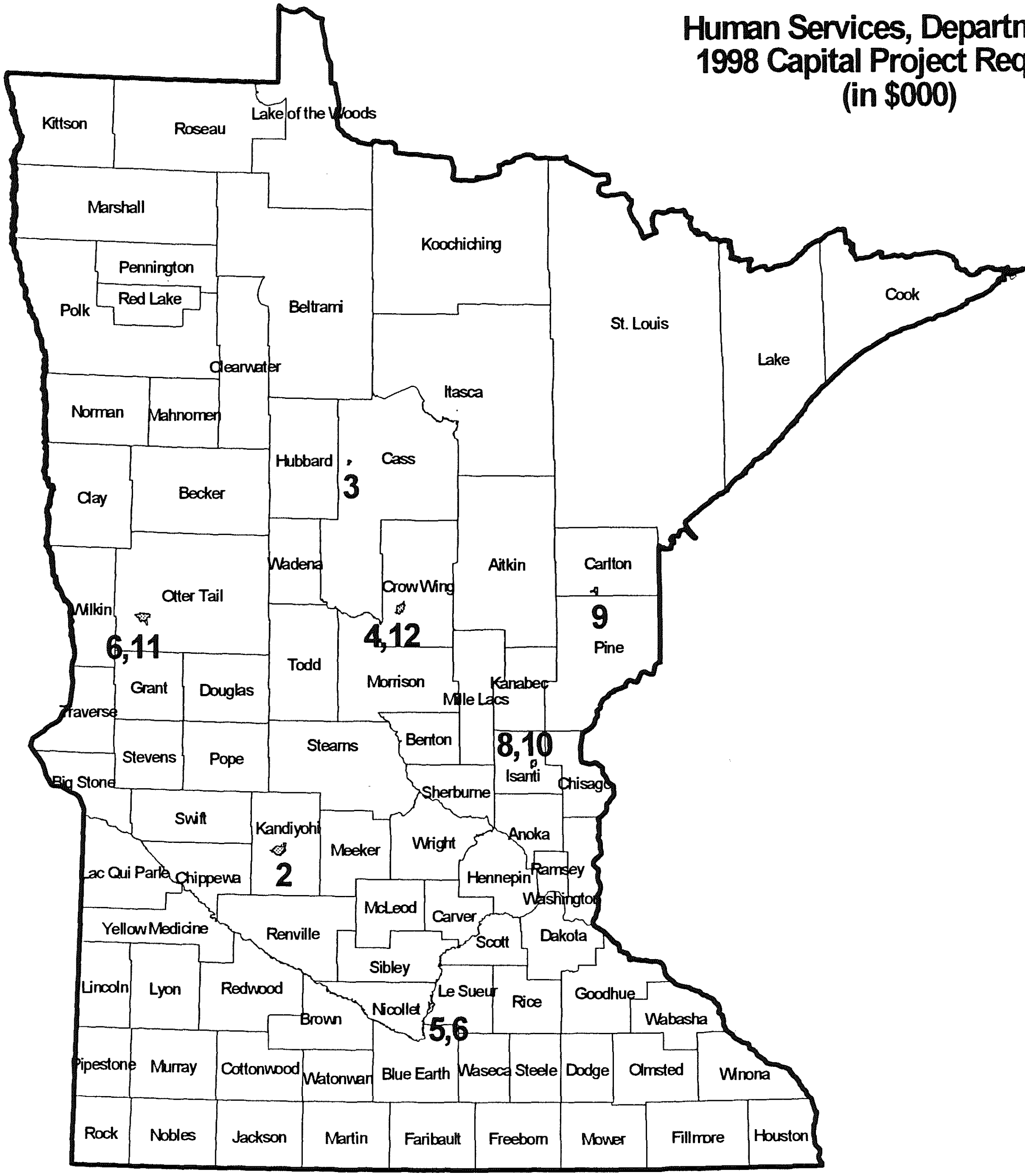
Dollars in Thousands ($137,500 = $138 thousand)

Project Title	1998 Agency Priority Ranking	Agency Project Requests for State Funds ($ by Session)				Statewide Strategic Score	Governor's Recommendation 1998	Governor's Planning Estimate	
		1998	2000	2002	Total			2000	2002
System-Wide Roof Repair/Replacement	1	$1,935	$901	$178	$3,014	445	$1,935	$901	$178
System-Wide Asset Preservation	2	4,659	3,078	2,681	10,418	480	4,659	3,078	2,681
CRHSC - METO Construction	3	1,950	0	0	1,950	345	1,950	0	0
MSPPTC - Construct 50-Bed Addition	4	8,810	0	0	8,810	430	8,810	0	0
CRHSC - Demolish Cottages 1,2,3,4,5,6,12 & 14	5	1,405	0	0	1,405	365	0	0	0
FFRTC - Facilities Upgrade	6	215	1,626	24,245	26,086	280	0	0	0
WRTC - Remodel MTC Bldg. & Bldg. 14	7	3,271	0	0	3,271	375	0	0	0
AGC - Remodel and Fire Sprinkle B & C Bldgs.	8	2,278	0	0	2,278	410	0	0	0
BRHSC - Building #22 Improvements	9	1,526	0	0	1,526	315	0	0	0
SPRTC - Shantz/Bartlett/Sunrise Improvements	10	3,328	0	0	3,328	325	0	0	0
BRHSC - Replace Tunnel Waterproofing	11	177	1,949	0	2,126	350	0	0	0
SPRTC/FFRTC - Bldg Demolition	12	351	237	312	900	270	0	0	0
WRTC - Remodel Building 8		0	800	0	800		0	0	0
BRHSC - Boiler Renovation/Upgrade		0	30	300	330		0	0	0
SPRTC - Construct Ten Stall Garage		0	150	0	150		0	0	0
SPRTC - Laundry Building HVAC Upgrade		0	120	0	120		0	0	0
AGC - Remodel E Bldg. and Install Elevator		0	2,570	0	2,570		0	0	0
CRHSC - Install Replacement Heating System		0	1,400	0	1,400		0	0	0
AMRTC - Remodel Miller Building		0	4,000	0	4,000		0	0	0
AGC - Install Sprinkler Systems		0	400	0	400		0	0	0
WRTC - Complete Sprinkler Systems		0	45	450	495		0	0	0
Construct Additional Beds for PP Program		0	600	7,000	7,600		0	0	0
AGC - Remodel A & D Buildings		0	0	2,253	2,253		0	0	0
SPRTC - Pexton Residential Remodeling		0	75	750	825		0	0	0
BRHSC - Remodel Dietary Department		0	350	800	1,150		0	0	0
WRTC - Service Building Improvements		0	250	0	250		0	0	0
WRTC - Construct New Storage Bldg.		0	0	80	80		0	0	0
WRTC - Tunnel and Utilities		0	0	310	310		0	0	0
Total Project Requests		$29,905	$18,581	$39,359	$87,845		$17,354	$3,979	$2,859

Human Services, Department of
1998 Capital Project Requests
(in $000)



1 System-Wide Asset Preservation $4,659
2 WRTC - Remodel MTC Bldg. & Bldg. 14 $3,271
3 AGC - Remodel and Fire Sprinkle B & C Bldgs. $2,278
4 BRHSC - Building #22 Improvements $1,526
5 SPRTC - Shantz/Bartlett/Sunrise Improvements $3,328
6 SPRTC/FFRTC - Bldg Demolition $351
7 System-Wide Roof Repair/Replacement $1,935
8 CRHSC - METO Construction $1,950
9 MSPPTC - Construct 50-Bed Addition $8,810
10 CRHSC - Demolish Cottages 1,2,3,4,5,6,12 & 14 $1,405
11 FFRTC - Facilities Upgrade $215
12 BRHSC - Replace Tunnel Waterproofing $177

AGENCY MISSION STATEMENT:

The Department of Human Services (DHS), in partnership with the federal government, county and other public, private, and community agencies throughout Minnesota, is a state agency directed by law to assist those citizens whose personal or family resources are not adequate to meet their basic human needs, including the need for food, shelter, and health care. Its mission is to help citizens to attain the maximum degree of self-sufficiency consistent with their individual capabilities. To this end, the department focuses on ways to assure the dignity, safety, and rights of the individual, while maintaining public accountability and trust through responsible use of available resources. To achieve this mission, DHS uses several strategies:

- Implementation of policies and procedures to direct federal and state funds to eligible persons and to those health care and social service professionals who provide services to persons in need;
- Technical assistance to counties to plan, develop, and implement case management and service delivery infrastructures;
- Regulation of services and programs; and
- Provision of direct services to clients.

The department is organized into 5 broad areas: Health & Continuing Care Strategies; Economic and Community Support Strategies; Finance and Management Operations; Children's Initiative; and Aging Initiative.

Health and Continuing Care Strategies (HCCS) defines statewide policy for (1) eligibility, benefits, and purchasing strategies for health care services for Minnesotans and (2) other long term supportive services that are necessary to maintain the elderly and persons with physical disabilities, mental illness, developmental disabilities and chemical dependency in settings which are consistent with their maximum level of functioning. Included within HCCS are the state's 9 regional treatment centers (RTCs):

Ah-Gwah-Ching Center (AGCC)
Anoka-Metro Regional Treatment Center (AMRTC)
Brainerd Regional Human Services Center (BRHSC)
* Cambridge Regional Human Services Center (CRHSC)
** Faribault Regional Center (FRC)
Fergus Falls Regional Treatment Center (FFRTC)
Moose Lake State Operated Services(MLSOS)
Including the Minnesota Psychopathic Personality Treatment Center (MPPTC)
St. Peter Regional Treatment Center (SPRTC)
Including the Minnesota Security Hospital (MSH)
Willmar Regional Treatment Center (WRTC)

*The Cambridge campus will become the site of the Minnesota Extended Treatment Option Program (METO), and current programs for DD clients are scheduled to complete the transition to the community during the 1998-99 biennium.

**The Faribault campus is scheduled to complete its transition to the community during fiscal year 1998. The remaining DHS buildings and facility land will be transferred to the Department of Corrections.

The role of RTCs is to assist persons with mental illness, developmental disabilities, chemical dependency, and psycho-geriatric treatment needs to achieve their maximum degree of self sufficiency in the most appropriate and least restrictive setting possible. In addition, the Minnesota Security Hospital provides multi-disciplinary forensic evaluation, and treats disorders which may manifest in severely aggressive and/or dangerous behaviors.

TRENDS, POLICIES AND OTHERS ISSUES AFFECTING THE DEMAND FOR SERVICES, FACILITIES, OR CAPITAL PROGRAMS:

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 3,231 beds, as of June, 1997, and the RTCs collectively serve an average daily population of approximately 1,670 persons (June, 1997) 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 "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 home or community and placing them in RTC campus based programs. The size and nature of the RTC campus-based operations will change. Over the next decade RTCs will likely move toward specialized programs that are smaller and more accessible and focus on intensive treatment and faster return to the community. As a result, the State is faced with an ever-increasing excess capital capacity on the RTC campuses, requiring millions of dollars annually to be diverted from client services without any value added benefit to clients.

Mental Illness (MI)

Mental Illness programs are operated at five of the nine state operated campus facilities, including Anoka, Brainerd, Fergus Falls, St. Peter, and Willmar. MI services administered through Moose Lake State Operated Services are located in community settings. The RTC MI population dropped from 10,093 in 1960 to 1,230 in 1984, where it has remained stable. The average daily population was 976 in June, 1997, including 215 patients served by MSH, and 91 patients served by MSPPTC. Since 1984, RTC annual admissions and discharges have increased dramatically; the stable average daily population in the RTC programs is achieved by significant reductions in the average length of stay. Where in the past patients often spent a year or more in treatment, the average length of stay at RTCs is now under 100 days.

This decline is directly attributable to the development of new psychotropic medications which have been successful in controlling the symptoms of mental illness. Clozapine, Resperadal, Olanzapine and other new drugs for treating severe mental illness have brought new hope for patients who have not responded to antipsychotic medications in the past. For example, during the period between July, 1992 and July, 1995 approximately 920 patients were treated with Clozapine. Over 60 percent of these patients have been successfully discharged back to the community.

Another factor influencing the utilization of RTC psychiatric hospital beds has been the inequitable distribution of resources given the State's current population distribution. For example, over 50% of MI admissions to the RTCs are from the Twin Cities metropolitan area; however, AMRTC , which serves 6 of the 7 metropolitan counties, has only 20% of the RTC's MI bed capacity. As a result, people living in the metropolitan area who are committed by the courts for psychiatric treatment had to be diverted to other RTCs for their care. This created problems for families and county case managers who are essential members of most patients' treatment teams. In 1995, DHS took deliberate steps to systematically redistribute staff resources. However, in recognition of the state's commitment to community based care, staff resources will be assigned to community outreach functions. This permitted the state to reduce the planned bed capacity of the new AMRTC psychiatric hospital from 300 to 150 beds, while still effectively meeting the needs of patients in the metropolitan area.

Also in 1995, the Department received legislative approval to establish creative partnerships between the RTCs and the local Mental Health authorities in the regions served by the RTC. The purpose behind this effort is to build upon and strengthen the existing community mental health system and utilize state staff and resources to support patients after they are discharged from the hospital, and to help clients to handle crises in the community so that rehospitalization is averted. Implementation of these efforts is underway and will result in further reductions in campus based psychiatric services and downsizing of on-campus bed capacity. In recognition of this, the Department has initiated site planning on all campuses with MI programs. While the RTC MI programs are undergoing significant change, the cyclical nature of mental illness will require continued need for campus-based psychiatric hospital programs. The size of Minnesota, coupled with the need for timely intervention with clients in crisis, will require the continued presence of state operated psychiatric bed capacity in all geographic regions where current services are situated.

Psychopathic Personality/ Sex Offender Needs

In the early 1990's the State experienced a growth in the number of individuals committed as psychopathic personalities (PP). Based on projected referrals to the program, the 1993 Legislature authorized the construction of a 100 bed secure facility in Moose Lake and a 50 bed expansion of the Minnesota Security Hospital in St. Peter to accommodate projected need. In May, 1995 there were 76 persons under PP commitment, with referrals to the programs occurring at approximately one per month. At present, there are 121 (Oct. 97) individuals at both locations, and referrals to the program have increased to nearly two a month. Several factors may be contributing to this increase: the U.S. Supreme Court ruling that civil commitment for treatment following completion of a prison sentence is legal; increased community visibility and reaction to sex offenders due to the community notification legislation; concern among county MI case managers that they are not trained for the special interventions that may be needed to manage this population in the community. As a result, there is a serious need to accelerate planning and construction to expand capacity for the PP/sex offender program.

Developmental Disabilities (DD)

In 1960 the RTCs provided residential care for 6,008 individuals with mental retardation and other developmental disabilities. By the end of fiscal year 1997, the number of developmentally disabled individuals served on RTC campuses had declined to 244. By the end of this biennium, the department expects to complete the transition to community placements for the remaining population. This downsizing of campus-based DD programs has been accomplished in part through the development of state operated day training and habilitative programs and waiver services homes in community settings. Most of these services are delivered in leased residential space. The option to purchase a residence exists with capital funding which was authorized in 1994. "Safety net" services for persons with Developmental disabilities have been redefined to include community support service teams throughout Minnesota, and a small treatment facility on the Cambridge RTC campus. The METO (Minnesota Extended Treatment Option) program has an authorized capacity of up to 72 individuals who present a public safety risk and/or who have involvement with the criminal justice system. Construction will begin this fall for 36 beds. Contruction of an addition 12 beds is being requested in the department's 1998/99 Capital Budget. At present there is only a projected need for 48 specialized beds for this population. However, the design of the METO residential units will allow for incremental bed development in modules of 6 or 12 should additional capacity be required in the future.

Chemical Dependency (CD)
Since January, 1988, the RTC CD programs have operated as enterprise funds and compete in the marketplace with other vendors for CD funding from the Consolidated Chemical Dependency Treatment Fund and other third party sources. The average daily population for fiscal year 1996 was 183, the average daily population for fiscal year 1997 was 189. The state operated CD system has captured a defined market niche and the operations remain stable and profitable.

Nursing Homes (NH)/Long Term Care
With the closure of Oak Terrace Nursing Home in June, 1991, the department's involvement as a provider of NH services is principally limited to the AGCC, which is licensed for 343 beds and has an average daily population of 225 as of June, 1997. In addition, BRHSC operates a small, 28-bed program.

External Forces Impacting Capital Planning
RTC restructuring will not occur without controversy, and the department recognizes it must play a role in developing consensus resolutions. However, a part of this controversy is not directly related to the department's legislatively mandated mission nor within the department's control. For example, RTC downsizing is directly related to the issue of jobs and the economic impact that downsizing poses for the local economies of RTC host communities. Jobs and the economic viability of communities hosting RTCs influence execution of the DHS mission as much as, or more than, policies based on the needs of the vulnerable populations served by RTCs. Of necessity, other state agencies must assist in developing acceptable solutions to these kinds of external issues.

In the past, the department has worked closely with the Department of Corrections to coördinate RTC downsizing with the need for additional prison space. However, the department may need similar cooperation from other state agencies in order to fully implement RTC restructuring efforts.

As campus-based restructuring of RTC services continues, and as the "safety net" is redefined to include more community outreach and other wrap-around services there will be more buildings declared surplus. 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 this maintenance effort is consuming a greater proportion of the funding allocated to the state operated system. This trend will continue to do so unless steps are taken to sell the surplus property or to demolish surplus buildings. This trend is further complicated by the fact that all of the state operated CD programs and nearly all of the state's services for developmental disabilities are revenue-based programs. Reimbursement levels under Medical Assistance and other third party sources are unable to bear the costs of this overhead, without seriously affecting the ability of the programs to be competitive in the health care marketplace.

PROVIDE A SELF-ASSESSMENT OF THE CONDITION, SUITABILITY, AND FUNCTIONALITY OF PRESENT FACILITIES, CAPITAL PROJECTS, OR ASSETS:

Most RTC facilities were constructed before active treatment became a national and state requirement. With the exception of the buildings at Brainerd and St. Peter, the residential and program facilities associated with the department's capital plan are generally all over 50 years old. A majority of these buildings were built before or right after the turn of the century, and were designed for a much different philosophy of care. All of these buildings need extensive mechanical and structural renovation, and a majority of the buildings are not equipped with modern heating, ventilating, and air conditioning systems.

These inadequate living and program environments inhibit active treatment, are not conducive to modern treatment techniques, and, in fact, create safety and clinical challenges. Their linear design (e.g., long double loaded corridors), poor configuration (patient care wings separate patients from staff both visually and physically), and structural design (e.g., placement of existing bearing columns/walls) also limit their potential for remodeling to provide the necessary supervision, privacy, and appropriate room/space configuration required for modern effective/efficient psychiatric treatment programming.

DESCRIBE THE AGENCY'S LONG-RANGE STRATEGIC GOALS AND CAPITAL BUDGET PLAN:

Historically, one of the primary roles of state-operated services in the mental health system has been to provide inpatient care to persons with serious and persistent mental illness ("SPMI"). That also happens to be one of the most expensive services in the mental health system, and to the extent that there is overcapacity in those programs, resources become unavailable for other important community mental health programs.

The first strategic objective is to reduce the cost of caring for SPMI patients in a way that does not compromise quality of service. The administration seeks to accomplish this objective by keeping the number of long-term SPMI beds to a minimum, by taking steps to reduce the lengths of stay of SPMI patients, and by redirecting staff resources to outreach services in the community. The successful closure of Moose Lake Regional Treatment Center in 1995 and the current creative partnerships established through the MI Pilot legislation are evidence of the success of the state's community integration policy.

A second strategic objective for the 6-year capital plan is to replace and upgrade aging and inadequate residential/program facilities with upgraded/improved facilities based on the proposed bed capacity required to meet the psychiatric hospital needs of the areas once community integration is completed. Master site plans developed for each campus take into consideration the redefined "safety net" services which the state will continue to provide, anticipated time frames for reduction of campus bed capacity, and the lead time necessary for completion of construction or remodeling projects.

