

Human Services, Department of **Projects Summary**
(\$ in Thousands)

Project Title	2014 Agency Priority Ranking	Agency Project Request for State Funds (\$ by Session)				Governor's Recommendations 2014	Governor's Planning Estimate	
		2014	2016	2018	Total		2016	2018
MN Security Hospital - Design, Construct, Remodel Facilities	1	\$56,317	\$47,500	\$0	\$103,817	\$0	\$0	\$0
MSOP (St. Peter) - Design, Remodel/Construct	2	7,405	14,100	13,218	34,723	0	0	0
System-wide Asset Preservation	3	6,218	7,000	7,782	21,000	0	0	0
Early Childhood Facilities	4	5,000	5,000	5,000	15,000	0	0	0
Anoka - Upgrade Residential Facilities		0	600	6,000	6,600	0	0	0
MSH/MSOP (St. Peter) Remodel, Upgrade Shared Dietary Facilities		0	400	4,000	4,400	0	0	0
MSOP (Moose Lake) - Design Expansion Phase III		0	0	3,325	3,325	0	0	0
Total Project Requests		\$74,940	\$74,600	\$39,325	\$188,865	\$0	\$0	\$0

MN Security Hospital - Design, Construct, Remodel Facilities

2014 STATE APPROPRIATION REQUEST: \$56,317,000

AGENCY PROJECT PRIORITY: 1 of 4

Project At A Glance

- Design, construct and renovate, and furnish/equip new residential and program/activity space on the upper campus of the St. Peter Regional Treatment Center for individuals committed to the Minnesota Security Hospital.
- This space will be used to provide patient living, treatment and work/activity programming for patients served by the Minnesota Security Hospital and/or the facility's Transition program.
- Vacated Buildings on the lower campus will be separately redeveloped for use by the Minnesota Sex Offender Program (MSOP).

Project Description

This request is for funds to design and construct, furnish and equip new residential, program, activity and related ancillary facilities on the upper campus of the DHS St. Peter Regional Treatment Center for the Minnesota Security Hospital (MSH) programs.

This request, and the second priority project in the Department's 2014 Capital Budget request, represents a long-range strategic plan for the St. Peter campus. This phased initiative will result in the eventual relocation of all of the MSH residential and program activities from the lower campus to the upper campus and the reuse/redevelopment of the lower campus for the Minnesota Sex Offender Program (MSOP). These projects are phased over several biennia.

The 2012 Legislature appropriated \$3.683 million for predesign and design of the first phase of this two phase project. Phase One is focused on improving the Minnesota Security Hospital facilities to better serve the most acute patients. For the Phase One project, the designers are designing a 4-bed

Evaluation Unit, a 12-bed Crisis Unit, two 20-bed Acute Units, 48 beds for Transition Program housing, a Campus Center, Vocational program building, a new Administration Building, a central power plant, connecting links, warehousing. In addition, space is being developed for pharmacy and other medical services. Funds for the design for phase two are included in the 2014 request.

Phase Two will focus on the development of additional transition housing, the reconstruction of the acute units on the east side of original MSH Building and remodeling of the pre-transition units on the west side of the original MSH Building, including installation of a fire sprinkler system, improved HVAC systems, updated security, and a general replacement of finishes.

Background Information

Operated by DHS State Operated Forensic Services, the Minnesota Security Hospital provides evaluation and treatment to individuals who have been civilly committed to the commissioner as Mentally Ill and Dangerous (MI&D), and to persons with mental illness who a criminal court as ordered for evaluation and treatment before the start of a criminal trial. The MSH program shares the St. Peter campus with MSOP.

The intent of this proposal for the St. Peter campus is to provide a logical long-range plan to address several significant issues that the Department faces as it operates MSH and MSOP, two distinctly different programs, on the St. Peter campus.

First, there is a real need to address critical patient and staff safety issues resulting from the design of the living units in the existing Minnesota Security Hospital. The patient bedroom areas (living pods) were constructed with a split level design. These living pods are accessed by going up or down narrow stairways, and the existing layout of the patient units provides poor sightlines for unit staff to monitor patient activity in these pod areas. If patient behavior requires intervention by staff to protect a patient from self-injury, or to protect other patients in the living pod from harm/injury, this poor unit configuration often results in patient and/or staff injury as staff attempt to relocate the patient from the living pod up or down these narrow stairs.

MN Security Hospital - Design, Construct, Remodel Facilities

Second, the proposal responds to the need to separate patients coming in to the Security Hospital, who require assessment or evaluation, to better determine which unit the patient should be placed on for treatment.

Third, both programs currently have individuals which are housed on the lower campus who have reached the point in their treatment where they have earned the privilege of campus liberty (the ability to move about campus with limited control). While MSH patients are considered vulnerable adults, MSOP clients are not. Allowing individuals from both programs to circulate on the lower campus is not good policy and presents safety risks. The Department believes it is time to make a concerted effort to separate the two populations. Moving MSH programs to new facilities on the upper campus will address this issue and physically separate these very different populations in the future.

Fourth, MSOP will need additional bed capacity on the St. Peter campus as that program continues to grow. MSOP will be out of beds by the spring of 2015. The type of space that MSOP needs at St. Peter (the location which MSOP uses for individuals that are in the later stages of treatment), is much different than the space that it uses for the early stages of treatment at Moose Lake. The buildings that MSH will vacate on the lower campus once new facilities are developed on upper campus for MSH programs, will, after basic remodeling and/or infrastructure upgrades, readily meet MSOP's later stage treatment program requirements. Smaller living units promote a much more therapeutic environment for those individuals that are working hard to reach the reintegration phase of their treatment program. In addition, since all of MSOP's St. Peter programs currently operate on the lower campus, it makes sense to plan/direct future MSOP expansion at St. Peter to the lower campus.

Last, but not least, constructing new facilities on the upper campus for MSH would facilitate development of modern residential treatment facilities specifically designed to meet the long-term needs of the distinctly different subpopulations which MSH is required to serve through the commitment process for the mentally ill.

Please note that the MSOP renovations and building infrastructure upgrade are a separate and distinct capital project, for which the Department is making a separate bonding requests. In 2014 the Department is requesting

funding to develop additional bed capacity for MSOP in Green Acres and Sunrise Buildings and funds to design the renovation/construction of the Bartlett Building which will also provide additional future bed capacity for MSOP on the St. Peter campus.

Impact on Agency Operating Budgets (Facilities Notes)

The projects associated with this request may increase the overall cost of the Department's operating budget for MSH; however, the improved facilities that will be developed under this proposed plan for MSH is intended to reduce the average length of treatment by 20 to 25 percent. Reducing the average length of treatment should eventually reduce costs for the operation of the MSH program.

Previous Appropriations for this Project

The 2012 Legislature appropriated \$3.683 million for predesign and design of the first phase of this two phase project

Other Considerations

Needed facilities for MSOP's later stages of treatment could be developed with new construction, and renovation of existing buildings could be completed for MSH. However, that alternative approach appears to be at least equal in construction/development costs over the long-term, and yet it would not address either the safety or the overall programmatic needs of the MSH programs or the Department's goal to physically separate the two programs on the St. Peter campus.

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MSOP (St. Peter) - Design, Remodel/Construct

2014 STATE APPROPRIATION REQUEST: \$7,405,000

AGENCY PROJECT PRIORITY: 2 of 4

Project At A Glance

- Predesign and Design funding is requested for the lower campus of St. Peter. Renovation and remodeling of buildings (Green Acres, Sunrise, Bartlett and Tomlinson) will provide bed and program space to individuals committed to the DHS Minnesota Sex Offender Program (MSOP) as Sexual Psychopathic Personalities or Sexually Dangerous Persons.
- Creates critical bed space: Current projections indicate that by the spring of 2015, MSOP will again be in need of bed space. Considering options within existing buildings on the lower campus is being proposed.

Project Description

This project represents a multi-year request for funds to design, remodel/construct, furnish and equip existing buildings on the lower campus of the Department's St. Peter Regional Treatment Center for MSOP residential and program operations. The buildings proposed to be remodeled are Green Acres, Sunrise, Bartlett and Tomlinson.

Renovation work will include the replacement and/or upgrading of the building HVAC systems, plumbing and electrical, security and life safety (fire sprinklers and new detection/alarm systems) systems. In addition, the building envelopes will be upgraded, including tuck pointing and window and door replacement. Some interior reconfiguration will also be involved; however, the extent of interior reconfiguration will be finalized in the pre-design phase planned for completion during the summer fall of 2014.