The third strategic objective focuses on asset preservation. This objective centers on the need to address critical repair, replacement, and renewal needs specific to the physical plants of the regional treatment centers. These needs have developed over a long period of time, and represent a system-wide assessment of safety hazards, code compliance issues, and mechanical and structural deficiencies; major mechanical and electrical utility system repairs/replacements/improvements; abatement of asbestos containing materials and removal of non-complying underground storage tanks (USTs); roof work, tuckpointing, and other building envelope work such as window replacement, to protect and preserve both interior and exterior building components; elevator repairs/upgrades, and road and parking lot maintenance.

As indicated above, asset preservation projects included in this capital plan are consistent with the anticipated needs of the evolving state operated mental health service system.

In summary, the department proposes a multi-phase restructuring and modernization of RTC health care facilities to:

- Assure more equitable access to treatment opportunities for persons with major mental illness by repositioning some RTC psychiatric capacity to alternative community sites, both through state operated community services and through creative partnerships with community vendors.
- Modernize/upgrade state-operated psychiatric facilities to make them more conducive to active treatment.
- Continue expansion of community based system of residential and day habilitation services for persons with DD, while at the same time downsizing large congregate care settings.
- Surplus non-utilized property, and demolish non-functional buildings.
- Work aggressively to convert surplus physical facilities to other ownership or to alternative uses under lease arrangements.

AGENCY PROCESS USED TO ARRIVE AT THESE CAPITAL REQUESTS:

Early in 1997, the agency conducted a 2 day strategic planning conference for State Operated Services. The purpose of this conference was to initiate the process for developing and upgrading long-range strategic goals and objectives for the State Operated Services operations (Regional Treatment Centers).

With these goals and objectives in mind, each state operated service program was asked to establish a well defined, long-range operational program for its facility. These operational programs were to describe services to be provided, methods of delivering these services, and activities and resources required to provide these services in the future. Operational programs had to demonstrate a strategic link with the agency's system-wide strategic plan.

These individual RTC operational programs (strategic plans) were supposed to clearly define the outcomes to be provided and avoid defining issues in physical planning terms. Physical plant (capital) planning would be implemented after operational programs were developed and approved for each facility.

Upon review and approval of each facility's operational strategic plan, the facilities were requested to initiate campus master planning (long-range capital planning). This process was to include:

- A comprehensive facilities analysis and planning program.
- Identification of viable alternatives for meeting future physical plant needs for the facility's operational program (use of existing space, adapting/upgrading existing space, constructing new space, or leasing space, i.e., for satellite facilities).
- Identification of any surveys or studies (predesign) that may be required to: comparatively assess viable alternatives for meeting future operational programs; develop cost plans for projects associated with implementing alternative plans; and complete a comprehensive facilities long-range master plan.
- A long range space utilization plan.
- A preliminary campus master plan.

After completion of this work, each facility was required to develop individual, long-range (6-year) facilities budgets, which outline all major repairs, replacements, betterments, and capital improvements proposed for the facility. All known physical plant deficiencies, scheduled maintenance, or proposed/required improvements were to be identified, time lined, cost estimated, and listed in the appropriate budget category (R&R, R/R Special Projects, Asset Preservation, CAPRA, Capital, etc.)

This information was used to establish potential costs associated with improving specific buildings or groups of buildings; determining the appropriateness of related or proposed expenditures; comparatively assessing alternatives for meeting an individual facility's operational program; and developing recommendations for the agency's Senior Staff to review and consider for inclusion in the agency's Six-Year Capital Budget Plan.

This information was utilized to develop the following system-wide (Agency) Six-Year Capital Budget Plan. We believe this plan reflects an incremental improvement plan required to improve/upgrade the physical plant resources required to support future operational programs at the State Operated Services facilities in accordance with the strategic goals and objectives outlined in preceding sections of this **Strategic Planning Summary** document.

AGENCY CAPITAL BUDGET PROJECTS DURING THE LAST SIX YEARS (1992-1997): (in $000s)

Laws of Minnesota, 1992, Chapter 558, Section 8 ($21,960)

Cambridge RHSC	Air Condition Oakview Building	$ 250
System-Wide	Construct or Remodel Mental Health Units	$13,400*
St. Peter RTC	50-bed Addition to MSH	$ 8,100
Brainerd RHSC	Laundry Building Improvements	$ 210

*Moose Lake-Minnesota Sexual Psychopathic Personality Center $12,400
*St. Peter RTC- Shantz Hall Security Remodeling $ 600

Laws of Minnesota, 1993, Chapter 373, Section 7 ($8,765)

St. Peter RTC	Supplement to 50-bed addition	$ 400
St. Peter RTC	Remodel Kitchen	$ 115
Moose Lake	Construct Sexual Psychopathic Personality Treatment Center	$ 7,250
Brainerd RHSC	Residential/Program Remodeling	$ 700
Cambridge RHSC	Remodel Boswell Hall	$ 300

Laws of Minnesota, 1994, Chapter 643, Section 8 ($47,550)

State-Wide	Homes for State Operated Waiver Services (SOCS)	$ 8,835
Anoka RTC	Predischarge Program	$ 1,500
Anoka RTC	Consolidate and Restructure campus	$37,000
St. Peter RTC	Air condition Tomlinson Hall	$ 215

Laws of Minnesota, 1996, Chapter 463, Section 17 ($8,807)

System-Wide	Asset Preservation	$ 1,000
Anoka RTC	Design Miller Building Renovation	$ 322
Brainerd RHSC	Upgrade HVAC	$ 1,500
Cambridge RHSC	Remodel/construct Residential/ Program Space for 36 METO beds	$ 3,400
Willmar RTC	Residential/Program Space Remodeling Adolescent Treatment Program	$ 2,500

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Dollars in Thousands ($137,500 = $138 thousand)

PROJECT LOCATION: System-wide

AGENCY PROJECT PRIORITY: 1 of 12

1998 STATE APPROPRIATION REQUEST: $1,935

PROJECT DESCRIPTION:

This project request outlines system-wide roof repair and replacement needs for DHS state-operated service facilities. The following buildings represent the Department's system-wide request for Roof Repair/Replacement for 1998/98:

Facility/Bldg.	Project Description	($ in 000) Estimated Cost
AGCC - #18 A-Bldg.	Complete Roof Repl. (Pitched Roof)	$ 85
AGCC - #22 Hall Pavilion	Complete Roof Repl. (Flat Roof)	$ 35
AGCC - # 66 Power Plant	Partial Replacement	$ 25
AMRTC - #11 Miller	Replacement of North/South Wings	$ 200
AMRTC- #15 Service Bldg.	Repl.of Roof North/South Wings	$ 40
AMRTC - # 7 Diet/Ware	Comple Roof Replacement (Flat Roof)	$ 100
BRHSC - #1 Peterson Bldg	Replace Perimeter Flashing	$ 50
BRHSC - #22 Halsted Bldg	Replace Perimeter Flashing	$ 80
BRHSC - # 6	Complete Roof Repl. (Flat Roof)	$ 215
FFRTC - #25 Dietary	Partial Replacement (all pitched areas)	$ 300
FFRTC - #28 West Ctr.	Complete Replacement (Pitched Roof)	$ 360
SPRTC - #51 Old Center	Complete Replacement (Pitched Roof)	$ 200
SPRTC - #2 Pexton Hall	80% Replacement (1 Wing Repld. 1990)	$ 150
WRTC - #24 thru #32	Complete Repl. (Small Ancillary Bldgs.)	$ 60
WRTC - #20 Warehouse	Complete Repl. (Flat Roof)	$ 35
	Total Est. Cost for 1998	$ 1,935

The projects included in this request range from repair/replacement of existing flashing materials to total roof system replacement. Some buildings will require complete replacement, while others will only require partial replacement. All of the buildings listed have roofs, or certain roof system components, which have reached or exceeded projected useful life. In addition, all of the buildings listed have roof systems which are leaking and need to be repaired or replaced if we are to prevent subsequent damage to other components of the buildings.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:

In recent years, asset preservation has become a fundamental component of the capital budget process. The key objective of asset preservation is to help reduce the amount of deferred maintenance and deferred renewal referred to as the "capital iceberg." Roof repair and replacement is generally considered an asset preservation project; however, because of the system-wide scope of roof repair/replacement for DHS facilities and the potential ramifications associated with not maintaining the waterproofing integrity of roofs, DHS has separated roof repair/replacement from other asset preservation projects in this budget request. Other asset preservation projects are identified in the number 2 priority request of the department's 1998/99 capital improvement budget request. Roof repair and replacement projects are not included in the department's request for asset preservation.

Roofs and related components require scheduled maintenance/repair, and eventually replacement. The average life of most roofs associated with this request have exceeded their projected useful life. The estimated costs of these projects fall within a range of $25 thousand to $360 thousand. Each of the department's facilities are required to have a 6-year roof maintenance, repair and replacement plan for their campus. These plans must support the future need and projected use of the buildings being proposed for major roof repair/replacement expenditures. Buildings proposed for roof replacement are not evaluated simply on the building's roof system deficiency, but rather on an assessment of the building's overall condition, current utilization, and projected or proposed future use.

The RTCs must also demonstrate that a building's life cycle characteristics and program suitability are in balance, and that the building warrants the cost of roof replacement before a building is added to the department's roof replacement schedule. Other options include continued repairs, non-action (no repair or replacement), or in some cases demolition may be considered to be the most economical and prudent choice of action. In addition, the continued downsizing of facilities and/or the deactivation of individual buildings is also considered when determining if it is appropriate to seek or expend capital appropriations for any building in the DHS facilities system.

CAPRA has been a valued program in addressing roof repair and replacement at DHS facilities. However, the limited funding for CAPRA over the last 8 years has generally required the department to direct CAPRA allocations toward crucial roof repair/replacement. Accordingly, in 1996 DHS, along with other agencies, requested additional funds for asset preservation as part of it's 1996 Capital Budget request. The 1996 asset preservation request for DHS grouped all asset preservation type projects into one request, including requests for roof repair and replacement. The 1996 Legislature appropriated $1 million to DHS for asset preservation. This appropriation was used entirely for roof projects at DHS facilities. In addition, a majority of DHS's 1996 CAPRA allocation was directed at roof projects at the RTCs. Subsequently, DHS has not been able to direct any significant amount of funds towards other asset preservation projects, and the capital iceberg continues to increase at the RTCs rather than decrease, because of the need to expend appropriated funds for asset preservation on crucial roof projects in the DHS system.

According to information in the *Capital Budget Plan Instruction Manual*, the capital iceberg for all state owned buildings is estimated at $1.5 billion. To date, the department's facilities have identified deferred maintenance and/or renewal projects (including the $3 plus million estimated cost for roof maintenance for the next 6 years) with an estimated cost of approximately $27 million. This number will certainly grow if an increased level of funding is not provided to address scheduled and deferred maintenance in the future.

Each of the department's facilities is responsible for preventive maintenance, inspection, and long-term replacement scheduling of their buildings' roofing systems. They are also responsible for maintaining a list of other projects required to preserve their fixed assets. These lists are perpetual and ever changing. They are comprised of projects that are directly related to asset preservation, deferred maintenance and deferred renewal. Projects related to new construction facility adaption, or program remodeling are not included on these lists and require a separate source of funding.

If a new roof project is identified for the 6-year roof schedule, facility and agency staff and/or professional roofing consultants evaluate the seriousness of deterioration, remaining life expectancy, alternatives for repair or replacement, etc. This information is used to determine the most appropriate method of project funding. Alternative funding methods include: operating budgets (repairs and betterments), CAPRA funds (controlled by the Department of Administration), and capital budget requests (generally appropriated on a 2-year cycle).

Funding of this request will enable the department to continue efforts to maintain what is generally considered the most critical component of any building (roofing system) in good repair. Failure to fund this request will only intensify/compound the related problems and most like result in deterioration to both structural and finish components of the buildings outlined above.

Funding of this request will also enable the department to direct specific funds toward roof maintenance of it buildings at the RTCs, and allow the department to ensure the integrity of the roofs proposed for major repairs or replacement for the 1998/1999 biennium. Full funding would also enable the department to direct any subsequent asset preservation or CAPRA appropriations/allocations to other areas of deferred maintenance at DHS facilities. A list of these other projects is provided in the department's second priority request for the 1998 capital budget, Asset Preservation.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):

Lack of funding of this request and/or limited funding of the state-wide CAPRA request would require the use of limited Repair and Replacement operating funds to address critical roof repair/replacement projects. This action would limit the agency's ability to address routine preventative, predictive and corrective facility maintenance, and actually compound the deferred maintenance problem this request is attempting to address.

OTHER CONSIDERATIONS:

Deferred repairs/replacement of roof systems can result in significant increases in total costs. Leaking roofs damage interior surfaces (ceilings, walls, and floors), and jeapordize structural integrity. Leaking roofs can ruin roof insulation, cause significant damage or deterioration to roof decks, deteriorate HVAC, and electrical systems, and cause significant damage or destruction to program equipment and furnishings.

In addition, failure to address leaking roofs can cause the development of serious indoor air quality problems by generating conditions which facilitate mold growth and contamination. Mold contamination can become a serious problem and because of the potential health problems associated with mold contamination, can result in the vacating of a building until the mold problem is corrected. Vacating a residential building at an RTC would most likely cause very significant programmatic problems for the department. This situation would not only increase costs associated with roof maintenance/replacement because costs associated with decontaminating and/or replacement of contaminated surfaces or other building components, vacating a residential building would most certainly have a dramatic impact on the operating cost of the affected program.

PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:

Alan Van Buskirk, Physical Plant Operations Manager
612-296-8982
Department of Human Services

Human Services, Department of
System-Wide Roof Repair/Replacement

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 1998-2003
Dollars in Thousands ($137,500 = $138 thousand)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources		Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition								
Land, Land and Easements, Options		$0	$0	$0	$0	$0		
Buildings and Land		0	0	0	0	0		
	SUBTOTAL	0	0	0	0	0		
2. Predesign	**SUBTOTAL**	0	0	0	0	0		
3. Design Fees								
Schematic		0	25	12	3	40	07/1998	10/1998
Design Development		0	34	16	3	53	08/1998	02/1999
Contract Documents		0	67	31	6	104	09/1998	04/1999
Construction Administration		0	42	19	4	65	09/1998	06/1999
	SUBTOTAL	0	168	78	16	262		
4. Project Management							07/1998	07/2000
State Staff Project Management		0	0	0	0	0		
Construction Management		0	0	0	0	0		
	SUBTOTAL	0	0	0	0	0		
5. Construction Costs							09/1998	06/2000
Site & Building Preparation		0	0	0	0	0		
Demolition/Decommissioning		0	0	0	0	0		
Construction		0	1,683	784	154	2,621		
Infrastructure/Roads/Utilities		0	0	0	0	0		
Hazardous Material Abatement		0	0	0	0	0		
Construction Contingency		0	84	39	8	131		
	SUBTOTAL	0	1,767	823	162	2,752		
6. Art	**SUBTOTAL**	0	0	0	0	0		
7. Occupancy								
Furniture, Fixtures and Equipment		0	0	0	0	0		
Telecommunications (voice & data)		0	0	0	0	0		
Security Equipment		0	0	0	0	0		
Commissioning		0	0	0	0	0		
	SUBTOTAL	0	0	0	0	0		
8. Inflation								
Midpoint of Construction								
Inflation Multiplier			0.00%	0.00%	0.00%			
Inflation Cost	**SUBTOTAL**		0	0	0	0		
9. Other	**SUBTOTAL**	0	0	0	0	0		
	GRAND TOTAL	$0	$1,935	$901	$178	$3,014		

Dollars in Thousands ($137,500 = $138 thousand)

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,935	901	178	3,014
State Funds Subtotal	0	1,935	901	178	3,014
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**	**1,935**	**901**	**178**	**3,014**

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (For bond-financed projects)	Amount	Percent of Total
General Fund	1,935	100.0%
User Financing	0	0.0%

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
Expenditure Subtotal	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**	**0**
Change from Current FY 1998-99		0	0	0	0
Change in F.T.E. Personnel		0.0	0.0	0.0	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
Yes	MS 16B.335 (2): Other Projects (Legislative Notification)
No	MS 16B.335 (3): Predesign Requirement (Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
No	Matching Funds Required (as per agency request)

Dollars in Thousands ($137,500 = $138 thousand)

Department of Finance Analysis:

The department-designated ranking for this request reflects the critical nature of roof repairs and replacement in the department's overall strategy for asset preservation. The department makes good use of repair and betterment funds within its operating budget to provide for the ongoing maintenance needs as well as CAPRA funds for more urgent needs.

Governor's Recommendation:

The Governor recommends general obligation bonding of $1.935 million for this project. Also included are budget planning estimates of $901 thousand in 2000 and $178 thousand in 2002.

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	35
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	25
TOTAL	**700 Maximum**	**445**

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Dollars in Thousands ($137,500 = $138 thousand)

PROJECT LOCATION: System-Wide, Ah-Gwah-Ching Center, Anoka Metro Regional Treatment Center, Brainerd Regional Human Services Center, Cambridge Regional Human Services Center, Fergus Falls Regional Treatment Center, Moose Lake State Operated Services, St. Peter Regional Treatment Center, Willmar Regional Treatment Center

AGENCY PROJECT PRIORITY: 2 of 12

1998 STATE APPROPRIATION REQUEST: $4,659

PROJECT DESCRIPTION:

This project request involves critical repair, replacement, and renewal needs specific to the operations of the regional treatment centers (RTCs). These needs have developed over a long period, and represent a system-wide assessment of safety hazards and code compliance issues (e.g., outdated/obsolete fire detection and alarm systems; water treatment and distribution systems/equipment; old underground storage tanks (USTs); mechanical and structural deficiencies; major mechanical and electrical utility system repairs, replacements and improvements; abatement of hazardous materials (e.g., asbestos containing pipe insulation, floor and ceiling tile, etc.); tuckpointing, and other building envelope work (window replacement) to protect and preserve both interior and exterior building components; elevator repairs/upgrades; and road and parking lot maintenance.

The following outlines the projects associated with the Department's Asset Preservation request for 1998/99. They are listed in priority order based on urgency to complete and impact to the facility if related components would fail.

FACILITY	PROJECT DESCRIPTION	($ in 000) ESTIMATED COST
SPRTC	Replace Primary Electrical Distribution Sys.	$ 300
AGCC	Clean and Paint Water Tower	$ 120
WRTC	Recondition Water Tower	$ 125
FFRTC	Upgrade Fire Alarm System - Phase 1	$ 250
WRTC	Replace Fire Alarm System - Phase I	$ 200
SPRTC	Upgrade Fire Alarm System - Phase II	$ 160
BRHSC	Replace Fire Alarm System in 4 Buildings	$ 125
FFRTC	Rebuild Elevator Bldg. 23	$ 175
FFRTC	Upgrade Primary Electric System	$ 1,300
BRHSC	Install Sprinklers in Bassements of 6 Bldgs.	$ 180
SPRTC	Replace Water Treatment Equipment	$ 300
WRTC	Tuckpoint Brick Wains coating all Buildings	$ 90
AMRTC	Tuckpoint Dietary Warehouse Building	$ 150
AGCC	Tuckpoint Buildings - Phase I	$ 35
BRHSC	Tuckpoint Buildings	$ 200
AMRTC	Clean Miller Building HVAC Systems	$ 50
AMRTC	Clean Dietary Building HVAC System	$ 40
BRHSC	Clean HVAC Systems in Bldgs. 8, 9 & 10	$ 50
SPRTC	Clean HVAC Systems Bldgs. 1 & 3	$ 140
FFRTC	Replace Asbestos Pipe Insulation - Phase 1	$ 300
	Total Estimated Cost	$ 4,290

Roof repairs and replacements are not included in this request. System-wide roof repair and replacement needs are outlined in a separate request for the DHS facilities.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:

Although a majority of these projects are considered nonrecurring in scope, all facility components require scheduled maintenance/repair, and eventually many require replacement. The average life cycle of most projects associated with this request exceeds 20 years; however, some have longer life cycles, i.e., tuckpointing, window replacement, etc., and others have shorter life cycles, i.e., road and parking lot seal coating and overlays, water tower cleaning and painting, etc. The estimated cost of most projects fall within a range of $25 thousand to $350 thousand.

Specific projects associated with this request are generally classified as "asset preservation projects" and are categorized as emergency maintenance, deferred maintenance/renewal, infrastructural repair and replacement, or preventive/predictive maintenance. These projects are the result of extended use, age of the structures, or related components, within the RTC system, and the high cost of addressing related problems. These projects involve significant levels of repair and replacement, and because of the system-wide magnitude, cannot be addressed with current level of repair and replacement funding.

In recent years, asset preservation has become a fundamental component of the capital budget process. The key objective of asset preservation is to help reduce the amount of deferred maintenance and deferred renewal referred to as the "capital iceberg."

In 1996 the Legislature moved forward with efforts to deal with the state's deferred maintenance/renewal problem.

- $12 million was appropriated to the Department of Administration for the Capital Asset Preservation and Repair Account (CAPRA) for distribution to state agencies.

- $16 million was appropriated to MnScu, and $12 million was appropriated to the U of M for asset preservation (HEPRA); and,

- an additional $8 million was appropriated to the Commissioner of Administration for asset preservation projects at the following agencies: Corrections, $1.75 million; Historical Society, $3 million; Human Services, $1 million; Military Affairs, $500 thousand; Natural Resources, $500 thousand; Residential Academies, $ 750 thousand; and Veterans Home Board, $500 thousand.

According to information in the Capital Budget Plan Instruction Manual, the capital iceberg for all state owned buildings is estimated at $1.5 billion. To date, the department's facilities have identified deferred maintenance and/or renewal projects with an estimated cost of $10 million before escalation. This number will certainly escalate if funds are not provided to address these deficiencies.

In the fall of 1996 DHS submitted its system-wide request for CAPRA funding to the Department of Administration. This list was divided into 2 categories:

- The first category focused on urgent need roof repair and replacement projects. This request outlined the priority in which DHS wanted to allocated its 1996 $1 million asset preservation appropriation.

- The second category outlined additional roof repair and replacement projects which DHS believed necessary to address and which DHS requested 1996 CAPRA funding.

The Department of Administration allocated 1996 CAPRA funds to DHS, and it approved of the department's request for allocating the 1996 $1 million asset preservation appropriation. Since February the Department of Administration has allocated approximately $300 thousand for additional CAPRA projects at DHS facilities.

Each of the department's facilities is responsible for maintaining a list of projects required to preserve their fixed assets. These lists are perpetual and ever changing. They are comprised of projects that are directly related to asset preservation, deferred maintenance and deferred renewal. Projects related to new construction, facility adaption, or program remodeling are not included on these lists and require separate funding. A priority list outlining asset preservation projects for the RTCs as of March 1997 is provided after Section 10 of this request.

When new projects are identified, facility and agency staff evaluate project type and scope to determine the most appropriate method of project funding. Alternative funding methods include: Operating budgets (repairs and betterments); CAPRA funds (controlled by the Department of Administration); and Capital Budget Requests (generally appropriated on a 2-year cycle).

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 life cycle characteristics and program suitability are in balance. In some cases repair/improvement may be a very prudent measure; 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 determining for which buildings asset preservation funds should be requested or committed.

CAPRA has been a valued program in addressing asset preservation at the department's facilities. DHS received approximately $1.25 million from the 1994 CAPRA appropriation, approximately $1 million from the 1996 CAPRA appropriation, and a $1 million appropriation for asset preservation projects in 1996. However, the limited funding for CAPRA ($31 million for all state agencies) over the last 8 years has not been at a level which can adequately address all crucial asset preservation needs for all state agencies. Subsequently, DHS's asset preservation needs are not declining at a rate which is conducive to good facility management.

Funding of this request will enable the department to address this continuing problem and, hopefully, begin to reduce the level of deferred maintenance at the RTCs. Failure to fund this request will only intensify/compound the problem. Additional deterioration will result, and the states valuable physical plant assets will continue to decline. Future costs may be compounded as complete replacement may become the most cost effective and efficient alternative.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):

Lack of funding of this request, and/or limited funding of the state-wide CAPRA request, will require the use of a large percentage of limited Repair and Replacement operating funds to address critical and expensive asset preservation projects such as fire detection/alarm system improvements. This action would limit the agency's ability to address routine preventative, predictive and corrective facility maintenance, and actually compound the deferred maintenance problem this request is attempting to address.

OTHER CONSIDERATIONS:

The Department received a capital appropriation of $1 million for asset preservation in the 1996 bonding bill. Accordingly, the department has had to rely on the limited allocations from the Department of Adminstration's CAPRA program, and the use of limited operating funds to address the most critical asset preservation projects. A majority of available funds for asset preservation and CAPRA have been dedicated to roof repair and replacement. Subsequently, DHS has had to continue to defer

- an additional $8 million was appropriated to the Commissioner of Administration for asset preservation projects at the following agencies: Corrections, $1.75 million; Historical Society, $3 million; Human Services, $1 million; Military Affairs, $500 thousand; Natural Resources, $500 thousand; Residential Academies, $ 750 thousand; and Veterans Home Board, $500 thousand.

According to information in the Capital Budget Plan Instruction Manual, the capital iceberg for all state owned buildings is estimated at $1.5 billion. To date, the department's facilities have identified deferred maintenance and/or renewal projects with an estimated cost of $10 million before escalation. This number will certainly escalate if funds are not provided to address these deficiencies.

In the fall of 1996 DHS submitted its system-wide request for CAPRA funding to the Department of Administration. This list was divided into 2 categories:

- The first category focused on urgent need roof repair and replacement projects. This request outlined the priority in which DHS wanted to allocated its 1996 $1 million asset preservation appropriation.

- The second category outlined additional roof repair and replacement projects which DHS believed necessary to address and which DHS requested 1996 CAPRA funding.

The Department of Administration allocated 1996 CAPRA funds to DHS, and it approved of the department's request for allocating the 1996 $1 million asset preservation appropriation. Since February the Department of Administration has allocated approximately $300 thousand for additional CAPRA projects at DHS facilities.

Each of the department's facilities is responsible for maintaining a list of projects required to preserve their fixed assets. These lists are perpetual and ever changing. They are comprised of projects that are directly related to asset preservation, deferred maintenance and deferred renewal. Projects related to new construction, facility adaption, or program remodeling are not included on these lists and require separate funding. A priority list outlining asset preservation projects for the RTCs as of March 1997 is provided after Section 10 of this request.

When new projects are identified, facility and agency staff evaluate project type and scope to determine the most appropriate method of project funding. Alternative funding methods include: Operating budgets (repairs and betterments); CAPRA funds (controlled by the Department of Administration); and Capital Budget Requests (generally appropriated on a 2-year cycle).

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 life cycle characteristics and program suitability are in balance. In some cases repair/improvement may be a very prudent measure; 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 determining for which buildings asset preservation funds should be requested or committed.

CAPRA has been a valued program in addressing asset preservation at the department's facilities. DHS received approximately $1.25 million from the 1994 CAPRA appropriation, approximately $1 million from the 1996 CAPRA appropriation, and a $1 million appropriation for asset preservation projects in 1996. However, the limited funding for CAPRA ($31 million for all state agencies) over the last 8 years has not been at a level which can adequately address all crucial asset preservation needs for all state agencies. Subsequently, DHS's asset preservation needs are not declining at a rate which is conducive to good facility management.

Funding of this request will enable the department to address this continuing problem and, hopefully, begin to reduce the level of deferred maintenance at the RTCs. Failure to fund this request will only intensify/compound the problem. Additional deterioration will result, and the states valuable physical plant assets will continue to decline. Future costs may be compounded as complete replacement may become the most cost effective and efficient alternative.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):

Lack of funding of this request, and/or limited funding of the state-wide CAPRA request, will require the use of a large percentage of limited Repair and Replacement operating funds to address critical and expensive asset preservation projects such as fire detection/alarm system improvements. This action would limit the agency's ability to address routine preventative, predictive and corrective facility maintenance, and actually compound the deferred maintenance problem this request is attempting to address.

OTHER CONSIDERATIONS:

The Department received a capital appropriation of $1 million for asset preservation in the 1996 bonding bill. Accordingly, the department has had to rely on the limited allocations from the Department of Adminstration's CAPRA program, and the use of limited operating funds to address the most critical asset preservation projects. A majority of available funds for asset preservation and CAPRA have been dedicated to roof repair and replacement. Subsequently, DHS has had to continue to defer other types of asset preservation projects which are critical to maintaining safe and efficient facilities.

Dollars in Thousands ($137,500 = $138 thousand)

The following list of projects outlines the requests submitted by the RTCs for consideration for the 2000/2001 and 2002/2003 biennia. These projects are listed by facility and are not in priority order.

2000/2001

FACILITY	PROJECT DESCRIPTION	($ in 000) ESTIMATED COST
AGCC	Remove Asbestos - 1st Floor	$ 90
AGCC	Tuck Point Buildings	$ 45
AGCC	Sidewalk replacement Phase I	$ 35
AMRTC	Asbestos abatement Dietary Mechancical	$ 100
BRHSC	Replace windows - Phase I	$ 550
BRHSC	Replace water/condensate lines - Bldg. 6	$ 250
BRHSC	Replace public address system	$ 175
FFRTC	Abate asbestos pipe insulation - Phase II	$ 400
FFRTC	Upgrade Fire Alarm system - Phase II	$ 290
SPRTC	Replace Boiler burners	$ 150
SPRTC	Replace #1 & 3 Boilers	$ 220
WRTC	Fire alarm system replacement - Phase II	$ 200
WRTC	Tuckpoint Buildings	$ 90
	Total Estimated Cost	$ 2,595

2002/2003

FACILITY	PROJECT DESCRIPTION	($ in 000) ESTIMATED COST
AGCC	Sidewalk replacement - Phase II	$ 60
AMRTC	Secure/Repair Miller tunnel	$ 75
BRHSC	Replace Stand-by Emergency Generator	$ 500
FFRTC	Upgrade Fire Alarm System - Phase III	$ 290
FFRTC	Rem/repl. asbestos pipe insul. - Phase III	$ 300
FFRTC	Elevator replacement - Building 14	$ 70
SPRTC	Upgrade Secondary Electrical Systems	$ 240
SPRTC	Rem/Reinsulate Asbestos pipes - Phase I	$ 100
WRTC	Fire Alarm System Replacement - Phase III	$ 200
WRTC	Rebuild #2 Boiler	$ 220
WRTC	Replace Well	$ 30
	Total Estimated Cost	$ 2,085

In addition, remodeling/construction requests outlined in DHS's Capital Budget Six-Year Project Summary for projects at Ah-Gwah-Ching Center, Brainerd Regional Human Services, Fergus Falls Regional Treatment Center, St. Peter Regional Treatment Center and Willmar Regional Treatment Center, include funds to address asset preservation type work (i.e., fire detection/alarm system upgrades; electrical, HVAC, plumbing system repairs/replacements; elevator upgrades, etc.). These projects are not included in the above lists for asset preservation.

PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:

Alan Van Buskirk, Physical Plant
Operations Manager
444 Lafayette Road
St. Paul, MN 55155-3826
Phone: 296-8982

Human Services, Department of
System-Wide Asset Preservation

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 1998-2003
Dollars in Thousands ($137,500 = $138 thousand)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources		Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition								
Land, Land and Easements, Options		$0	$0	$0	$0	$0		
Buildings and Land		0	0	0	0	0		
	SUBTOTAL	0	0	0	0	0		
2. Predesign	**SUBTOTAL**	0	0	0	0	0		
3. Design Fees								
Schematic		0	64	39	31	134	07/1998	09/1998
Design Development		0	86	52	42	180	09/1998	11/1998
Contract Documents		0	172	104	83	359	01/1999	08/1999
Construction Administration		0	107	65	52	224	03/1999	09/1999
	SUBTOTAL	0	429	260	208	897		
4. Project Management								
State Staff Project Management		0	0	0	0	0		
Construction Management		0	0	0	0	0		
	SUBTOTAL	0	0	0	0	0		
5. Construction Costs							03/1999	09/1999
Site & Building Preparation		0	0	0	0	0		
Demolition/Decommissioning		0	0	0	0	0		
Construction		0	3,861	2,218	1,783	7,862		
Infrastructure/Roads/Utilities		0	0	0	0	0		
Hazardous Material Abatement		0	0	0	0	0		
Construction Contingency		0	0	117	94	211		
	SUBTOTAL	0	3,861	2,335	1,877	8,073		
6. Art	**SUBTOTAL**	0	0	0	0	0		
7. Occupancy								
Furniture, Fixtures and Equipment		0	0	0	0	0		
Telecommunications (voice & data)		0	0	0	0	0		
Security Equipment		0	0	0	0	0		
Commissioning		0	0	0	0	0		
	SUBTOTAL	0	0	0	0	0		
8. Inflation								
Midpoint of Construction			03/1999	03/2001	03/2003			
Inflation Multiplier			8.60%	18.60%	28.60%			
Inflation Cost	**SUBTOTAL**		369	483	596	1,448		
9. Other	**SUBTOTAL**	0	0	0	0	0		
	GRAND TOTAL	$0	$4,659	$3,078	$2,681	$10,418		

Dollars in Thousands ($137,500 = $138 thousand)

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	4,659	3,078	2,681	10,418
State Funds Subtotal	0	4,659	3,078	2,681	10,418
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**	**4,659**	**3,078**	**2,681**	**10,418**

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
Expenditure Subtotal	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**	**0**
Change from Current FY 1998-99		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	4,659	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
Yes	MS 16B.335 (2): Other Projects (Legislative Notification)
No	MS 16B.335 (3): Predesign Requirement (Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
No	Matching Funds Required (as per agency request)

Dollars in Thousands ($137,500 = $138 thousand)

Department of Administration Analysis:

This will allow the agency to reduce its backlog of its deferred maintenance and renewal facilities program.

Department of Finance Analysis:

The department-designated ranking for this request reflects the department's overall strategy for asset preservation. The department makes good use of repair and betterment funds within its operating budget to provide for the ongoing maintenance needs as well as CAPRA funds for more urgent needs.

Governor's Recommendation:

The Governor recommends general obligation bonding of $4.659 million for this project. Also included are planning estimates of $3.078 million in 2000 and $2.681 million in 2002.

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	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	25
TOTAL	**700 Maximum**	**480**

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PROJECT LOCATION: Cambridge RHSC

AGENCY PROJECT PRIORITY: 3 of 12

1998 STATE APPROPRIATION REQUEST: $1,950

PROJECT DESCRIPTION:

The department requests funds for design, site development, building improvements, and construction to develop and support 12 additional beds for the Minnesota Extended Treatment Option (METO) program on the Cambridge Regional Human Services Center campus.

This project request includes funds for 2 additional 6-bed residential units; improvements (accessible toilet facilities, improvements to lighting, HVAC systems, and the development of additional work areas within the existing large open space) to the lower level of the existing work program building; the demolition of Cottage 9 which is located on the site proposed for the new residential building; site work, including improvements to roadways, the construction of walkways, and the extension of utilities required to support the new buildings; and the construction of a equipment storage and maintenance building.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:

The METO program is a specialized service model for individuals who have a developmental disability and exhibit severe behaviors which present a risk to public safety. This program was established during the 1995 Session (Laws of 1995, Chapter 207, Article 8, Section 39, Subd. 2: "CAMPUS PROGRAMS...The commissioner shall develop a specialized service model at the Cambridge campus to serve citizens of Minnesota who have a developmental disability and exhibit severe behaviors which present a risk to public safety..." This law also directed the commissioner to: "...initiate architectural and engineering predesign required to develop a capital budget proposal for the 1996 legislative session. This proposal shall include any necessary campus infrastructure improvements, building modifications, and construction required to accommodate the above referenced services and related restructuring of the Cambridge campus."

In accordance with the law, the department developed a $6.226 million capital budget proposal for the METO program for the 1996 Session. The 1996 Legislature appropriated $3.4 million to design and construct 36 of the 72 beds proposed for METO; to renovate the auditorium building for recreation and program activities; to renovate the laundry building for work activity programs; and to demolish existing buildings.

Bids for the project were opened in late October 1997, and the project was awarded during the first week of November 1997. Construction of the new residential facilities for the 36 beds, and renovation of the Auditorium and the main level of the Work Program Building is underway and scheduled for completion in late July of 1998.

METO will provide residential and crisis services for developmentally disabled persons with complex behavioral and social problems. Many of the individuals to be served by the METO program will have been involved in criminal acts such as sexual assault, major property destruction (i.e., fire setting), physical assault, use of weapons, chemical abuse, and robbery; however, due to the severity of their developmental disability, will not be prosecuted through the criminal justice system. Since community based options are not always available to insure public safety, these individuals will be committed to the METO program through the civil commitment procedure.

The METO program offically became operational in July of 1997. Several years before METO, individuals with a developmental disability and severe behavior were admitted to CRHSC. Residential facilities for these clients have been provided in Oakview. Day program activities have been provided in Boswell Hall. These buildings are not laid out or constructed in a manner which can appropriately accommodate these behaviorally challenging individuals. They have multi-bed sleeping rooms, large congregate bathing and toileting facilities, and expansive areas of plate glass windows.

Specially designed facilities are required to accommodate the severe behavioral problems associated with individuals served by the METO program. Security and safety have been designed into both the structural and programmatic design of the facilities funded during the 1996 Session. Building components, furnishings, fixtures, and equipment selections have been carefully reviewed to ensure they can stand up to extreme abuse, and provide the level of security required for individual units; however, the new residential units reflect the layout of a typical home and will provide a very homelike environment for persons served by METO.

Individuals admitted to the on campus METO program are expected to return to their respective communities after completing treatment programs that will range from 3 months to 3 years, depending on each individual's needs. The home like environment is essential in fostering community living skills and the development of interpersonal relationship skills necessary for these individuals to successfully return to the community.

<u>**Additional Residential Facilities:**</u> Over the past two years, Cambridge Regional Human Services Center has been monitoring clients in its current program for those who meet the criteria for the new METO program. During that time the actual number of METO eligible clients fluctuated between 35 and 45 clients. The construction of two additional 6-bed residential units (one 12-bed building) will enable METO to move out of the Oakview building completely and consolidate its

residential units. The project which was funded in 1996 established a distinct and separate campus for the the METO program by grouping the residential, program and recreational facilities for METO into a consolidated area of the Cambridge campus. This site is away from the residential areas of the City of Cambridge, and separate from the 1960 era residential buildings (Oakview, Ridgewood, McBroom and Boswell). This not only adds to the security of the program, it enhances the potential for utilizing these 1960 era residential buildings for alternative use in the future.

__Demolition of Cottage 9:__ The demolition of Cottage 9 will enable the department to site the new residential facilities within this consolidated area of the Cambridge campus and add additional units should they be needed in the future. This will enhance supervision and safety of the residential programs, provide easy access to the work program building and indoor/outdoor recreational facilities, and limit the amount of road and utility expansion for the additional 12 beds.

__Lower Level of Work Program Building:__ The upper level of the old laundry building is being remodeled as part of the 1996 METO project. This space will be used for the work program activity. The upper level provides the necessary office areas, client break rooms, accessible restrooms, store room/warehouse space, and separated work areas for small work groups.

A majority of the space in the lower level of this building is one wide open area. With some minor improvements the lower level can be upgraded to provide additional work spaces for the METO program. This additional work program space is necessary to accommodate the additional population associated with the construction of an additional 12 beds. It will enable program supervisors to better manage client mix, and promote a safe, effective and efficient work and training environment for the METO clients.

__Vehicle Storage/Maintenance Building:__ The Cambridge Regional Center is currently using buildings for equipment storage and maintenance which were transferred to the City of Cambridge pursuant to Minnesota Laws 1990, Chapter 610, Article 1, Section 12, Subd. 5 and Minnesota Laws 1991, Chapter 292, Article 3, Section 40. These buildings are in very poor condition, in need of major repair, and, at this point in time, are scheduled to be demolished by the City sometime in 1998. This request proposes to construct a new structure for storing and maintaining equipment for facility grounds and building maintenance (snow plows/blowers, lawn mowers, tractors, etc.).

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

None.

OTHER CONSIDERATIONS:

The 1997 Legislature mandated the commissioner of human services to present a plan and recommendations to the legislature (by January 25, 1998) for the second phase of the Minnesota extended treatment options (METO) program at Cambridge for persons with developmental disabilities who pose a public risk. The law states that phase two shall increase the on-campus program capacity of METO by at least 36 additional beds, unless program configuration changes are agreed to by the affected exclusive bargaining representative.