Phase One (2014) requests \$7.4 million to:

- Renovate/construct and furnish/equip the west wing of the Green Acres Building. This wing will provide approximately 30 additional beds for MSOP.

- Design, renovate/construct and furnish/equip the East wing of the Sunrise Building. This wing will also provide approximately 30 additional beds for MSOP.

- Design through construction documents the renovation/construction project for the Bartlett Building. Bartlett will be utilized as a residential treatment building for MSOP.

Phase Two (2016) will request \$14.1 million to:

- Renovate/construct and furnish/equip Bartlett Building. Bartlett Building will be used as a residential/treatment program building by MSOP, and will provide approximately 144 additional beds for the MSOP.

- Design, renovate/construct and furnish/equip Tomlinson Building. Tomlinson will be utilized for program activities (e.g., recreation, chapel, library, mart, etc.)

Phase Three (2018) will request \$13.2 million to:

- Design, renovate/construct and furnish/equip the north and west wings of Sunrise. The north wing will continue to be utilized for clinical purposes, the west wing will be utilized for additional bed capacity.

- Design, renovate/construct and furnish and equip the north wing of Green Acres. This wing will be used for treatment program activities.

Background Information

This request, and the first priority project listed in the Department's 2014 Capital Budget request, are part of the long-range strategic plan for the St. Peter campus. This phased initiative will result in the eventual relocation of all of the MSH residential and program activities from the lower campus to the upper campus **and the reuse/redevelopment of the lower campus for the Minnesota Sex Offender Program (MSOP).**

As discussed in the narrative for DHS's first priority project, the intent of this new proposal for the St. Peter campus is to provide a logical long-range plan to address several very significant issues that the Department faces as it operates both MSH and MSOP, two distinctly different programs, on the St. Peter campus.

First, as discussed in the narrative for the first priority project, there is a real need to address critical patient and staff safety issues resulting from the design of the living units in the existing Minnesota Security Hospital. The

MSOP (St. Peter) - Design, Remodel/Construct

poor unit configuration often results in patient and staff injury as staff attempt to relocate a patient from a living pod whose behavior requires staff intervention.

Second, while MSH patients are considered vulnerable adults, MSOP clients are not. Currently both programs have individuals who have been approved for having privileges outside the secure perimeter and therefore have the ability to walk outside on campus grounds. As more MSOP clients move to the later stages of treatment, more are likely to be approved for these kinds of privileges. However, allowing individuals from both programs to circulate on the lower campus is not good policy. The Department believes it is important to make a concerted effort to separate the two populations. Having MSH vacate all of its program space on the lower campus will address this issue and eliminate the potential for intermingling of these very different populations in the future.

Third, MSOP will need additional bed capacity on the St. Peter campus as its program continues to grow. Econometric modeling projects 50 new clients committed to the MSOP each year under current law and current practices. MSOP will be out of beds by the spring of 2015. The type of space that MSOP needs at St. Peter (the location which MSOP uses for individuals that are in the later stages of treatment), is much different than the space that it uses for the early stages of treatment at Moose Lake. The buildings that MSH will vacate on the lower campus, once new facilities are developed on upper campus for MSH programs will, after basic renovation and/or infrastructure upgrades, will provide space that readily meet MSOP's later stage treatment program space requirements and create needed space for MSOP to utilize for residential and program purposes. The smaller living units promote a much more therapeutic environment for those individuals that are working hard to reach the reintegration phase of their treatment program.

As proposed in this request, the renovation of the west wing of Green Acres during 2014 and early 2015 will provide approximately 30 additional beds for MSOP. Renovation of the east wing of Sunrise during the early spring and summer of 2015 will provide approximately 30 additional beds. These two renovation projects should provide enough additional bed capacity to meet MSOP's capacity requirements until the completion of Phase One of the

MSH project on the upper campus, which will then allow for the relocation of MSH patients from Bartlett Hall.