At present there is only a projected need for 48 specialized beds at the Cambridge site, the 36 beds which were funded in the 1996 bonding bill and the 12 additional beds being requested with this request. However, the design of the METO residential units will allow for incremental bed development in modules of 6 or 12 beds should additional capacity be required in the future.

PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:

Mike Maus, METO Director
Cambridge Regional Campus
612-689-7256

Alan Van Buskirk, Physical Plant Operations Manager
Department of Human Services
612-296-8982

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 1998-2003
Dollars in Thousands ($137,500 = $138 thousand)

TOTAL PROJECT COSTS All Years and All Funding Sources	**Project Costs** All Prior Years	**Project Costs** FY 1998-99	**Project Costs** FY 2000-01	**Project Costs** FY 2002-03	**Project Costs** All Years	**Project Start** (Month/Year)	**Project Finish** (Month/Year)
1. Property Acquisition							
Land, Land and Easements, Options	$0	$0	$0	$0	$0		
Buildings and Land	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
2. Predesign **SUBTOTAL**	5	0	0	0	5	09/1997	11/1997
3. Design Fees							
Schematic	0	18	0	0	18	06/1998	07/1998
Design Development	0	24	0	0	24	08/1998	09/1998
Contract Documents	0	49	0	0	49	09/1998	11/1998
Construction Administration	0	30	0	0	30	12/1998	02/2000
SUBTOTAL	0	121	0	0	121		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Construction Management	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
5. Construction Costs						08/1998	02/2000
Site & Building Preparation	0	180	0	0	180		
Demolition/Decommissioning	0	110	0	0	110		
Construction	0	1,060	0	0	1,060		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	70	0	0	70		
Construction Contingency	0	142	0	0	142		
SUBTOTAL	0	1,562	0	0	1,562		
6. Art **SUBTOTAL**	0	15	0	0	15	02/1999	02/2000
7. Occupancy							
Furniture, Fixtures and Equipment	0	60	0	0	60	02/1999	02/2000
Telecommunications (voice & data)	0	12	0	0	12	02/1999	02/2000
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
SUBTOTAL	0	72	0	0	72		
8. Inflation							
Midpoint of Construction		05/1999					
Inflation Multiplier		9.40%	0.00%	0.00%			
Inflation Cost **SUBTOTAL**		166	0	0	166		
9. Other **SUBTOTAL**	0	14	0	0	14	07/1998	02/2000
GRAND TOTAL	$5	$1,950	$0	$0	$1,955		

Dollars in Thousands ($137,500 = $138 thousand)

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,950	0	0	1,950
State Funds Subtotal	0	1,950	0	0	1,950
Agency Operating Budget Funds	5	0	0	0	5
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	**5**	**1,950**	**0**	**0**	**1,955**

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
Expenditure Subtotal	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**	**0**
Change from Current FY 1998-99		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	1,950	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
No	Matching Funds Required (as per agency request)

Dollars in Thousands ($137,500 = $138 thousand)

Department of Administration Analysis:

A predesign document is in the process of being developed; and a recommendation will be issued upon completion.

Department of Finance Analysis:

This request provides the needed capacity for "safety net" services for state residents with developmental disabilities. The METO construction scores high for statewide significance since the program will be the sole provider of these services in the entire state. The project scores moderately high in its strategic linkage to the agency's six year plan in that it consolidates the campus' services into fewer and more adequately suited structures.

Governor's Recommendation:

The Governor recommends general obligation bonding of $1.95 million for this project.

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	100
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
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**	**345**

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PROJECT LOCATION: Moose Lake Psychopathic Personallity Treatment Ctr

AGENCY PROJECT PRIORITY: 4 of 12

1998 STATE APPROPRIATION REQUEST: $8,810

PROJECT DESCRIPTION:

The department requests funds to design, construct, and equip additional residential and ancillary service facilities for the Minnesota Sexual Psychopathic Personality Treatment center (MSPPTC) located at Moose Lake. The additional residential space will utilize the architectural design that was developed for the 100 beds constructed for the MSPPTC in 1994/95.

The scope of this request includes, constructing two 25-bed residential units, 8 beds for protective isolation, group therapy rooms, and additional space for food service (storage and food prep space).

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:

In the early 1990's the State experienced a growth in the number of individuals committed as psychopathic personalities (PP). Based on projected referrals to the program, the 1993 Legislature authorized the construction of a 100-bed secure facility in Moose Lake and a 50-bed expansion of the Minnesota Security Hospital in St. Peter to accommodate projected needs. The Moose Lake facility was completed and occupied in December 1995, and the addition to the security hospital was completed in June of 1996.

In May, 1995 there were 76 persons under PP commitment, with referrals to the program occurring at approximately one per month. At present, there are 121 (October 1997) individuals at both locations and commitments to the program have increased to nearly 2 per month.

Initial projections indicated that these 150 beds would accommodate SPP/SDP commitments until sometime between 2001 and 2002 (approximately 12 new commitments per year). However, except for 1994, actual annual commitments of SPP/SDP individuals has been significantly higher than the 12 per year initially projected. During the past year alone, the population increased by 27 individuals.

Initial population projections for the SPP/SDP population utilized historical data, and estimates of potential referrals from the Department of Corrections (DOC). Changes in DOC's numbers have had a significant impact on actual SPP/SDP commitments. Other factors which may be contributing to this increase in commitments include:

- The U. S. Supreme Court ruling that civil commitment for treatment following completion of a prison sentence for sexual offenses is legal.
- Increased community visibility and reaction to sex offenders due to the community notification legislation. With the initiation of community notification meetings, counties may now be more likely to pursue civil commitment rather than dealing with the controversy surrounding the release of a Level 3 offender directly to the community.
- Reluctance from county MI case managers because they are not trained for the special interventions which may be needed to manage this specialized population in the community, and concern over stretching MH budgets to accommodate this population in the community.
- Young men who reach the age of majority while residing in a juvenile correctional facility are now being referred for civil; commitment if they have not successfully completed the juvenile treatment program (these individuals have not been included in projected potential admissions from DOC.) The juvenile sex offender treatment program in the state correctional system currently reports having 35 juvenile sex offenders. The Director of the program indicates that in the next year, he expects between 6 and 8 of the juveniles who will reach the age of majority will likely be referred for civil commitment. This appears to be consistent with the number of referrals received from this system during the past twelve months. The Director of the program has indicated he is unable to estimate potential referrals further than one year out since such referrals are based on so many variables.
- To date, no treatment completers have been discharged from the program. Limited experience makes it extremely difficult to predict future discharge rates. There are currently 3 men in Phases IV and above of the treatment program. Accordingly, it seems reasonable to predict that no more than these 3 will progress to discharge in the next 3 years.

Although the **percentage** of all inmates in Department of Corrections (DOC) facilities that reach their release date and are then referred for civil commitment is not increasing, *the total number of sex offenders in Minnesota prisons has steadily increased since 1990.* The number of identified sex offenders in Minnesota prisons has increase more than 80% since 1990.

In addition, a review of data used to make the initial projections revealed that the number of sex offenders the Department of Corrections anticipated they would be releasing has nearly doubled. In 1993, the Department of Corrections estimated that a total of 449 sex offenders would be released in 1994 and 1995. The DOC now projects releasing at least 450 sex offenders per year from its facilities. About one third of the sex offenders in Minnesota's prisons on 1-1-97, are likely to be released during the year.

During the past 3 years, approximately 6% of sex offenders released from Minnesota prisons were admitted to the Minnesota Sex Offenders Program. Assuming 450 release per year, and a rate of commitment equal to what we have seen in the past 3 years, it appears that between 18 and 26 individuals may be added to the Minnesota Sex Offender program each year. At this level of admissions, the program will reach current capacity (150) by October 1998, and at year end 2003 (the last year of this six-year capital plan), the average daily population may exceed the 250 mark.

As a result there is a serious need to accelerate planning and construction for expanding capacity for the Minnesota Sex Offender program. This request focuses on the design and construction of 50 additional beds for the Moose Lake facility. The department's capital budget "Projects Summary" document outlines the plan for adding additional bed capacity in the future by requesting design funds for an additional 50-beds in the 2000/2001 capital budget, and funds to construct those 50 beds in the 2002/2003 biennium. These requests may have to be combined to move the construction request forward to the 2000/2001 biennium.

Building additional capacity in modules of 50 beds should enable the department to keep pace with the capacity requirements projected for the future if the revised population projections hold true. This should also eliminate any potential for overbuilding capacity for this population if for some reason (a change in the law, changes to sentencing guidelines, etc.) future commitments level-off or actually decline.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

This project will have an impact on the agency's future operating budget. The projected increase to operating costs is outlined on the project detail sheet completed for this project request.

ROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:

Frank Milczark, CEO,
Moose Lake State Operated Services
218-485-5300

Alan Van Buskirk, Physical Plant Operations Manager,
Department of Human Services
612-296-8982

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 1998-2003
Dollars in Thousands ($137,500 = $138 thousand)

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land and Easements, Options	$0	$0	$0	$0	$0		
Buildings and Land	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
2. Predesign SUBTOTAL	5	0	0	0	5		
3. Design Fees							
Schematic	0	77	0	0	77	07/1998	09/1998
Design Development	0	104	0	0	104	10/1998	12/1998
Contract Documents	0	209	0	0	209	01/1999	05/1999
Construction Administration	0	130	0	0	130	07/1999	08/2000
SUBTOTAL	0	520	0	0	520		
4. Project Management						07/1999	08/2000
State Staff Project Management	0	0	0	0	0		
Construction Management	0	185	0	0	185		
SUBTOTAL	0	185	0	0	185		
5. Construction Costs						07/1999	08/2000
Site & Building Preparation	0	682	0	0	682		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	5,560	0	0	5,560		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	450	0	0	450		
Other Costs	0	62	0	0	62		
SUBTOTAL	0	6,754	0	0	6,754		
6. Art SUBTOTAL	0	56	0	0	56	12/1999	08/2000
7. Occupancy							
Furniture, Fixtures and Equipment	0	216	0	0	216	12/1999	08/2000
Telecommunications (voice & data)	0	28	0	0	28	08/1999	08/2000
Security Equipment	0	248	0	0	248	08/1999	08/2000
Commissioning	0	46	0	0	46	06/2000	08/2000
SUBTOTAL	0	538	0	0	538		
8. Inflation							
Midpoint of Construction		05/1999					
Inflation Multiplier		9.40%	0.00%	0.00%			
Inflation Cost **SUBTOTAL**		757	0	0	757		
9. Other SUBTOTAL	0	0	0	0	0		
GRAND TOTAL	$5	$8,810	$0	$0	$8,815		

Dollars in Thousands ($137,500 = $138 thousand)

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	8,810	0	0	8,810
State Funds Subtotal	0	8,810	0	0	8,810
Agency Operating Budget Funds	5	0	0	0	5
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	**5**	**8,810**	**0**	**0**	**8,815**

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	16,933	16,933	19,737	24,224	24,573
Other Program Related Expenses	910	910	1,399	1,828	1,910
Building Operating Expenses	773	773	843	913	913
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
Expenditure Subtotal	18,616	18,616	21,979	26,965	27,396
Revenue Offsets	<1,890>	<1,890>	<2,198>	<2,697>	<2,740>
TOTAL	**16,726**	**16,726**	**19,781**	**24,268**	**24,656**
Change from Current FY 1998-99		0	3,055	7,542	7,930
Change in F.T.E. Personnel		0.0	67.5	94.5	94.5

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (For bond-financed projects)	Amount	Percent of Total
General Fund	8,810	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
No	Matching Funds Required (as per agency request)

Dollars in Thousands ($137,500 = $138 thousand)

Department of Administration Analysis:

A predesign document is in the process of being developed; and a recommendation will be issued upon completion.

Department of Finance Analysis:

The dramatic increase in referral rates to the MSPPT program has advanced this project in the agency's six year plan (from 2000 to 1998) This project received high scores for statewide significance since it is the sole provider of services for all 87 counties; and for safety concerns because of the liability of not having sufficient capacity for the 151st referral.

Governor's Recommendation:

The Governor recommends general obligation bonding of $8.81 million for this project.

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	105
Customer Service/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
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**	**430**

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Dollars in Thousands ($137,500 = $138 thousand)

PROJECT LOCATION: Cambridge RHSC

AGENCY PROJECT PRIORITY: 5 of 12

1998 STATE APPROPRIATION REQUEST: $1,405

PROJECT DESCRIPTION:

This project request is for the demolition of the following buildings on the Cambridge Regional Human services (CRHSC) campus.

Building Identification	Year Constructed	Square Footage
Cottage 1	1925	14,114
Cottage 2	1928	14,307
Cottage 3	1930	18,487
Cottage 4	1930	14,487
Cottage 5	1932	18,739
Cottage 6	1932	18,739
Cottage 12	1938	19,528
Cottage 14	1937	28,734
	Total Square Footage	147,135

Funds are requested for professional services, asbestos abatement, demolition, and disposal of materials and rubble in accordance with local and state regulations. Funds are also requested for site restoration and the capping and sealing of the utility tunnel and building services leading to the basement of these buildings.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:

This project relates to the department's commitment to consolidate and restructure the state regional treatment center (RTC) system. This proposal will enable the department to: focus on providing the redefined safety net services which the state will continue to provide on the Cambridge campus (METO); to work aggressively to convert surplus physical facilities (land and buildings) to other ownership or alternative uses under lease arrangements; and, to eliminate unnecessary expenditure of state dollars on non-utuilized, nonfunctional buildings by demolishing structures that have been vacant for many years.

The buildings listed above were constructed as residential facilities in the 1920's and 1930's. They have large multi-bed bedrooms, congregate bathing facilities and limited program or rehabilitative space. They are not equipped with modern heating, ventilating, and air conditioning systems, and their basic mechanical infrastructure is old worn and in need of extensive renovation or replacement. In addition, these buildings do not meet current building, life safety, or accessibility codes/standards.

A change in use would require a substantial capital investment. All mechanical and electrical systems would have to be replaced/upgraded. Elevators would have to be installed, some form of ramping would be required to make the buildings accessible from the exterior. In addition, new restrooms would be required, as well as the installation of fire rated doors and frames, sprinkler systems, energy efficient windows, new surface materials for floors, walls and ceilings, etc. In essence, the interiors of the buildings would have to be completely demolished, and rebuilt from the inside out. The cost of this work would match or exceed the cost to construct new space. Accordingly, these buildings are not functional for the RTC's utilization, they are not desirable for renting for alternative uses, they are surplus to the needs of the facility, and they are expensive to heat and maintain, considering they provide no functional use for the facility.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The project detail page outlines the saving that would be realized if these buildings were demolished. Preliminary estimates indicate that the facility would save approximately $39 thousand per year in fuel savings. Funds are currently expended to heat these buildings during cold weather months. Some repair and replacement funds are expended on routine building maintenance to keep heating systems operational, to maintain safety integrity, and to keep the buildings weather tight to minimize building deterioration. Repair and replacement funds would not be reduced, but redirected to other areas of need in the system.

OTHER CONSIDERATIONS:

Demolition has been part of the Cambridge strategic plan for over 5 years. The time and opportunity for demolition is now with the closure of the Cambridge Regional Center and opening of the METO program with 36 beds. While Cambridge Regional Center remains in operation as an ICF/MR matching federal dollars are available to help finance demolition. This revenue source may be lost once Cambridge Regional Center officially closes. Demolition will absolve the State of liability, provide the opportunity for economic development within the city of Cambridge for such programs as elderly housing, and provide space for growth of the acute hospital adjacent to the Regional Center.

PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:

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Cambridge Regional Human Services Center

Alan Van Buskirk, Physical Plant Operations Manager
Phone 612-296-8982
Department of Human Services

Dollars in Thousands ($137,500 = $138 thousand)

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land and Easements, Options	$0	$0	$0	$0	$0		
Buildings and Land	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
2. Predesign SUBTOTAL	0	0	0	0	0		
3. Design Fees							
Schematic	0	14	0	0	14	09/1998	11/1998
Design Development	0	18	0	0	18	11/1998	02/1999
Contract Documents	0	37	0	0	37	02/1999	06/1999
Construction Administration	0	23	0	0	23	06/1999	03/2000
SUBTOTAL	0	92	0	0	92		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Construction Management	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
5. Construction Costs						06/1999	03/2000
Site & Building Preparation	0	113	0	0	113		
Demolition/Decommissioning	0	792	0	0	792		
Construction	0	0	0	0	0		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	281	0	0	281		
Construction Contingency	0	60	0	0	60		
SUBTOTAL	0	1,246	0	0	1,246		
6. Art SUBTOTAL	0	0	0	0	0		
7. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
8. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost **SUBTOTAL**		0	0	0	0		
9. Other SUBTOTAL	0	67	0	0	67	06/1999	12/1999
GRAND TOTAL	$0	$1,405	$0	$0	$1,405		

Dollars in Thousands ($137,500 = $138 thousand)

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,405	0	0	1,405
State Funds Subtotal	0	1,405	0	0	1,405
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**	**1,405**	**0**	**0**	**1,405**

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	1,318	1,240	1,240	1,240	1,240
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
Expenditure Subtotal	1,318	1,240	1,240	1,240	1,240
Revenue Offsets	0	0	0	0	0
TOTAL	**1,318**	**1,240**	**1,240**	**1,240**	**1,240**
Change from Current FY 1998-99		<78>	<78>	<78>	<78>
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	1,405	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
Yes	MS 16B.335 (2): Other Projects (Legislative Notification)
No	MS 16B.335 (3): Predesign Requirement (Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
No	Matching Funds Required (as per agency request)

Dollars in Thousands ($137,500 = $138 thousand)

Department of Administration Analysis:

Predesign is not required for projects of this nature.

Department of Finance Analysis:

Demolition of the buildings identified in this request would enable the remaining services on the Cambridge campus (METO) to operate without excessive overhead costs. These building would require significant financial investment to meet current building codes if they were used for any purpose other than RTC residences. In addition, application for federal matching funds can be made.

Governor's Recommendation:

The Governor does not recommend capital funds for this project.

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	35
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	20
Contained in State Six-Year Planning Estimates	0/25/50	25
TOTAL	**700 Maximum**	**365**

PROJECT LOCATION: Fergus Falls RTC

AGENCY PROJECT PRIORITY: 6 of 12

1998 STATE APPROPRIATION REQUEST: $215

PROJECT DESCRIPTION:

The department requests funds to develop appropriate residential, program, and ancillary service facilities for the Fergus Falls Regional Treatment Center (FFRTC), and the large 17 county catchment area FFRTC serves. To accomplish this task the department is proposing a three phase project.

Phase I - will focus on a predesign study that will review options and costs for utilizing existing buildings, and options and costs for developing new facilities to support future programs FFRTC will provide in its catchment area. Funds for Phase I are being requested in the 1998 Capital Budget.

Phase II - will center on the development of working drawings required to renovate and/or construct the physical facilities required to provide the services for this region. Funds for Phase II will be requested by the Department of Human Services in the 2000/2001 Capital Budget.

Phase III - will be directed at the actual renovation/construction stage of this project. These funds will be requested in the 2002/2003 Capital Budget.

The scope of this project will include constructing or renovating residential, program and ancillary services facilities (i.e., administration, clinical services, pharmacy, dietary, plant operations, medical records, social services, recreation, etc.), to support future mental health and chemical dependency treatment programs provided by FFRTC. Phase III will also include funds for site work; utility distribution systems, furnishings and fixtures, and equipment; testing, printing, advertising, telecommunications, and art work. Consultant fees to develop plans and specifications for Phase III will be requested in Phase II of this three phase project.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:

This project relates to the department's commitment to consolidate and restructure the state regional treatment center (RTC) system. This proposal will enable the department to develop modern facilities in the northwest region of the state which are appropriate for inpatient services for persons with serious and persistent mental illness and persons requiring inpatient chemical dependency treatment. This project is consistent with the department's strategic goals and objectives to:

- Reduce the cost of caring for patients with SPMI (serious and persistent mental illness) in a way that does not compromise quality of service.

- Replace and/or upgrade aging and inadequate residential, program and ancillary service facilities with new or improved facilities based on the proposed bed capacity required in the context of the community services integration that is taking place under the Adult Mental Health Initiative authorized by the 1995 Legislature. Sizing of future facility space needs will take into consideration the redefined "safety net" services which the state will continue to provide.