MSOP will then occupy part of Bartlett Hall and begin to remodel the unoccupied space in the building. Upon completion of the first part of the Bartlett Hall renovation, MSOP clients will be relocated into the renovated space and the balance of the building will then be renovated. **Please note that the MSOP renovations and building infrastructure upgrade are a separate and distinct capital project from the Department's first priority project.**

In addition, since all of MSOP's St. Peter programs currently operate on the lower campus, it makes sense to plan/direct future MSOP expansion at St. Peter to the lower campus.

Impact on Agency Operating Budgets (Facilities Notes)

The increasing MSOP population will add future costs to the Department's operating budget for MSOP.

Previous Appropriations for this Project

No previous funds have been appropriated for design or remodeling Bartlett or Sunrise Buildings for the MSOP program.

Other Considerations

MSOP currently occupies all of Pexton Hall and the second floor of Shantz Hall on the lower St. Peter campus. After renovations are completed on the Shantz Building (funded in 2011), MSOP will occupy the entire building. Pexton and Shantz Buildings are located within one secure perimeter.

The Department's proposal for the St. Peter campus addresses several significant factors for MSOP:

- By specifically renovating the Green Acres, Sunrise and Bartlett Buildings, MSOP can offer treatment within smaller living units, which promotes a safe therapeutic environment, while meeting the bed space needs of the program.
- This plan allows for the gradual progression of MSOP treatment and increased privileges to occur from Moose Lake to the St. Peter campus.

MSOP (St. Peter) - Design, Remodel/Construct

- The design and renovation/construction of Bartlett Hall and Sunrise will provide approximately 200 additional beds on the St. Peter campus, which solves bed space needs for MSOP through 2018.

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System-wide Asset Preservation

2014 STATE APPROPRIATION REQUEST: \$6,218,000

AGENCY PROJECT PRIORITY: 3 of 4

Project At A Glance

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

Project Description

This project request involves the repair, replacement, and renewal needs specific to the operations of the Department of Human Services' State Operated Services (SOS) facilities and Minnesota Sex Offender Program (MSOP) facilities. These needs developed over time, and represent a system-wide assessment of the facilities' deficiencies, including, but not limited to the following:

- ◆ Security and safety hazards and code compliance issues
- ◆ Life/fire safety deficiencies (fire sprinkling, detection/alarm systems)
- ◆ ADA requirements/reasonable accommodations
- ◆ Emergency power/egress lighting upgrades
- ◆ Roof repair and replacement
- ◆ Mechanical and structural deficiencies
- ◆ Tuck pointing and other building envelope work (window and door replacement, fascia and soffit work, re-grading around foundations, etc.)
- ◆ Elevator repairs/upgrades
- ◆ Road and parking lot maintenance
- ◆ Major mechanical and electrical utility system repairs, replacements, upgrades and/or improvements, including the replacement of boilers and

upgrade of steam systems

- ◆ Abatement of hazardous materials (e.g., asbestos containing pipe insulation, floor and ceiling tile, lead paint, etc.), and
- ◆ Demolition of deteriorated/unsafe/non-functional buildings and structures

Background Information

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

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

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

Impact on Agency Operating Budgets (Facilities Notes)

System-wide Asset Preservation

Lack of funding of this request, will require the use of a large percentage of limited repair and replacement operating funds to address critical and expensive asset preservation projects. This action would limit the agency's ability to address routine preventative, predictive and corrective facility maintenance and would actually compound the existing deferred maintenance problem and result in a substantial increase in the long-range deferred maintenance/renewal at the agencies facilities. Funding of this request will not require the agency's operating budget to increase or decrease.

Previous Appropriations for this Project

2012 Legislature appropriated \$2 million
2011 Legislature appropriated \$4.7 million
2010 Legislature appropriated \$2 million
2009 Legislature appropriated \$2 million
2008 Legislature appropriated \$3 million
2006 Legislature appropriated \$3 million
2005 Legislature appropriated \$3 million
2002 Legislature appropriated \$4 million

Other Considerations

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

Adequate funding levels for maintaining state physical plant assets could be appropriated to each agency's operating budget to maintain new or upgraded facilities. When a new building is authorized appropriate amount of maintenance funds could also be appropriated to the agency's base budget to maintain the new facility into the future. These funds could be placed into a special agency revolving account so they can be utilized and/or managed over a period of years to address major repairs, and replacement/renewal of major building components without agencies having to compete for such

funding in future bonding bills.