- Assure more equitable access to treatment opportunities for regions by repositioning some RTC psychiatric capacity to alternative community sites, both through state operated community services and through creative partnerships with community vendors.

The department believes there is a need to consolidate and upgrade the residential, program, therapy, and support service facilities at FFRTC. The main building complex on the Fergus Falls campus is referred to as the Kirkbride complex and was built over 100 years ago. These facilities were constructed before active treatment was provided to patients.

Although considerable remodeling has occurred in the residential units of the Kirkbride complex since it was constructed, the design and layout of these old buildings still reflect the congregate care settings typical for this era of psychiatric buildings. Lighting levels are poor, surface materials of floors, walls, and ceilings are worn and deteriorating. Sleeping, bathing and toilet areas provide minimal privacy and, in many cases, do not meet current building or fire safety codes/standards. In addition, these buildings do not have modern heating, ventilating, and air conditioning systems. Problems associated with the lack of modern climate control systems were compounded in the 1960s when the building's operable windows were removed and glass block installed in the window openings.

Accordingly, in addition to designing space utilization of these old buildings, consultants retained to conduct the predesign study will need to identify all of the improvements and related costs required to upgrade the old, worn, and sometimes obsolete infrastructural components needed to support remodeled Kirkbride complex buildings. There will be a considerable amount of infrastructural improvements required to upgrade these old buildings to current codes and standards, including: campus HVAC, electrical, and plumbing distribution systems; vertical and horizontal transportation; patient privacy; building, fire/life safety, accessibility, and energy codes.

A second residential building complex (the G-Buildings) consisting of 2 buildings (#13 and #14) built in 1948, and one building (#12) constructed in 1958, may be large enough to accommodate the consolidation of FFRTC's residential psychiatric facilities; however, in addition to the renovation of these buildings, their use may require the construction of new support facilities for FFRTC, i.e., administration, dietary, therapy, clinical, plant operations, etc.

The potential use and related costs of utilizing the G-Buildings, and the option (and related cost) of constructing new facilities will also be studied in the predesign requested in the Phase I of this multi-phased project.

Fergus Falls serves 17 counties in the northwest region of the state. Changes in operational strategies have redefined the State's role in providing psychiatric services. Services are moving from the traditional centralized model (RTC), to dispersed and non-facility based services. The planning associated with Phase I of this request will seek to integrate existing and proposed new services and facilities in a community based system. It is within this context that the buildings on the FFRTC campus will be studied for future utilization for the region's psychiatric services. If it is determined that renovation of existing buildings is not the most cost effective or efficient means of providing treatment facilities conducive for future services, the department will conduct a separate study to identify possible options for disposition of surplus buildings on the FFRTC campus.

Funding of this request will also enable the department to conduct a predesign study to outline space requirements, basic configuration, and potential costs for remodeling and construction required to upgrade the Kirkbride, G-Building complexes, or other facilities in the region. The predesign study will provide the information required to determine if FFRTC's buildings (Kirkbride or G-Building), or other existing facilities in the region would be programmatically effective and cost efficient for refurbishing or developing future state-operated residential and support service facilities. The predesign study will also review the potential that new construction would be less costly than renovation of existing building stock.

Future funding for Phase II will enable the department to initiate the design process required to renovate/construct facilities to provide for future services in this region. This may be for facilities on the present campus, satellite facilities, or a combination of both. Funding will ensure that the department has buildings with environments which facilitate efforts to provide safe, humane, effective, and active treatment and care for citizens of the region served by FFRTC.

Funds were appropriated in the 1989 and 1990 Bonding Bills for planning, programming and designing the re-capitalization of the FFRTC facilities. Working drawings were developed for constructing new buildings for 100 psychiatric beds, 80 nursing home beds, 75 beds for developmentally disabled clients, and 50 beds for the chemical dependency program. The development of new facilities in accordance with these plans was estimated to cost approximately $28 million in 1990. Current costs for these plans would range from $32 to $36 million. Although the 1990 plans for residential buildings designed for FFRTC's psychiatric program are still appropriate for today, the square footage for ancillary services in the 1990 project is much too large for the programs planned for FFRTC's future operations. Subsequently, use of the 1990 plans would require a complete redesign of the ancillary services spaces, and a major change in the basic configuration of the layout of the facility proposed in 1990.

The decline in MI populations can be attributed to numerous factors, i.e., development of new psychotropic medications, redistribution of system resources, and the establishment of creative partnerships between RTCs and local mental health authorities under the Adult Mental Health Initiative. However, while RTC MI programs continue to undergo significant change, the cyclical nature of mental illness will require continued need for facility based psychiatric programs. The size of Minnesota, coupled with the need for timely intervention with clients in crisis, will require the continued presence of state operated psychiatric bed capacity in the geographic regions where current services are situated.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The impact on agency operating budget will be contingent on the level (bed capacity) of services provided in the future. These costs cannot be determined until after the department has completed its needs analysis, planning, and programming for FFRTC, the predesign studies requested with this budget request are completed, and the scope of future services and related facility needs are defined.

OTHER CONSIDERATIONS:

As the restructuring of RTC services continues, and as the "safety net" is redefined to include more community outreach and other wrap around services, space requirements at each of the RTCs will continue to decrease, including FFRTC. As the residential tenant of state property, the responsibility to maintain this increasing amount of vacant and unused buildings falls to the RTC system. The cost of this maintenance effort is consuming a greater proportion of the funding allocated to the state operated system. This trend will continue to grow unless steps are taken to sell surplus property or to demolish surplus buildings. This trend is further complicated by the fact that all of the state operated CD programs and nearly all of the state's services for developmental disabilities are revenue-based programs. Reimbursement levels under Medical Assistance and other third party sources are unable to bear the costs of overhead, without seriously effecting the ability of the programs to be competitive in the health care marketplace.

PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:

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AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 1998-2003
Dollars in Thousands ($137,500 = $138 thousand)

TOTAL PROJECT COSTS All Years and All Funding Sources		Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition								
Land, Land and Easements, Options		$0	$0	$0	$0	$0		
Buildings and Land		0	0	0	0	0		
	SUBTOTAL	0	0	0	0	0		
2. Predesign	**SUBTOTAL**	0	200	0	0	200	07/1998	07/1999
3. Design Fees								
Schematic		0	0	206	0	206	07/2000	12/2000
Design Development		0	0	275	0	275	01/2001	05/2001
Contract Documents		0	0	550	0	550	06/2001	12/2001
Construction Administration		0	0	340	0	340	07/2002	07/2004
	SUBTOTAL	0	0	1,371	0	1,371		
4. Project Management							05/2002	08/2004
State Staff Project Management		0	0	0	0	0		
Construction Management		0	0	0	0	0		
	SUBTOTAL	0	0	0	0	0		
5. Construction Costs							07/2002	07/2004
Site & Building Preparation		0	0	0	0	0		
Demolition/Decommissioning		0	0	0	0	0		
Construction		0	0	0	16,500	16,500		
Infrastructure/Roads/Utilities		0	0	0	230	230		
Hazardous Material Abatement		0	0	0	0	0		
Construction Contingency		0	0	0	857	857		
	SUBTOTAL	0	0	0	17,587	17,587		
6. Art	**SUBTOTAL**	0	0	0	175	175	07/2003	07/2005
7. Occupancy								
Furniture, Fixtures and Equipment		0	0	0	728	728	10/2002	07/2004
Telecommunications (voice & data)		0	0	0	85	85	07/2003	06/2004
Security Equipment		0	0	0	86	86	05/2004	07/2004
Commissioning		0	0	0	18	18		
	SUBTOTAL	0	0	0	917	917		
8. Inflation								
Midpoint of Construction			12/1998	03/2001	06/2003			
Inflation Multiplier			7.30%	18.60%	29.80%			
Inflation Cost	**SUBTOTAL**		15	255	5,566	5,836		
9. Other	**SUBTOTAL**	0	0	0	0	0		
	GRAND TOTAL	$0	$215	$1,626	$24,245	$26,086		

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 1998-2003
Dollars in Thousands ($137,500 = $138 thousand)

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	215	1,626	24,245	26,086
State Funds Subtotal	0	215	1,626	24,245	26,086
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**	**215**	**1,626**	**24,245**	**26,086**

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
Expenditure Subtotal	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**	**0**
Change from Current FY 1998-99		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	215	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
Yes	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
No	Matching Funds Required (as per agency request)

Dollars in Thousands ($137,500 = $138 thousand)

Department of Administration Analysis:

Admin supports the concept of developing predesign work in advance of capital requests for design and construction.

Department of Finance Analysis:

This request received moderately high scores for statewide significance (because of the large geographic catchment area that FFRTC serves) and for strategic linkage (because it reflects the department's goals of appropriately sized campus-based programs.) However, the Department of Finance strongly encourages larger agencies to conduct planning and predesign activities from existing appropriations and prior to making a capital budget request for design and construction, particularly in cases like this where the agency has received funding for this type of planning at FFRTC in previous years.

Governor's Recommendation:

The Governor does not recommend capital funds for this project.

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	75
User and Non-State Financing	0-100	0
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**	**280**

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PROJECT LOCATION: Willmar Regional Treatment Center

AGENCY PROJECT PRIORITY: 7 of 12

1998 STATE APPROPRIATION REQUEST: $3,271

PROJECT DESCRIPTION:

This project requests funds for design, remodeling, furniture, fixtures and equipment required to upgrade/improve resident living and program areas in Buildings #3 and #14 at Willmar Regional Treatment Center (WRTC).

Renovation work in Building #3 (MTC) includes: life safety improvements (installation of new fire detection/alarm and fire suppression [sprinkler] systems); upgrading existing HVAC systems; accessibility upgrades (toilets, doors, hardware, and signage); and a re-configuration of space to accommodate the consolidation of three of the facility's five MI (mental illness) speciality programs (admission/crisis program, psychiatric stabilization program and geriatric rehabilitation program) into this building.

Renovation work planned for Building #14 will focus on ADA accessibility improvements, upgrading HVAC systems, and the installation of a new fire detection/alarm and fire suppression system. Building #14 will be utilized for the facility's behavioral therapy program.

A predesign study for this project was completed in early October of this year by Engan Associates, Willmar, Minnesota. This predesign study outlines the total scope of work for this project and provides a professional project estimate for all related work.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:

WRTC will continue to be an integral part of the department's long-range strategic goal to make state-operated health care services more responsive to the needs of the people it is intended to serve. To achieve this goal, the department is proposing a multi-phased restructuring and modernization of RTC health care facilities. One of the primary objectives of this modernization program is to ensure that all residential/program areas provide space which is conducive to active treatment. The improvements proposed for Buildings #3 and #14 at WRTC follows this objective.

This project also relates to the department's commitment to consolidate and restructure the state's RTC system, and if funded will enable the department to develop modern facilities in the west central region of the state, which are appropriate for inpatient services for persons with serious and persistent mental illness and persons requiring chemical dependency treatment. This project is consistent with the department's strategic goals and objectives to:

- Reduce the cost of caring for SPMI (serious and persistent mental illness) patients in a way that does not compromise quality of service.
- Replace and/or upgrade aging and inadequate residential, program and ancillary service facilities with new or improved facilities based on the proposed bed capacity required to meet the regions needs once community integration is completed. Sizing of future facility space needs will take into consideration the redefined "safety net" services which the state will continue to provide.
- Assure more equitable access to treatment opportunities for regions by possibly repositioning some RTC psychiatric capacity to alternative community sites, both through state operated community services and through creative partnerships with community vendors.

The department believes there is a need to consolidate and upgrade the residential, program, therapy, and support service facilities at Willmar Regional Treatment Center. Buildings #3 and #14 are approximately 30 and 70 years old respectively, and were constructed before active treatment was provided to patients. Residential living units which are clean, quiet, comfortable and aesthetically pleasing are essential for creating an atmosphere which is conducive to effective and efficient treatment for patients.

Willmar's strategic plan outlines Buildings #3 and #14 as two of its core buildings for inpatient psychiatric treatment services. The proposed improvements will not only enhance the therapeutic environment for the activities identified for these buildings, they will also allow the facility to consolidate programmatic spaces, promote a more effective and efficient use of human and physical plant resources, and enable the facility to reduce it total space/building needs.

Building #3's HVAC system has been in service since the building was constructed in 1965. This system's mechanical components are worn and in need of replacement. Building #14 is not equipped with ventilation or air conditioning systems. The existing 70-year old steam heating system is worn, and offers little control for heating. This old heating system has survived well past its expected useful life, and is requiring more repairs each year. The facility utilizes inefficient window air condition units to provide some relief to patients during the hot days of spring, summer and fall.

Although both buildings have been in use for a considerable time, they are both structurally sound, and, after remodeling, will provide effective, efficient and conducive residential and program space for 4 of Willmar's 5 MI programs. These buildings can be remodeled to provide appropriate space for the facility's MI programs, at a much lower cost than constructing new buildings of comparable size and function.

As campus-based restructuring of RTC services continues, and as the "safety net" is redefined to include more community outreach and other wrap around services space requirements at all of the RTCs will continue to decrease, including WRTC. However, as the RTC MI programs continue to change/develop, the cyclical nature of mental illness will require continued need for campus-based psychiatric programs. The size of Minnesota, coupled with the need for timely intervention with clients in crisis, will require the continued presence of state operated psychiatric bed capacity in all geographic regions where current services are situated.

Willmar RTC's capital plan addresses the future downsizing which is projected for its facility. It outlines a means to consolidate its MI program spaces, and addresses the need to upgrade/improve existing MI residential and program spaces that are projected to be needed for future operations. Ancillary service facilities on the WRTC campus are in good condition. It has a fairly new activities building, and modern and efficient dietary facilities. The basic infrastructure (power plant and primary steam distribution system, electrical distribution, sewer, water supply, etc.) has been well maintained.

Funding of this request will enable the department to continue with its plan to upgrade aging and inadequate residential and program facilities to meet the region's needs once community integration is completed.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The consolidation of programs into fewer buildings and the establishment of alternative uses for the resulting surplus building will reduce future fuel and utility costs for the facility. However, related budgets associated with these costs can not be decreased until custodial control is actually transferred to new owners or incorporated into rates for leasing to other tenants.

OTHER CONSIDERATIONS:

Improvements to Buildings #3 & #14 will enable the department to reduce the number of buildings it needs to provide on campus services for its mental health program, and should result in the surplus of several additional buildings on the Willmar campus. Alternative uses will be sought for these surplus buildings. This may result in the transfer or sale of surplus buildings to other state or local government agencies, or nongovernment entities. It may also result in a future request for building demolition if these surplus buildings prove to be nonfunctional for other purposes, and interested tenants can not be identified.

Willmar's remaining MI program (the Medallion Program), focuses on treatment for MI/CD patients. This program is located in Building 8, and is not included in this project request. A request to upgrade Building 8 is outlined in the department's capital budget project summary for the 2000/2001 biennium. Funding of WRTC's 1998 and 2000 remodel projects should complete the remodeling of residential/program facilities required for WRTC's future operations.

PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:

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AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 1998-2003
Dollars in Thousands ($137,500 = $138 thousand)

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land and Easements, Options	$0	$0	$0	$0	$0		
Buildings and Land	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
2. Predesign SUBTOTAL	0	0	0	0	0	08/1997	10/1997
3. Design Fees							
Schematic	0	26	0	0	26	08/1998	09/1998
Design Development	0	34	0	0	34	09/1998	12/1998
Contract Documents	0	68	0	0	68	01/1999	04/1999
Construction Administration	0	42	0	0	42	06/1999	02/2000
SUBTOTAL	0	170	0	0	170		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Construction Management	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
5. Construction Costs						06/1999	02/2000
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	2,261	0	0	2,261		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	50	0	0	50		
Construction Contingency	0	226	0	0	226		
SUBTOTAL	0	2,537	0	0	2,537		
6. Art SUBTOTAL	0	23	0	0	23	12/1999	06/2000
7. Occupancy							
Furniture, Fixtures and Equipment	0	82	0	0	82	12/1999	03/2000
Telecommunications (voice & data)	0	75	0	0	75	10/1999	03/2000
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
SUBTOTAL	0	157	0	0	157		
8. Inflation							
Midpoint of Construction		11/1999					
Inflation Multiplier		11.90%	0.00%	0.00%			
Inflation Cost **SUBTOTAL**		344	0	0	344		
9. Other SUBTOTAL	0	40	0	0	40	08/1998	04/1999
GRAND TOTAL	$0	$3,271	$0	$0	$3,271		

Dollars in Thousands ($137,500 = $138 thousand)

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,271	0	0	3,271
State Funds Subtotal	0	3,271	0	0	3,271
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**	**3,271**	**0**	**0**	**3,271**

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation) FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
Expenditure Subtotal	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**	**0**
Change from Current FY 1998-99		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	3,271	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
Yes	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
No	Matching Funds Required (as per agency request)

Dollars in Thousands ($137,500 = $138 thousand)

Department of Administration Analysis:

A predesign document is in the process of being developed; and a recommendation will be issued upon completion.

Department of Finance Analysis:

The request represents needed improvements on the Willmar campus and relates directly to the departments strategic plan for the RTC system overall and specifically for the Willmar campus.

Governor's Recommendation:

The Governor does not recommend capital funds for this project.

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	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
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**	**375**

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PROJECT LOCATION: Ah-Gwah-Ching Center

AGENCY PROJECT PRIORITY: 8 of 12

1998 STATE APPROPRIATION REQUEST: $2,278

PROJECT DESCRIPTION:

This proposal requests funds to remodel and upgrade resident living and program areas in B & C Buildings at Ah-Gwah-Ching Center (AGCC) to meet licensure and code requirements, and generally improve outmoded environmental conditions at the facility. This will be accomplished by implementing projects which modernize and improve bathroom and toilet areas, re-configure basic unit layouts, repair/replace surface components (walls, ceilings, and floors), upgrade lighting, improve acoustics, and repair and replace building components such as doors, windows, locks, etc. This proposal also includes funds to: design and improve heating, ventilating, plumbing and electrical systems; and the installation of fire protection sprinkler systems.

A predesign study for remodeling AGCC's residential/program units was conducted by Nelson Tremain Partnership, 125 SE Main Street, Minneapolis, Minnesota, during the summer and fall of 1995.

This is the first phase of a proposed three phase six-year project. Requests will be made for similar work in E-Building in 2000, and A and D Buildings in 2002.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:

AGCC, located 3 miles south of Walker in northern Minnesota, opened in 1907 as the "Minnesota Sanitarium for Consumptives." The primary purpose of the original facility was to treat persons with tuberculosis. In the early 1960's the Sanitarium was converted to a state nursing facility. The majority of first admissions came from various Minnesota state hospitals. These persons were determined to be unresponsive to treatment and therefore considered inappropriate for placement in the state hospitals.

The buildings at AGCC were upgraded and improved before the state opened the nursing program in the early 1960's. Except for some minor beautification projects in the late 1970's, and the addition of day rooms on several units over 20 years ago, renovations or remodeling projects have been limited to life safety improvements, elevator repairs, and other minor code required projects.

The facility's building exteriors have been well cared for over the years; however, ongoing routine building maintenance such as tuckpointing and roof repairs will continue to be required in the future. Numerous utility system improvements have been implemented over the years and the basic utility infrastructure of the facility is considered to be in good condition. Boilers were recently replaced, as well as the facility's emergency generator. Steam and condensate lines to all utilized buildings were also replaced within the last 7 years. The City of Walker is currently upgrading its sewage treatment facilities, and most major components of the facility's water distribution supply system are less than 17 years old.

Although the basic infrastructure of the facility has been steadily improved and/or upgraded in recent years, limited funds have been expended on residential and program spaces. Renovation is needed to accommodate the changing resident population served at AGCC, and the facility's residential and program buildings should have fire sprinkler systems installed to address the issue of patients' limited self-preservation skills during a fire emergency situation. The projected mix of residents in the future will demand substantial changes and adaptions to the environment at AGCC, particularly for residents needing a secure environment.

Until 1982 AGCC essentially provided only maintenance, supervision, and protection for individuals, although in the least restrictive environment possible. Since 1982 a planned and concentrated approach has been developed to provide a quality, cost-effective alternative for psycho-geriatric individuals. As these services evolved, the Center has received more and more referrals from community nursing homes, hospitals, and the veterans administration. Today the majority of the Center's referrals come from non-state operated facilities.

AGCC's has had an average daily population of approximately 250. The facility accepts referrals from across the entire state. Services are provided for a geriatric population who have problem behaviors which make them difficult to serve in community nursing homes or other community facilities. Behavior problems include physical and verbal assaultiveness, as well as sexually and socially inappropriate behaviors. The services provided by AGCC include behavior management, rehabilitation, and nursing home care.

Since AGCC is specifically structured to give nursing home care to elderly persons with behavior problems, it is designated as a nursing facility with Institution of Mental Diseases (IMD) status. An IMD is defined as "an institution that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, including medical attention, nursing care, and related services." AGCC historically has served as a back-up resource to community nursing homes for residents with severe behavior problems which cannot be handled in another setting.

In addition to inpatient services, the Center provides education, training and consulting services to many long-term care, and other providers, who need assistance in the area of behavior management. Traditionally, residents came to the center for long periods of time as community services were not readily available and family contact was limited/minimal. Currently, nearly 40% of the residents admitted to AGCC will be discharged back to community services. These changes have been made possible in large part by greater family involvement and the establishment of community support services/systems throughout the state.

Dollars in Thousands ($137,500 = $138 thousand)

As an IMD, AGCC is in a better position to continue to provide back-up services for individuals with mental illness age 65 or older. The department believes that AGCC is, and will continue to be a vital link in providing an uninterrupted continuum of care for the geriatric population in Minnesota.

AGCC will continue to be an integral part of the department's long-range strategic goal to make state-operated health care services more responsive to the needs of the people it is intended to serve. One of the department's primary objectives of its long range strategic plan is to implement a multi-phase restructuring and modernization of RTC health care facilities. A primary objective of this modernization program is to ensure that all residential and program areas provide space conducive to active treatment, and are equipped with modern life safety systems. The improvements proposed for AGCC's Buildings follow this objective.

Residential living units which are clean, quiet, comfortable and aesthetically pleasing are essential for creating an atmosphere which is conducive to effective and efficient treatment for patients. AGCC's living units are not equipped with modern ventilation or air conditioning systems, and they are not fire sprinkled. In addition, the current toileting and bathing areas provide little privacy, and they are not very conducive to meeting the needs of physically handicapped patients.

Although these buildings are approaching their 90th year of service, they can be remodeled to meet the needs of the patients served at AGCC effectively, and efficiently with the renovations outlined in the predesign study. The cost of renovations would be far less than the cost of constructing new buildings in accordance with skilled nursing facility rules and regulations.

Approval of this request will enable the department to meet the following objectives: improve the relationship of nursing stations and residential spaces at AGCC; provide a more secure environment for a population which is becoming more mixed, and more difficult to manage in a safe and secure manner; and, address fire safety issues related to serving an older, less ambulant, population with limited self preservation skills in a multi-story building complex in a rural area. These objectives follow the department's goals to: upgrade the aesthetic and functional quality of the residential and program spaces of its facilities; preserve the state's existing physical assets by modernizing mechanical, electrical, and vertical transportation systems; and provide facilities which afford safe and secure environments for persons served.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):

Improvements to heating/ventilation systems, in conjunction with the installation of some air conditioning equipment will have an impact on the facilities building operating expenses; however, any savings resulting from improved energy efficiency will most likely be offset by the additional electrical costs associated with improved ventilation/air conditioning. Accordingly, no changes to operating costs are outlined on the project detail sheet for this area.

OTHER CONSIDERATIONS:

The project costs basically break down in accordance with the following:

Line #	Improvement/Upgrade Description	($ in 000) Estimated Cost
1	Upgrade resident living area/resident rooms	$ 248
2	Upgrade bathing and toilet areas	140
3	Upgrade building electrical	85
4	Upgrade building plumbing systems	85
5	Replace windows	195
6	Upgrade HVAC systems	280
7	Install sprinkler system	192
8	Upgrade fire detection/alarm system	65
9	Upgrade nurse call system	85
10	Upgrade B-building elevator	135
11	Upgrade corridor lighting and wall surfaces	65
12	Upgrade nurses station	144
13	Misc. project costs (printing, advert., telecom., etc.)	38
14	Consultant fees (8%)	153
	Total project cost	$ 1,910

PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:

Jeff Smith, CEO
Ah-Gwah-Ching Nursing Home
218-547-8303

Alan Van Buskirk
Physical Plant Operations Manager
612-296-8982

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 1998-2003
Dollars in Thousands ($137,500 = $138 thousand)

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land and Easements, Options	$0	$0	$0	$0	$0		
Buildings and Land	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
2. Predesign **SUBTOTAL**	15	0	0	0	15	06/1995	12/1995
3. Design Fees							
Schematic	0	24	0	0	24	07/1998	09/1998
Design Development	0	32	0	0	32	10/1998	12/1998
Contract Documents	0	64	0	0	64	12/1998	02/1999
Construction Administration	0	40	0	0	40	02/1999	01/2000
SUBTOTAL	0	160	0	0	160		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Construction Management	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
5. Construction Costs						03/1999	01/2000
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	1,590	0	0	1,590		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	75	0	0	75		
Construction Contingency	0	160	0	0	160		
SUBTOTAL	0	1,825	0	0	1,825		
6. Art **SUBTOTAL**	0	18	0	0	18	12/1999	06/2000
7. Occupancy							
Furniture, Fixtures and Equipment	0	40	0	0	40	12/1999	04/2000
Telecommunications (voice & data)	0	16	0	0	16	12/1999	03/2000
Security Equipment	0	0	0	0	0		
Commissioning	0	16	0	0	16	02/2000	04/2000
SUBTOTAL	0	72	0	0	72		
8. Inflation							
Midpoint of Construction		06/1999					
Inflation Multiplier		9.80%	0.00%	0.00%			
Inflation Cost **SUBTOTAL**		203	0	0	203		
9. Other **SUBTOTAL**	0	0	0	0	0		
GRAND TOTAL	$15	$2,278	$0	$0	$2,293		

Dollars in Thousands ($137,500 = $138 thousand)

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,278	0	0	2,278
General	0	0	0	0	0
State Funds Subtotal	0	2,278	0	0	2,278
Agency Operating Budget Funds	15	0	0	0	15
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	**15**	**2,278**	**0**	**0**	**2,293**

IMPACT ON STATE OPERATING COSTS	Current	Projected Costs (Without Inflation)			
	FY 1998-99	FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
Expenditure Subtotal	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**	**0**
Change from Current FY 1998-99		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	2,278	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
No	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
No	Matching Funds Required (as per agency request)

Dollars in Thousands ($137,500 = $138 thousand)

Department of Administration Analysis:

Predesign of a formal nature is not required of projects of this nature. An internal form of predesign was performed as a means to adequately determine the extent of costs for the up grading of various systems.

Department of Finance Analysis:

This request represents needed improvements at AGCC; the changing population at Ah-Gwah-Ching necessitates reconfiguration of the campus. The project received a high score for strategic linkage (because it relates directly to the departments strategic plan for the RTC system overall and specifically for AGCC) and for statewide significance (because AGCC is the provider of last resort, statewide, for elderly 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	120
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
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**	**410**

Governor's Recommendation:

The Governor does not recommend capital funds for this project.

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PROJECT LOCATION: Brainerd Regional Human Services Center

AGENCY PROJECT PRIORITY: 9 of 12

1998 STATE APPROPRIATION REQUEST: $1,526

PROJECT DESCRIPTION:

This project will remodel and upgrade the residential and program areas in Building #22 at Brainerd Regional Human Services Center (BRHSC). The primary focus of this request is to replace outmoded and worn surface finishes (floors, walls and ceilings), non-compliant doors and frames, and to replace worn and deteriorated built-in wardrobes in patient bedroom areas.

This project will review the potential for improving staffing efficiencies by re-configuring nursing stations and related ancillary spaces. Additional improvements will include the installation of a building-wide fire sprinkler system, ADA compliance, and other code compliance and licensure issues.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:

Brainerd Regional Human Services Center will continue to be an integral part of the Department of Human Services' long-range strategic plan to make state-operated health care services more responsive to the needs of the people it is intended to serve. To achieve this goal, the department is proposing a multi-phased restructuring and modernization of RTC health facilities which it proposes to utilize for the foreseeable future. A primary objective of this modernization program is to ensure that all residential and program areas provide space which is conducive to active treatment. The improvements proposed for Building #22 are meant to address this objective.

Building #22 is used for residential/program space for BRHSC's adult mental health program. It is a two story building, with a full basement. Building #22 has a modern HVAC system, and is structurally sound; the main field of the roofing system is in good condition (perimeter flashing needs to be replaced); and the mechanical electrical systems are considered good. However, interior finishes and basic space configurations have not been modified for many years, and doors and built-in wardrobes show considerable wear and tear.

These issues cause considerable problems during licensing reviews, and pose less than desirable environments for effective treatment programs. Residential units which are clean, quiet, comfortable and aesthetically pleasing are essential for creating an atmosphere which is conducive to effective and efficient treatment programs.

This project correlates with the department's strategic objectives to modernize and upgrade state-operated psychiatric facilities to make them more conducive to active treatment, and to address critical repair, replacement and renewal needs specific to the physical assets which are projected to be utilized in the long term operations of the individual RTCs.

This project also relates to the department's commitment to consolidate and restructure the state RTC system and, if funded, will enable the department to continue efforts to develop modern facilities in the north central region of the state which are appropriate for inpatient services for persons with serious and persistent mental illness. This project is consistent with the department's strategic goals and objectives to:

- Reduce the cost of caring for SPMI (serious and persistent mental illness) patients in a way that does not compromise quality of service.
- Replace and/or upgrade aging and inadequate residential, program and ancillary service facilities with new or improved facilities based on the proposed bed capacity required to meet the regions needs once community integration is completed. Sizing of future facility space needs will take into consideration the redefined "safety net" services which the state will continue to provide.
- Assure more equitable access to treatment opportunities for regions by possibly repositioning some RTC psychiatric capacity to alternative community sites, both through state operated community services and through creative partnerships with community vendors.

As campus-based restructuring of RTC services continues, and as the "safety net" is redefined to include more community outreach and other wrap around services space requirements at all of the RTCs will continue to decrease, including BRHSC. However, as the RTC MI programs continue to change and develop, the cyclical nature of mental illness will require continued need for campus-based psychiatric programs. The size of Minnesota, coupled with the need for timely intervention with clients in crisis, will require the continued presence of state operated psychiatric bed capacity in all geographic regions where current services are situated.

Funding of this request will enable the department to continue with its plan to replace and/or upgrade aging and inadequate residential and program facilities with new or improved facilities for the bed capacity it believes is needed to meet the regions needs once community integration is completed.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):

None.

OTHER CONSIDERATIONS:

The department believes there is a need to improve the residential, program, and therapy environment for Brainerd's inpatient adult psychiatric program. Residential living units which are clean, quiet, comfortable and aesthetically pleasing are essential for creating an atmosphere which is conducive to effective and efficient treatment for patients.

Brainerd's strategic plan outlines Building #22 as its core building for inpatient adult psychiatric treatment services. Although Building #22 has been in use for nearly 40 years, it is structurally sound, and has a modern HVAC system. After completion of the requested improvements, Building #22 will provide effective and efficient residential and program space that will enhance the therapeutic environment for Brainerd's future inpatient adult psychiatric program.

PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:

Harvey Caldwell, CEO
Brainerd Regional Human Services Center
Phone: 218-828-2205

Alan Van Buskirk
Physical Plant Operations Manager, DHS
Phone: 612-296-8982

Human Services, Department of
BRHSC - Building #22 Improvements

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 1998-2003
Dollars in Thousands ($137,500 = $138 thousand)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land and Easements, Options	$0	$0	$0	$0	$0		
Buildings and Land	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
2. Predesign SUBTOTAL	0	0	0	0	0		
3. Design Fees							
Schematic	0	15	0	0	15	08/1998	12/1998
Design Development	0	20	0	0	20	12/1998	02/1999
Contract Documents	0	40	0	0	40	03/1999	06/1999
Construction Administration	0	25	0	0	25	07/1999	12/1999
SUBTOTAL	0	100	0	0	100		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Construction Management	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
5. Construction Costs						07/1999	12/1999
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	1,000	0	0	1,000		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	200	0	0	200		
Construction Contingency	0	100	0	0	100		
SUBTOTAL	0	1,300	0	0	1,300		
6. Art SUBTOTAL	0	0	0	0	0		
7. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
8. Inflation							
Midpoint of Construction		04/1999					
Inflation Multiplier		9.00%	0.00%	0.00%			
Inflation Cost **SUBTOTAL**		126	0	0	126		
9. Other SUBTOTAL	0	0	0	0	0		
GRAND TOTAL	$0	$1,526	$0	$0	$1,526		

Dollars in Thousands ($137,500 = $138 thousand)

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,526	0	0	1,526
State Funds Subtotal	0	1,526	0	0	1,526
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**	**1,526**	**0**	**0**	**1,526**

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
Expenditure Subtotal	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**	**0**
Change from Current FY 1998-99		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	1,526	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
Yes	MS 16B.335 (2): Other Projects (Legislative Notification)
No	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
No	Matching Funds Required (as per agency request)

Dollars in Thousands ($137,500 = $138 thousand)

Department of Administration Analysis:

Predesign is not required for projects of this nature.

Department of Finance Analysis:

This request represents needed improvements on the Brainerd campus in order to maintain a facility where the physical environment is conducive to appropriate treatment options. This request is also directly related to the department's strategic plan for the RTC system overall and specifically for BRHSC.

Governor's Recommendation:

The Governor does not recommend capital funds for this project.

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	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	0
State Asset Management	0/20/40/60	40
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**	**315**

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PROJECT LOCATION: St. Peter Regional Human Services Center

AGENCY PROJECT PRIORITY: 10 of 12

1998 STATE APPROPRIATION REQUEST: $3,328

PROJECT DESCRIPTION: The department requests funds for predesign, design, and renovation of Shantz Hall (Bldg.#1), Bartlett Hall (Bldg. # 3), and Sunrise Building (Bldg. # 26), all at the S. Peter Regional Treatment Center (SPRTC). The specific work proposed for each building is outlined in the following:

Shantz Hall: The work in Shantz will focus on security and life safety elements, including: the construction of sally ports for residential wing exterior exit doors; the installation of a personal security/alarm system for the staff working in the various areas of the building; and, the installation of a complete sprinkler system. In addition, the project would address the need to upgrade the interior of the building: walls, ceilings, floors, lighting and doors; the renovation of bathing, toileting and medication dispensing areas. The facility also proposes constructing an outdoor leisure area for each of the four residential wings in the building.

Bartlett Hall: The work proposed for Bartlett Hall will focus on life safety and the need to upgrade the residential/program areas of the building. It will also address the need to refurbish the existing HVAC system. Specifically, the work would include: the installation of a sprinkler system to meet current Life Safety Codes for residential treatment buildings; replacement of a major portion of the central air conditioning system equipment; improvements to a majority of the building's bathing, toileting and medication dispensing areas; client privacy concerns, and the need for nurse call system; a face lift of the building's interior which would address the floors, walls, ceilings, lighting and doors; and the construction of four outside leisure areas off each of the residential wings to accommodate outdoor activities for the patients served in Bartlett Hall.

Sunrise Building: The work proposed for the Sunrise Building would accommodate the consolidation of client services from various buildings on campus to one building. Sunrise would house the Pharmacy, Radiology, Clinical Services, and MI program services. Improvements would include: replacement of the existing fire detection/alarm system with the installation of a fire suppression (sprinkler) system; bathroom improvements; asbestos abatement; the installation of equipment and duct work required to provide centralized air conditioning; installation of new lighting; replacement of all interior doors, door hardware, and exterior windows; the upgrading of interior surfaces (floors, walls and ceilings) in corridors and some program areas; minor re-configuration of some areas to accommodate the clinic, radiology, pharmacy, and MI program areas.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:

This project relates to the department's commitment to consolidate and restructure the state regional treatment center (RTC) system, and if funded will enable the department to develop facilities which are appropriate for inpatient services for persons with serious and persistent mental illness. This project is consistent with the department's strategic goals and objectives to:

- Reduce the cost of caring for SPMI (serious and persistent mental illness) patients in a way that does not compromise quality of service.
- Replace and/or upgrade aging and inadequate residential, program and ancillary service facilities with new or improved facilities based on the proposed bed capacity required to meet the region's needs once community integration is completed. Sizing of future facility space needs will take into consideration the redefined "safety net" services which the state will continue to provide.
- Assure more equitable access to treatment opportunities for regions by possibly re-positioning some RTC psychiatric capacity to alternative community sites, both through state operated community services and through creative partnerships with community vendors.

The department believes there is a need to consolidate and upgrade the residential, program, therapy, and support service facilities at St. Peter RTC. Shantz, Bartlett and Sunrise Buildings are between 30 and 40 years old, they were constructed before active treatment was provided to patients, and their interiors are very institutional in charter. Residential living units which are clean, quiet, comfortable, well lit, and aesthetically pleasing are essential for creating an atmosphere which is conducive to effective and efficient treatment for patients.

St. Peter's strategic plan for programs and physical facilities outlines Bartlett Hall as the core building for future inpatient psychiatric treatment services; Shantz Hall's utilization for low level security patients as the Minnesota Security Hospital's (MSH's) population exceeds building capacity; and the consolidation of clinical, medical, and MI program services into the Sunrise Building. If funded, the improvements proposed for these buildings will enable St. Peter to develop modern, efficient and effective facilities for the on-campus services it will provide in the future.

Shantz Hall: Is an 81,348 square foot, 3 story (2 above ground) residential building built in 1960. In 1994, approximately $600 thousand was spent to increase the building's security systems by: constructing a control center and several sally ports at the main building entrances; installing electronic security devices; and installing a security fence around the building and exercise yard. These improvements were made to provide temporary facilities for housing the increasing number of psychopathic personality (PP) commitments until the new PP facilities at Moose Lake and St. Peter were completed. Although these improvements did provide an improved level of security for Shantz Hall, the original improvements were only intended to provide facilities to house patients considered low risk. Patients con- sidered to be higher security risks remained in the high level security units of the MSH.

A portion of Shantz Hall (25%) is currently being used by the Forensic Division. As the PP population increases, the department may again have to move mentally ill and dangersous (MI & D) clients from MSH to make room for PPs. Subsequently, additional units in Shantz will have to be used to accommodate the MI&D patients. In addition, MI&D patient populations have been increasing. If this trend continues, additonal units in Shantz Hall will be needed to accommodate the this increase. Funding of this request will enable the facility to increase the level of security, enhance fire/life safety, and replace interior components, most of which have been in place for 37 years.

Bartlett Hall: Bartlett Hall is an 88,344 square foot, 3 story (2 above ground) residential building built in 1964. The building was originally designed to be a residential facility for a population needing mental health services. The purpose of the project is to refurbish the interior surfaces and upgrade lifesafety and climate control systems.

The facility's strategic plan states that the need for on-campus beds for the mentally ill (MI) population will continue to decrease. The MI population is projected to level off at 60 beds in the southern portion of the State by FY2000. In addition, the Center's plan anticipates the need for open hospital beds for the MI & D population. Over the past five years (1992-96) the population of persons committed as MI & D has increased in the open hospital from 160 to 197, an increase of 20%. As open hospital bed availability decreases, space for MI & D's will become less available. Once the Bartlett Residential Remodeling Project is complete, it is estimated the Mental Health Program will have an adequately modernized bed capacity to accommodate today's admission trends until FY2004. The project will ensure the State has a modern treatment environment for the MI population from the southern region of the state needing inpatient psychiatric treatment services in the future; it also addresses the needs of the increasing MI & D population who are ready for an open hospital setting.

Sunrise Building: Sunrise was constructed in 1950. It was originally designed as a residential facility for geriatric psychiatric patients. In the 1970's the facility started to use the building for day program activities for the developmentally disabled (DD) program. The design and layout of Sunrise reflect the congregate care setting that is typical for this era of psychiatric buildings. Lighting levels are poor, surface materials of floors, walls and ceilings are worn, and deteriorating. In addition, this building does not have modern heating, ventilating, and air conditioning systems. However, Sunrise is in good structural condition, and because of its structural design, can be renovated to accommodate the proposed consolidation very economically.