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

Minnesota Statutes 2010, sec. 16A.11, subd. 6. Building maintenance and capital betterment: *The detailed operating budget and capital budget must include amounts necessary to maintain and better state buildings. The commissioner of management and budget, in consultation with the commissioner of administration, the Board of Trustees of the Minnesota State Colleges and Universities, and the regents of the University of Minnesota, shall establish budget guidelines for building maintenance and betterment appropriations. Unless otherwise provided by the commissioner of management and budget, the combined amount to be budgeted each year for building maintenance and betterment in the operating budget and capital budget is one percent of the replacement cost of the building, adjusted up or down depending on the age and condition of the building.*

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Early Childhood Facilities

2014 STATE APPROPRIATION REQUEST: \$5,000,000

AGENCY PROJECT PRIORITY: 4 of 4

Project At A Glance

\$5 million is requested for Early Childhood Facilities grants to political subdivisions:

- Early Childhood grants help local entities renovate and renew substandard older, or construct new, early childhood facilities
- Grants must be matched 50% with non-state funds
- This statewide grant program supports children’s school readiness

Project Description

Minnesota Statutes section 256E.37 [**Early Childhood Learning and Child Protection Facilities**] funds construction or rehabilitation of facilities for early childhood programs, crisis nurseries, or parenting time centers. The facilities must be owned by the state or a political subdivision, but may be leased to organizations that operate the programs. Programs include Head Start, School Readiness, Early Childhood Family Education, licensed child care, and other early childhood intervention programs.

This grant program is administered by the Department of Human Services per statute. Funding is awarded through an RFP process. A grant for an individual facility must not exceed \$500,000 for each program that is housed in the facility, up to a maximum of \$2 million for a facility that houses three programs or more. State appropriations must be matched on a 50 percent basis with non-state funds. Priority will be given to projects that demonstrate how the grant can enhance or support provision of early childhood services that improve children’s school readiness by meeting research-based program quality standards.

Head Start and other early childhood programs need funding to construct or renovate facilities that have become substandard or not appropriately configured for early childhood programs. With \$5 million funding requested for 2014, eight to ten projects could be ready to begin construction/rehabilitation in spring of 2015 with an average cost of \$500,000

per project. Quality preschool and early childhood facilities promote better outcomes for children. Investing in early childhood through facility improvement helps create jobs and meet the demand for high quality learning experiences. Demand is growing as low-income Minnesota families access high quality early learning programs, including Minnesota Early Learning Scholarships Program and child care subsidies tied to high-quality programs, and use information garnered through Parent Aware, Minnesota’s Quality Rating & Improvement System.

Priority may be given to projects that collaborate with child care providers, including all-day and school-age child care programs, special needs care, sick child care, nontraditional hour care, programs that include services to refugee and immigrant families, programs that will increase their child care worker’s wages as a result of the grant, and projects that will improve the quality of early childhood programs.