Sunrise was selected for the consolidation of these services for several reasons: It is adjacent to Bartlett Hall which will be utilized to accommodate SPRTC's open hospital psychiatric program; and it is large enough to accommodate the consolidation of all clinic, medical, and psychiatric program services into one building.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):

None.

PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:

Bill Pederson, CEO
St. Peter Regional Treatment Center
Phone: 507 931-7115

Alan Van Buskirk, Physical Plant Operations Manager
Department of Human Services
Phone: 612-296-8982

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 1998-2003
Dollars in Thousands ($137,500 = $138 thousand)

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land and Easements, Options	$0	$0	$0	$0	$0		
Buildings and Land	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
2. Predesign **SUBTOTAL**	0	0	0	0	0		
3. Design Fees							
Schematic	0	35	0	0	35	07/1998	09/1998
Design Development	0	47	0	0	47	09/1998	11/1998
Contract Documents	0	93	0	0	93	11/1998	01/1999
Construction Administration	0	58	0	0	58	03/1999	09/1999
SUBTOTAL	0	233	0	0	233		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Construction Management	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
5. Construction Costs						03/1999	09/1999
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	2,537	0	0	2,537		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	150	0	0	150		
Construction Contingency	0	134	0	0	134		
SUBTOTAL	0	2,821	0	0	2,821		
6. Art **SUBTOTAL**	0	0	0	0	0		
7. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Commissioning	0	10	0	0	10	08/1999	09/1999
SUBTOTAL	0	10	0	0	10		
8. Inflation							
Midpoint of Construction		03/1999					
Inflation Multiplier		8.60%	0.00%	0.00%			
Inflation Cost **SUBTOTAL**		264	0	0	264		
9. Other **SUBTOTAL**	0	0	0	0	0		
GRAND TOTAL	$0	$3,328	$0	$0	$3,328		

Dollars in Thousands ($137,500 = $138 thousand)

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,328	0	0	3,328
State Funds Subtotal	0	3,328	0	0	3,328
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**	**3,328**	**0**	**0**	**3,328**

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
Expenditure Subtotal	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**	**0**
Change from Current FY 1998-99		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	3,328	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
Yes	MS 16B.335 (2): Other Projects (Legislative Notification)
No	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
No	Matching Funds Required (as per agency request)

Dollars in Thousands ($137,500 = $138 thousand)

Department of Administration Analysis:

Predesign is not required for projects of this nature.

Department of Finance Analysis:

The request represents needed improvements on the St. Peter campus to meet the trend of increasing admissions for individuals requiring secure environments. The project is directly related to the department's strategic plan for the RTC system in that the project addresses the appropriate bed capacity for regional demands and consolidates programs into the most appropriate structures on campus.

Governor's Recommendation:

The Governor does not recommend capital funds for this project.

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	25
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
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**	**325**

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PROJECT LOCATION: Brainerd RTC

AGENCY PROJECT PRIORITY: 11 of 12

1998 STATE APPROPRIATION REQUEST: $177

PROJECT DESCRIPTION:

The purpose of this project is to stop water from leaking into the tunnel system of this facility. The waterproofing membrane protecting the tunnel roof and walls needs to be replaced over the entire length of the tunnel system.

This request is divided into two phases: **Phase I** requests funds for the engineering, and plans and specifications development. Funds for Phase I are being requested in the 1998 capital request. **Phase II** will focus on the actual repair and replacement of the tunnel system waterproofing system. Funds for this phase will be requested in the 2000 capital request.

Funds for a predesign study for this project were allocated from the agency's operating budget.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:

The tunnel system at BRHSC is critical to the daily operation of the facility. It is used to distribute utilities such as steam, hot water, chilled water, and electricity (included emergency backup power) for the campus. It is also used to transport food, clean linen, pharmaceuticals, and patients during inclement weather.

There are a number of serious leaks, which appear to be worsening. These leaks are causing the pipe insulation and utility conduits to deteriorate. They are also posing safety problems for persons traveling through the tunnels. If repairs are not implemented in the near future, serious deterioration to the structural integrity of the tunnel walls and ceilings will result. Seeping water, with dissolved salts, has already caused rusting and rotting of some of the steel reinforcements in the tunnel decking. If left unchecked, this will result in the total deterioration of the structural integrity of the tunnels.

The longer this situation is left unattended, the more costly repairs will be. If addressed in accordance with the schedule outlined above, repairs should only have to focus on the replacement of the existing waterproofing materials. However, deferral of this project may certainly result in continued deterioration to the structural steel and result in a much more expanded and costly project.

This project is consistent with the department's 1996-2001 Capital Budget Six-Year Plan. The 1996-2001 plan outlined the need and schedule for requesting design and implementation funds over the next two bienniums.

BRHSC will continue to be an integral part of the department's long-range strategic goal to make state-operated health care services more responsive to the needs of the people it is intended to serve. A major objective of the department's long range strategic plan is to focus on asset preservation. In other words, to maintain the state's physical plant assets in good to excellent condition.

The BRHSC campus is becoming a multi-agency facility. Besides Human Services programs, the Department of Corrections is starting a state correctional facility in two buildings on the campus, with some thought for expansion in the future. The county operates a work release sentencing program from the site, and a consortium of counties operates a juvenile detention facility in Building 19. Services for these non-DHS programs are also provided through the campus tunnel system. Proper maintenance of the tunnel system is crucial to maintaining operations of DHS and non-DHS programs; the tunnel can be considered the backbone of the facility's basic infrastructure.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The completion of this project will not have a measurable impact on the facility's operating budget.

The current condition of the tunnel waterproofing does present a potential risk for staff and patients slipping on water which has seeped onto the floor of the tunnel and possible financial liability for the state due to injury resulting from such a mishap.

OTHER CONSIDERATIONS:

Deferral will result in an increased risk to the safety of persons using the tunnels, and may require the facility to reduce or limit their use in the future.

PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:

Harvey G. Caldwell,
CEO, Brainerd Regional Human Services Center
218-828-2205

Alan Van Buskirk,
Physical Plant Operations Manager
DHS, 612-296-8982

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 1998-2003
Dollars in Thousands ($137,500 = $138 thousand)

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land and Easements, Options	$0	$0	$0	$0	$0		
Buildings and Land	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
2. Predesign SUBTOTAL	0	0	0	0	0		
3. Design Fees							
Schematic	0	25	0	0	25	08/1998	12/1998
Design Development	0	33	0	0	33	12/1998	02/1999
Contract Documents	0	66	0	0	66	03/1999	06/1999
Construction Administration	0	41	0	0	41	07/1999	12/1999
SUBTOTAL	0	165	0	0	165		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Construction Management	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
5. Construction Costs						08/2000	06/2001
Site & Building Preparation	0	0	20	0	20		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	0	1,400	0	1,400		
Infrastructure/Roads/Utilities	0	0	90	0	90		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	140	0	140		
SUBTOTAL	0	0	1,650	0	1,650		
6. Art SUBTOTAL	0	0	0	0	0		
7. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
8. Inflation							
Midpoint of Construction		12/1998	02/2001				
Inflation Multiplier		7.30%	18.10%	0.00%			
Inflation Cost **SUBTOTAL**		12	299	0	311		
9. Other SUBTOTAL	0	0	0	0	0		
GRAND TOTAL	$0	$177	$1,949	$0	$2,126		

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 1998-2003
Dollars in Thousands ($137,500 = $138 thousand)

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	177	1,949	0	2,126
State Funds Subtotal	0	177	1,949	0	2,126
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**	**177**	**1,949**	**0**	**2,126**

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
Expenditure Subtotal	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**	**0**
Change from Current FY 1998-99		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	177	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
Yes	MS 16B.335 (2): Other Projects (Legislative Notification)
No	MS 16B.335 (3): Predesign Requirement (Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
No	Matching Funds Required (as per agency request)

Dollars in Thousands ($137,500 = $138 thousand)

Department of Administration Analysis:

Predesign is not required for projects of this nature.

Department of Finance Analysis:

This project received a high score for strategic linkage since it relates directly to the department's long term plan for the RTC system. It has also received moderately high points for safety concerns and customer service, since it would maintain the integrity of the campus' utility system. However, the Department of Finance strongly encourages agencies to request design and construction funds in the same year.

Governor's Recommendation:

The Governor does not recommend capital funds for this project.

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	25
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
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**	**350**

PROJECT LOCATION: St. Peter and Fergus Falls Regional Treatment Ctrs

AGENCY PROJECT PRIORITY: 12 of 12

1998 STATE APPROPRIATION REQUEST: $351

PROJECT DESCRIPTION:
This project request is for the demolition of two buildings on the St. Peter Regional Treatment Center (SPRTC) campus, Community North (Bldg. #32) and Community South (Bldg. #31); and 4 buildings on the Fergus Falls Regional Treatment Center (FFRTC) campus, (Bldg. #s 19, 21, 29, and part of 32.) Funds are requested for professional services, asbestos abatement, demolition, and disposal of materials and rubble in accordance with local and state regulations. Funds are also requested for site restoration and the capping and sealing of the utility tunnel and building services leading to the basement of these buildings.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:
SPRTC: The 2 buildings on this campus were constructed as residential facilities in the early 1900's. These buildings where designed for custodial care, not active psychiatric treatment. They have large multi-bed bedrooms, congregate bathing facilities, and limited program or rehabilitative space. The facility consolidated its mental health program into more modern buildings during the early 1990's, and subsequently, these buildings were closed. Both buildings have been vacant since that time with the exception of a small area on the first floor of Community South which has been leased to the state highway patrol as a substation (the facility is currently planning the relocation of the highway patrol substation to a more suitable and efficient space in Building #25). Project cost: $272 thousand in the 1998-99 biennium.

FFRTC: The 4 buildings on this campus were constructed for various functions between the late 1890s and 1923. They are currently vacant and in varying stages of deterioration. Maintaining them on the facility's building inventory will require the expenditure of substantial funds into the forseeable future. Project cost: $79 thousand in the 1998-99 biennium and $549 thousand in the following 2 biennia.

None of these buildings are equipped with modern heating, ventilating, and air conditioning systems; and their basic mechanical infrastructure (water, sewer, electrical, steam, etc.) is old, worn, and in need of extensive renovation or replacement. In addition, these buildings do not meet current building, life safety, or accessibility codes or standards.

Alternative uses for these buildings would require a substantial capital investment. All mechanical and electrical systems would have to be replaced or upgraded. Elevators would have to be installed, and some form of ramping would be required to make the buildings accessibile from the exterior. In addition, new restrooms would be required, as well as the installation of fire rated doors and frames, sprinkler systems, energy efficent windows, all new surface materials on walls, floors, and ceilings, etc. In essence, the buildings would have to be completely gutted, and rebuilt from the inside out. The cost of this work would match or more likely, exceed the cost to construct new space. Accordingly, these buildings are not functional for the RTC's utilization, they are not desirable for renting for alternative uses, and they are surplus to the needs of each facility.

This project relates to the department's long range strategic objective to surplus non utilized property, and demolish non-functional buildings in the RTC system. Funding of this request will enable the department to address the problem it faces as the resident tenant of state property and buildings , and the continued cost associated with the responsibility of maintaining these vacant and unused buildings on the grounds of the SPRTC.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):
Demolition of the buildings on the SPRTC campus would generate a cost savings of between $5 to $6 thousand to the facility's annual operating budget for fuel. Demolition of the buildings on the FFRTC campus would also result in minimal savings in fuel and utility expenditures as well as the repair and betterment budget. However, because these savings are minimal, they are not outlined in the project detail sheet for this project.

OTHER CONSIDERATIONS:
Under Medicare regulations the cost to dispose of fixed assets, including the demolition of buildings, can be claimed for federal reimbursement if the associated program is still under federal participation. Accordingly, certain costs to demolish these buildings can be claimed for federal particpation. The estimated amount of federal finanical participation for the demolition of the SPRTC buildings is between $50 thousand and $100 thousand; and the FFRTC buildings is between $100 and $200 thousand.

PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:
Bill Pederson, CEO
St. Peter Regional Treatment Center
507-931-7115

Mike Ackley, CEO
Fergus Falls Regional Treatment Center
218-739-7224

Alan Van Buskirk
Physical Plant Operations Manager
612-296-8982

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 1998-2003
Dollars in Thousands ($137,500 = $138 thousand)

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land and Easements, Options	$0	$0	$0	$0	$0		
Buildings and Land	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
2. Predesign SUBTOTAL	0	0	0	0	0		
3. Design Fees							
Schematic	0	5	3	3	11	07/1998	08/2002
Design Development	0	7	4	5	16	09/1998	10/2002
Contract Documents	0	12	7	9	28	11/1998	12/2002
Construction Administration	0	8	5	6	19	01/1999	04/2003
SUBTOTAL	0	32	19	23	74		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Construction Management	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
5. Construction Costs						01/1999	04/2003
Site & Building Preparation	0	4	0	0	4		
Demolition/Decommissioning	0	138	65	75	278		
Construction	0	0	0	0	0		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	133	100	125	358		
Construction Contingency	0	13	16	20	49		
SUBTOTAL	0	288	181	220	689		
6. Art SUBTOTAL	0	0	0	0	0		
7. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
8. Inflation							
Midpoint of Construction		06/1999	03/2001	03/2003			
Inflation Multiplier		9.80%	18.60%	28.60%			
Inflation Cost **SUBTOTAL**		31	37	69	137		
9. Other SUBTOTAL	0	0	0	0	0		
GRAND TOTAL	$0	$351	$237	$312	$900		

Dollars in Thousands ($137,500 = $138 thousand)

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	351	237	312	900
State Funds Subtotal	0	351	237	312	900
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**	**351**	**237**	**312**	**900**

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation) FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
Expenditure Subtotal	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**	**0**
Change from Current FY 1998-99		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	351	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
Yes	MS 16B.335 (2): Other Projects (Legislative Notification)
No	MS 16B.335 (3): Predesign Requirement (Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
No	Matching Funds Required (as per agency request)

Dollars in Thousands ($137,500 = $138 thousand)

Department of Administration Analysis:

Predesign is not required for projects of this nature.

Department of Finance Analysis:

This project has received a high score for asset management. Demolition of these buildings would relieve the center of responsibility and ongoing maintenance expenses for these buildings, since no alternative uses which would not require significant capital investments have been found. In addition, application for federal matching funds can be made.

Governor's Recommendation:

The Governor does not recommend capital funds for this project.

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	35
Agency Priority	0/25/50/75/100	25
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**	**270**

Dollars in Thousands ($137,500 = $138 thousand)

Project Title	1998 Agency Priority Ranking	Agency Project Requests for State Funds ($ by Session)				Statewide Strategic Score	Governor's Recommendation 1998	Governor's Planning Estimate	
		1998	2000	2002	Total			2000	2002
Minneapolis Infrastructure	1	$6,341	$0	$0	$6,341	455	$6,341	$0	$0
Hastings Power Plant & Mech. System Renovation	2	5,713	2,404	0	8,117	450	5,713	2,404	0
Maintenance/Warehouse - Silver Bay		0	368	0	368		0	0	0
Hastings Campus Renovation		0	1,500	2,500	4,000		0	0	0
Total Project Requests		$12,054	$4,272	$2,500	$18,826		$12,054	$2,404	$0

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Dollars in Thousands ($137,500 = $138 thousand)

AGENCY MISSION STATEMENT:

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." Veterans 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." Roughly 1 of every 8 Minnesotans meets this criteria. 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 maintain themselves.

All applicants that are eligible for admission to our homes are reviewed by our admissions committees. The admissions committees assess each applicant's needs to determine if placement is appropriate in our homes and if we can meet the applicant's medical, physical, and social service needs.

Almost 250,000 of Minnesota's veterans are over age 65 today and therefore increasingly frail and needy. According to Veterans Administration (VA) studies, 25% of veterans who need to be placed in a long-term care setting will experience behavioral and health problems which will make them unsuitable candidates for placement in contemporary private long term care facilities. When a private long term care facility cannot meet the needs of a difficult to care for elderly veteran, that resident is moved out of that facility and forced to try to find another facility willing to attempt to provide care. Each time a long term care resident is moved from one facility to another, a destabilizing and disorienting stress is created that reduces that resident's remaining life expectancy by about 6 months.

The current Minnesota Veterans Homes Board of Directors was created in 1988 to bring the Minneapolis and Hastings Veterans Homes into compliance with local, state, and federal regulations; to write rules for the operation of the homes; to develop a geriatric research and teaching mission for the homes; to develop and implement new skilled care facilities in Silver Bay and Luverne; and to oversee management and operations of the facilities into the future. A fifth home, in Fergus Falls, is scheduled to begin taking residents in January, 1998.

The Board of Directors adopted the following mission statement as the standard for veterans homes:

The mission of the Veterans Homes Board is to oversee and guarantee high quality health care for veterans and dependents in its care.

This mission is demonstrated by:
- Targeting services to veterans with special needs;
- Supporting research and education in geriatrics and long term care;
- Providing a therapeutic environment that encourages resident independence, respects individuality, and promotes self worth and well being;
- Continuous evaluation of care and services to be responsive to changing needs;
- Managing the Minnesota Veterans Homes with honesty, integrity, and cost effectiveness;
- Recognizing employees for their contributions; and
- Working cooperatively with the medical communities.

TRENDS, POLICIES AND OTHERS ISSUES AFFECTING THE DEMAND FOR SERVICES, FACILITIES, OR CAPITAL PROGRAMS:

Minnesota currently has 44,912 licensed skilled long term-care beds. If 1 of every 8 of these beds were filled by veterans, 5,614 beds would be needed. If 25% of these veterans were not suitable candidates for contemporary private long term care, the veterans home would need 1,404 skilled care beds to meet the state's veteran population need. The veterans homes (Minneapolis, Silver Bay, Luverne, and Fergus Falls) will be licensed for 605 skilled-care long term beds by January, 1998. The mission statement of the veterans homes reflects the knowledge that we are focused on providing care for those "veterans with special needs" that cannot or are not being met in contemporary skilled long term care 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. Our waiting lists currently have over 150 applicants that have applied for admission.

The homes are licensed for:

	Board & Care Beds	Skilled Care Beds
Minneapolis	194	346
Hastings	200	
Silver Bay		89
Luverne		85
Fergus Falls		85*
total beds	394	605

* The Fergus Falls Veterans Home will be opened in January 1998.

Over 75% of our current skilled care residents have come to us from other medical care facilities; 61% of these facilities were contemporary private long term care facilities, and the other 39% were from acute care settings.

The veterans homes are different from contemporary private long term care facilities. Our population is predominantly male, not female. The average age of our residents is 73, not 81. Our top 10 chronic conditions differ as well. For example, our most frequent chronic condition is alcohol abuse at 43% while theirs is osteo-arthrosis at 32%. Our average length of stay is 4 years, compared to 14 months in other facilities.

Dollars in Thousands ($137,500 = $138 thousand)

The United States Department of Veterans Affairs (USDVA) report "Caring for the Older Veteran" highlights the growth trends of veterans care needs. 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. In 1990, 1 of 4 veterans were 65 years of age or older; by 2000, the figure will become 1 of 3; and by 2020, the figure will reach nearly 1 of 2 veterans. Aging is known to bring a whole new set of health and economic problems, problems which will affect the veteran population similarly to the general population."

The Department of Administration's 1989 Management Analysis Division report, titled "The Need for Additional Veterans Nursing Homes in Minnesota," concurred that veterans who will be in need of our nursing care services will continue to grow.

Year	Minnesota Veterans	# Needing Care	% Needing Care
1989	485,362	4,120	.8%
1995	446,464	5,336	1.2%
2000	413,421	6,709	1.6%
2010	347,440	9,082	2.6%
2020	285,859	8,941	3.1%

The 5 Minnesota Veterans Homes are located in Minneapolis, Hastings, Silver Bay, Luverne, and Ferfus Falls (which is scheduled to begin taking residents in January, 1998.) The residents of our homes are predominantly male veterans who served in World War II. Over the next few years we will see this population change to Korean Conflict veterans. This shift will bring additional challenges in caring for our residents' needs. One of these challenges will be the increase of female veterans.

Complicating all of the above are the shrinking services offered to our residents from the Veterans Administration Medical Center (VAMC). The U.S. Department of Veterans Administration, like other federal agencies, is experiencing cut-backs. These cutbacks result in earlier hospital discharges, fewer medical support services, increased costs for services provided, and less research on the long term care needs of veterans.

The Board of Directors has identified the issues facing our homes over the next few years. The immediate issues are to bring our 2 older homes (Minneapolis and Hastings) up to current health care, life safety, and fire code standards and into compliance with the Americans With Disabilities Act (ADA) Standards.

PROVIDE A SELF-ASSESSMENT OF THE CONDITION, SUITABILITY, AND FUNCTIONALITY OF PRESENT FACILITIES, CAPITAL PROJECTS, OR ASSETS:

The Minneapolis home is in poor condition. The campus is licensed for 540 residents but is currently able to only serve 423. The campus has not had an adequate repairs and betterments operating budget for several bienniums. The buildings in which we provide services to our residents are showing the effects of this neglect. Since the home is a historic site, repairs are costly and beyond the scope of current operating budgets.

The Hastings home is in fair condition even with its low operating budget for repairs and betterments. This campus, however, has immediate problems in the following areas that must be solved: life safety, fire safety, asbestos, underground tank storage, ADA, Minnesota Pollution Control citations, and hazardous chemicals removal. Correction of these issues will conserve energy and also protect the environment.

The Silver Bay home was converted from an elementary school into a skilled care nursing home. The home, located in northeast Minnesota, lacks storage space for supplies and space to house vehicles not in use or needing maintenance. Additionally, there is a need for a maintenance workshop to allow servicing of equipment currently used in the home.

The Luverne home opened for residents on 01/24/94. This home is new construction.

Construction of the new Fergus Falls home has just been completed and the facility is scheduled to begin taking residents in January, 1998.

DESCRIBE THE AGENCY'S LONG-RANGE STRATEGIC GOALS AND CAPITAL BUDGET PLAN:

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 veterans home is in good operating condition. If a home requires renovation or new construction, we will analyze the need, review the options, and request the funding required to meet the need. If the project qualifies for federal funding or participation, we will seek legislation authorizing us to request such assistance.

In 1988, when the current Board of Directors was created, the Minneapolis and Hastings Veterans Homes were already in need of campus upgrading and renovation. The board and the homes have previously requested funding for the renovations and upgrading necessary for both of these campuses. Several studies have been completed that clearly demonstrate the need for these projects.

Minneapolis. The 109 year old Minneapolis campus encompasses 53 acres of grounds and 18 buildings. As a result of insufficient maintenance budgets over the last 30 years, 5 major buildings on the campus have had to be closed to our residents. These closures have resulted in the loss of more than 100 needed beds over the past 7 years. Lack of maintenance funding also led to the closure of the steel arch bridge, the only state-owned access to and from the campus itself. This bridge was the original entrance to the campus. Due to the deteriorating condition of the bridge, it has been closed to vehicular traffic for many years. The home's main water lines run across this bridge. Contracts have been awarded and work has begun on a $30.372 million dollar campus renovation that should be completed in November, 1999. In the fall of 1996, an additional $5.240 million in infrastructure deficiencies was identified. The 1997 legislature funded $1.270 million of the most critical needs and recommended the balance be funded through the 1998 capital process. The Department of Administration's Division of State Building Construction now estimates the cost of remaining critical needs at $6.341 million.

Hastings. The renovation of the Hastings power plant will require a 1998 request of $5.713 million and $2.404 million in 2000. The project includes boiler replacement, asbestos abatement, a new condensation/feed water system, lead paint abatement, building refinishing, both interior and exterior, and heating and plumbing improvements. The Hastings campus is also in need of renovation to 4 of its main campus buildings and surrounding sites which will require requests in 2000 and 2002 totalling $4.000 million.

The Silver Bay Veterans Home is in need of a garage/storage/maintenance shop addition to store and maintain vehicles, equipment, and supplies. This need will require a request of $368 thousand in 2000.

AGENCY PROCESS USED TO ARRIVE AT THESE CAPITAL REQUESTS:

The Board of Directors has established a Building and Maintenance committee. This committee is charged with monitoring the physical needs of our campuses. The mission and programs for this agency serve a targeted population. The Building and Maintenance committee assures the facilities meet the long range goals of the agency.

The current capital budget request has been reviewed and recommended by the homes and the board. The priorities were reviewed using the following goals:

- Quality patient care. This includes both the services available to the residents and the environment that the residents reside or utilize.
- 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 homes have completed their capital budget requests, utilizing the following studies: The Long Range Planning Study, Hastings and Minneapolis Campuses; the Historic Structures Report, Minnesota Veterans Home, Minneapolis Campus; An Analysis of the Need for Additional Veterans Nursing Homes in Minnesota 1989; the Veterans Administration, Caring for the Older Veteran; and the Reconstruction Study Report, Veterans Home Steel Arch Bridge.

The Long Range Planning Study was requested by the Legislature in the 1991 Session. The Historic Structures report and the Reconstruction Study Report, Veterans Home Steel Arch Bridge were completed with bonding funds authorized in the 1990 Session.

The Long Range Planning Study and the Historic Structures Report contain a building by building evaluation of all buildings at the Minneapolis and Hastings veterans 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 veterans homes' renovations, remodeling, and new constructions. These plans, if implemented, will not only bring the homes into compliance with current health care, life safety standards but will also improve the service delivery to our residents by consolidating services by area within the campuses.

AGENCY CAPITAL BUDGET PROJECTS DURING THE LAST SIX YEARS (1992-1997):

The Minneapolis renovation project ($12.888 million in state funding to date) is now under way and is scheduled to be completed in November 1999. The project includes the complete renovation of buildings 6,9,1,2, and 4, portions of buildings 16 and 17, and the Minnehaha steel arch bridge.

The $1.162 million project to replace windows, repair the roof, and reconfigure the 8 person dorms in building 23 at the Hastings Veterans Home was completed in 1996.

Replacement of the electric generator at Hastings is scheduled to be completed by December, 1997. This project is being completed with asset preservation funding ($500 thousand in 1996).

The Silver Bay dementia unit wander area project ($240 thousand) is currently out for bids.

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PROJECT LOCATION: 5101 Minnehaha Avenue South, Minneapolis

AGENCY PROJECT PRIORITY: 1 of 2

1998 STATE APPROPRIATION REQUEST: $6,341

PROJECT DESCRIPTION:
$6.341 million is requested for infrastructure improvements to tunnels and associated piping systems on the campus of the Minneapolis Veterans Home. Engineering investigations to assess the adequacy of the utility services on the campus have identified a number of deficiencies in the existing utility systems, including leaks in critical steam, water, and condensate pipes: leaking, deteriorating, and collapsing tunnel structures; root blockage in sewer pipes which no longer have structural integrity; etc.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:
The Minneapolis Veterans Home campus consists of 53 acres of grounds with 18 buildings constructed at various times from as early as the 1880s to the 1970s. In 1993, the legislature authorized the Veterans Homes Board to apply for a $30.372 million federal grant, of which $10.630 million would come from state bonding. The project is to perform substantial renovation of the aging buildings on the site to bring them up to current code and to rehabilitate them for extended usage well into the next century.

As part of the original concept of the renovation project, consideration was given to abandoning the underground utility tunnels, which provide heating, water, and sewer services for all the buildings on the campus. The early conceptual plan was to replace these utilities with direct buried piping services to provide the required upgrades and reliability. However, the design investigation for the remodeling project revealed that the site conditions were unfavorable for direct buried utilities, because of the presence of considerable areas of bedrock, which would make direct buried construction unreasonably expensive. As a result, it was decided that the existing utility tunnels should remain and be upgraded to provide the required building services. This situation occurred because state rules apparently do not allow a full engineering team to be included in the contract for predesign and so the condition of the campus infrastructure was not reviewed until the design phase of the campus renovation.

Subsequently, the agency initiated the study "Capital Budget and Pre-Design Planning for Infrastructure Improvements" which identified the following deficiencies:

- Leaks in water pipes, condensate pipes, and steam pipes.
- Leaking, deteriorated tunnel structures.
- Water damage to existing pipe supports, pipe insulation, and piping resulting in collapse of structures.
- Collapsing of tunnels between buildings 4 to 16, buildings 4 to 12, and buildings 14A to 10.
- Improperly sealed and inaccessible manholes in sewer pipes.

The most critical of the above listed deficiencies were addressed with a 1997 general fund appropriation of $1.270 million. In preparation for the 1998 capital budget, the Department of Administration's Division of State Building Construction investigated the project further and reported in the "1998 Capital Bonding Request for Infrastructure Repairs & Reconstruction at Minneapolis Veterans Home" the additional critical needs:

- Replace existing low pressure steam boilers.
- Rebuild existing boiler stack.
- Provide new pump house for servicing sanitary sewage lift station.
- Provide new roof structure and membrane for water heater mechanical room.
- Rebuild retaining wall adjacent to sanitary sewer lift station.
- Replace fallen bricks and perform tuck pointing on Building 14A and adjacent Storage Building.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):
The nature of these infrastructure improvements should not have any significant impact on the ongoing operating costs of the facility. Failure to provide this funding could result in the closure or evacuation of the facility due to a system failure.

OTHER CONSIDERATIONS:
The campus is in the midst of a $30.4 million renovation project with $19.7 million in federal funding. The terms of the federal grant require that the facility remain operating as a veterans home through 2012. The loss of water, sewer, or electrical service during that period and the resulting closure of the facility would require a full repayment , with interest, to the federal government.

PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:
Douglas Rickabaugh, Financial Management Director
122 Veterans Services Building
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AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 1998-2003
Dollars in Thousands ($137,500 = $138 thousand)

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land and Easements, Options	$0	$0	$0	$0	$0		
Buildings and Land	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
2. Predesign SUBTOTAL	43	0	0	0	43	10/1996	12/1999
3. Design Fees							
Schematic	19	78	0	0	97	07/1998	10/1998
Design Development	25	104	0	0	129	07/1998	10/1998
Contract Documents	58	233	0	0	291	07/1998	10/1998
Construction Administration	25	104	0	0	129	07/1998	10/1998
SUBTOTAL	127	519	0	0	646		
4. Project Management						10/1998	04/2001
State Staff Project Management	0	0	0	0	0		
Construction Management	85	346	0	0	431		
SUBTOTAL	85	346	0	0	431		
5. Construction Costs						10/1998	04/2001
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	0	0	0	0		
Infrastructure/Roads/Utilities	962	4,075	0	0	5,037		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	96	686	0	0	782		
SUBTOTAL	1,058	4,761	0	0	5,819		
6. Art SUBTOTAL	0	0	0	0	0		
7. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
8. Inflation							
Midpoint of Construction		01/2000					
Inflation Multiplier		12.70%	0.00%	0.00%			
Inflation Cost **SUBTOTAL**		715	0	0	715		
9. Other SUBTOTAL	0	0	0	0	0		
GRAND TOTAL	$1,313	$6,341	$0	$0	$7,654		

Dollars in Thousands ($137,500 = $138 thousand)

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	6,341	0	0	6,341
General	1,270	0	0	0	1,270
State Funds Subtotal	1,270	6,341	0	0	7,611
Agency Operating Budget Funds	43	0	0	0	43
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	**1,313**	**6,341**	**0**	**0**	**7,654**

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation) FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	36,560	36,560	36,560	36,560	36,560
Other Program Related Expenses	6,528	6,528	6,528	6,528	6,528
Building Operating Expenses	1,622	1,622	1,622	1,622	1,622
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
Expenditure Subtotal	44,710	44,710	44,710	44,710	44,710
Revenue Offsets	0	0	0	0	0
TOTAL	**44,710**	**44,710**	**44,710**	**44,710**	**44,710**
Change from Current FY 1998-99		0	0	0	0
Change in F.T.E. Personnel		0.0	0.0	0.0	0.0

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations) Laws of Minnesota (year), Chapter, Section, Subdivision	**Amount**
Laws of Mn 1997, Chapter 203, Art. 1, Sec. 14	1,270

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (For bond-financed projects)	Amount	Percent of Total
General Fund	6,341	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
Yes	MS 16B.335 (2): Other Projects (Legislative Notification)
No	MS 16B.335 (3): Predesign Requirement (Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
No	Matching Funds Required (as per agency request)

Dollars in Thousands ($137,500 = $138 thousand)

Department of Administration Analysis:

Predesign does not apply to projects of this nature.

Department of Finance Analysis:

This project request outlines the necessary repairs and improvements to the campus infrastructure as anticipated in the 1997 emergency request. Engineering analysis of the systems since that initial request have identified repairs that are critical in order that the system can maintain the necessary capacity to support the demands placed on it. The critical nature of this request is reflected in the statewide strategic score.

Governor's Recommendation:

The Governor recommends general obligation bonding of $6.341 million for this project.

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	105
Customer Service/Statewide Significance	0/35/70/105	70
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**	**455**

PROJECT LOCATION: 1200 East 18th Street, Hastings

AGENCY PROJECT PRIORITY: 2 of 2

1998 STATE APPROPRIATION REQUEST: $5,713

PROJECT DESCRIPTION:

This project consists of the renovation of the existing power plant, the boiler, and related support services delivery systems. It will be completed in 2 phases. This request is for phase I and includes: replacing the deteriorating mechanical supply lines which transfer steam to several residential buildings on the campus, replacing the boiler; abating asbestos; installing a new condensation/feed water system; abating lead painted surfaces; refinishing the building's interior and exterior surfaces; and upgrading the heating and plumbing.

A failure in the facility heating system would require an emergency evacuation of the home with all the associated negative impacts on the wellbeing of residents. Failure to have an adequate boiler system would place the facility in violation of many state and federal statutes, rules, and regulations. In addition, a failed boiler system would be a violation of the Life Safety Code. Revocation of the license to operate a boarding care facility could also result from the failure of the campus' boiler system.

The second phase of the project, totaling $2,404 million, will be requested in the 2000 capital budget and includes HVAC improvements and electrical upgrades.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:

This project ensures that critical utility services are provided on the campus so that a reliable, safe environment is maintained for the residents.

The 1920 vintage facility converted to high pressure steam operation in 1958 and remained so until 1986 when the 2 remaining boilers were converted to low pressure to conserve energy and reduce operating costs. However, this conversion abandoned a considerable amount of equipment and piping inside the power plant. The system continues to operate with high pressure return pumps and other accessories that are no longer needed for low pressure operation. Boiler #3 was damaged by an explosion and will be replaced in the fall of 1997 using CAPRA funds. Boiler #1 was condemned in the spring of 1997 which left boiler #2 as the only operating boiler for the 1997-98 heating season. The existing operational boiler has pitted tubes from many years of service and the conversion from high to low pressure has caused further damage to the tubes; leaving it irreparable. This request would replace boiler #2 and upgrade the steam and condensate lines. This request would also include the permanent installation of the boiler that was purchased with CAPRA funds and temporarily installed outside the building, on an emergency basis, in September, 1997.

The steam and condensate lines that pass through tunnels furnishing heat to all of the buildings on the campus are in need of repair. Expansion joints in the tunnels and throughout the power plant need to be replaced. The tunnel system is in need of repairs, with spalling happening in certain areas and some portions of the tunnel in a state of collapse. The repair and upgrade of the heating support lines in these tunnels would furnish the campus buildings with reliable steam.

Other power plant options considered included installing boilers in each building. However, this option would not eliminate the expense of demolition and hazardous waste removal in the present power plant. The installation of new boilers in the current power plant will be considerably less expensive than installing separate boilers in each building. Further, retaining duel fuel boilers reduces heating costs 40% by allowing the continued purchase of interruptible gas. It would be impractical to install small buried fuel oil tanks at each building location.

Removal of abandoned equipment is necessary to provide space for installation of new equipment and piping. The majority of demolition expense will be for hazardous waste removal which will also include abatement of lead paint. Many painted surfaces have peeling paint. Asbestos insulated pipes and equipment would interfere with abatement of lead paint. Abandoned materials and abatement problems have caused delays and increased expense when performing service or repairs in the power plant. In addition, there is increased risk to facility residents when emergency repairs must be delayed to perform abatement. As such, complete demolition and abatement is needed to efficiently renovate the power plant.

Power plant and mechanical system renovation cost estimates were developed by the Department of Administration based on their experience with similar projects and their recommendations regarding what scope of work is required at this time.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):

New boilers with the mechanical support system should increase plant efficiency and reliability and reduce fuel consumption 10% to 15%. In addition, a substantial reduction in electrical demand will result from boiler and condensate pump replacement. Low pressure boiler and condensate pumps are expected to reduce power plant electrical motor loads by as much as 50 horsepower. Energy reductions for fuel and electricity could be as much as $5 thousand to $10 thousand per year. It should be noted that the need to reestablish necessary mechanical systems, rather than energy savings, is the prime motivation for this power plant renovation.

OTHER CONSIDERATIONS:

None.

PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:

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Veterans Homes Board
Hastings Power Plant & Mech. System Renovation

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 1998-2003
Dollars in Thousands ($137,500 = $138 thousand)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	**Project Costs** All Prior Years	**Project Costs** FY 1998-99	**Project Costs** FY 2000-01	**Project Costs** FY 2002-03	**Project Costs** All Years	**Project Start** (Month/Year)	**Project Finish** (Month/Year)
1. Property Acquisition							
Land, Land and Easements, Options	$0	$0	$0	$0	$0		
Buildings and Land	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
2. Predesign SUBTOTAL	0	0	0	0	0		
3. Design Fees							
Schematic	0	53	24	0	77	07/1998	10/1998
Design Development	0	71	31	0	102	07/1998	10/1998
Contract Documents	0	160	71	0	231	07/1998	10/1998
Construction Administration	0	71	31	0	102	07/1998	10/1998
SUBTOTAL	0	355	157	0	512		
4. Project Management						04/1999	10/2000
State Staff Project Management	0	0	0	0	0		
Construction Management	0	200	50	0	250		
SUBTOTAL	0	200	50	0	250		
5. Construction Costs						04/1999	10/2000
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	2,795	1,565	0	4,360		
Infrastructure/Roads/Utilities	0	650	0	0	650		
Hazardous Material Abatement	0	480	0	0	480		
Construction Contingency	0	589	235	0	824		
SUBTOTAL	0	4,514	1,800	0	6,314		
6. Art SUBTOTAL	0	0	0	0	0		
7. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
SUBTOTAL	0	0	0	0	0		
8. Inflation							
Midpoint of Construction		01/2000	06/2001				
Inflation Multiplier		12.70%	19.80%	0.00%			
Inflation Cost **SUBTOTAL**		644	397	0	1,041		
9. Other SUBTOTAL	0	0	0	0	0		
GRAND TOTAL	$0	$5,713	$2,404	$0	$8,117		

Dollars in Thousands ($137,500 = $138 thousand)

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,713	2,404	0	8,117
State Funds Subtotal	0	5,713	2,404	0	8,117
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**	**5,713**	**2,404**	**0**	**8,117**

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	8,418	8,418	8,418	8,418	8,418
Other Program Related Expenses	1,764	1,764	1,764	1,764	1,764
Building Operating Expenses	902	887	887	887	887
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
Expenditure Subtotal	11,084	11,069	11,069	11,069	11,069
Revenue Offsets	0	0	0	0	0
TOTAL	**11,084**	**11,069**	**11,069**	**11,069**	**11,069**
Change from Current FY 1998-99		<15>	<15>	<15>	<15>
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	5,713	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
Yes	MS 16B.335 (2): Other Projects (Legislative Notification)
No	MS 16B.335 (3): Predesign Requirement (Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
No	Matching Funds Required (as per agency request)

Dollars in Thousands ($137,500 = $138 thousand)

Department of Administration Analysis:

Predesign does not apply to this project

Department of Finance Analysis:

The critical nature of this request is reflected in the statewide strategic score. This project supports the agency's mission, addresses critical life safety concerns for the residents, and preserves the integrity of the campus' heating system.

Governor's Recommendation:

The Governor recommends general obligation bonding of $5.713 million for this project. Also included is a budget planning estimate of $2.404 million in 2000.

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	105
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	20
Contained in State Six-Year Planning Estimates	0/25/50	0
TOTAL	**700 Maximum**	**450**