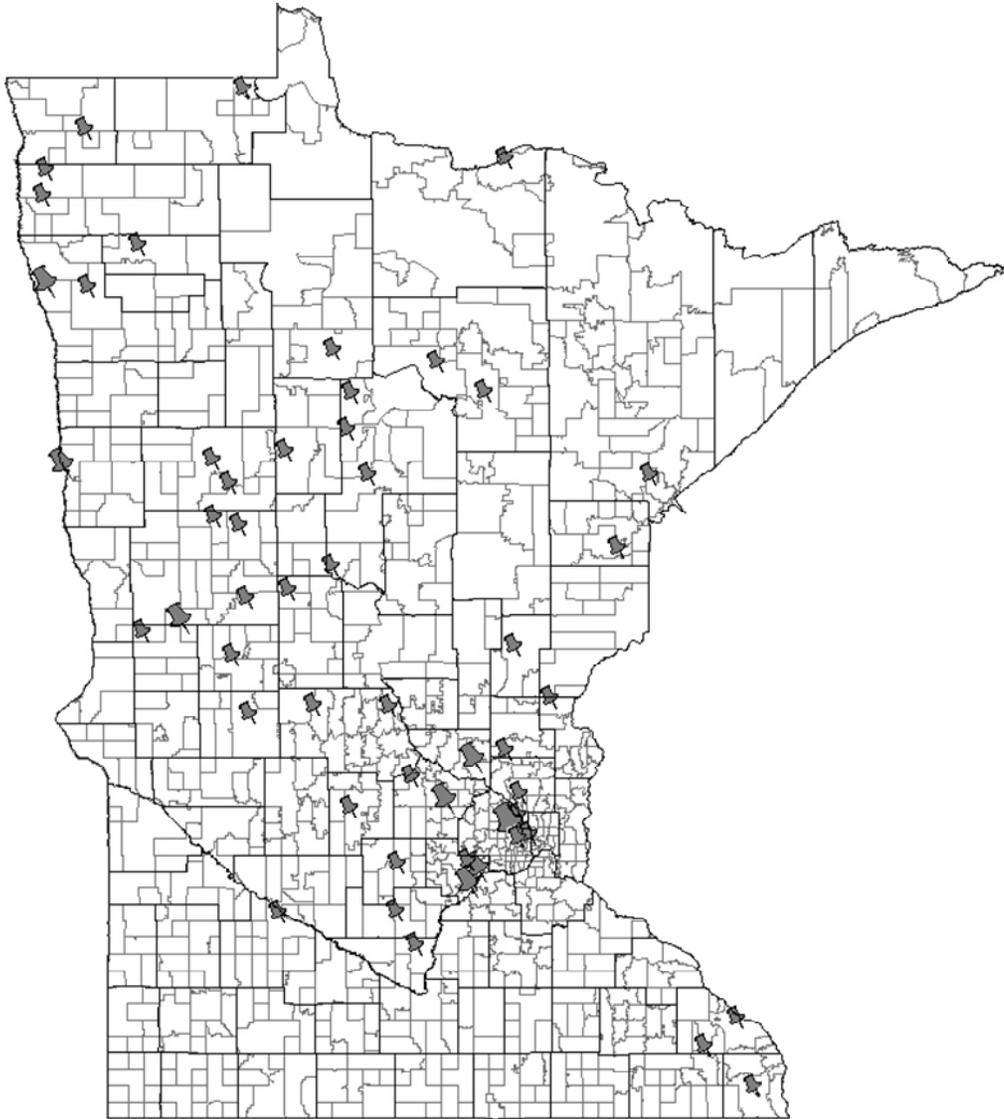
Impact on Agency Operating Budgets (Facilities Notes)

No direct impact. DHS needs 0.5 FTE to manage this grant program. Per the MMB policy on using bond appropriations to pay staff costs for project management, the department will track and charge the time that this 0.5 FTE spends on the early childhood projects to the bond appropriation.

Previous Appropriations for this Project

Year	GO Bonds	General Fund
1992	\$2,000,000	
1994	\$2,000,000	
1996	\$3,500,000	
1998	\$2,000,000	\$3,000,000
2000	\$2,000,000	
2005	\$ 500,000	
2006	\$ 500,000	
2011	\$1,900,000	

The Legislature first provided \$2 million in bond funds in 1992 for eleven projects to construct or rehabilitate facilities for early childhood learning programs. In 2011 \$1.9 million was appropriated in the bonding bill (2011 1st Special Session chapter 12, sec. 15, subd. 3). Five projects were funded; two are completed and three are in the construction phase.



Early Childhood Facility Bonding Program Sites 1992-2013

Total Funds Awarded: \$17,400,000 **Number of Sites:** 69

Award Profile: 14 projects in Metro counties
 55 projects in Greater Minnesota

Other Considerations

The need for early childhood facilities is driven by requirements that space be safe and accessible. Early childhood programs must comply with DHS child care licensing rules. Preference is given to proposals that demonstrate meaningful collaboration within a community. In many parts of the state, it is difficult to find existing space that is safe and age appropriate; therefore, this funding is a catalyst for collaboration between cities, counties and school districts to improve early childhood facilities and promote better outcomes for children. Implementation of all-day Kindergarten has increased the demand for construction and rehabilitation of Early Childhood facilities. Early Childhood programs are being displaced or relocated to less desirable space to make room for all day Kindergarten.

To have lasting impact, funding for this grant program should be regularized and sustained. Consequently this request also includes planned requests of \$5 million in the 2016 and 2018 bonding cycles.

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