

**Human Services, Department of**

**Projects Summary**  
**(\$ in Thousands)**

Project Title	2010 Agency Priority Ranking	Agency Project Request for State Funds (\$ by Session)				Governor's Recommendations	Governor's Planning Estimate	
		2010	2012	2014	Total	2010	2012	2014
Minnesota Sex Offender Program Expansion - Phase II	1	\$96,000	\$0	\$0	\$96,000	\$89,072	\$0	\$0
System-wide Asset Preservation	2	5,000	6,500	8,000	19,500	3,000	3,000	3,000
System-wide (Brainerd) - Campus Redevelopment /Reuse/Demo	3	5,782	0	0	5,782	5,782	0	0
MSOP - Design New Facilities for CPS Program	4	300	3,508	0	3,808	0	0	0
Anoka - Remodel Miller Building	5	618	7,242	0	7,860	0	0	0
Anoka - Upgrade Residential Facilities		0	6,000	6,000	12,000	0	0	0
MSOP - Design New Residential/Treatment/Support Facilities		0	0	5,000	5,000	0	0	0
St. Peter - Expand Forensic Nursing Home (Design)		0	0	1,200	1,200	0	0	0
St. Peter - Implement Lower Campus Reconfiguration		0	0	3,000	3,000	0	0	0
St. Peter - Remodel Bldgs. 25 & 26		0	5,000	0	5,000	0	0	0
St. Peter - Remodel Shantz Hall		0	1,150	13,500	14,650	0	0	0
St. Peter - Remodel/Upgrade Bartlett Hall		0	1,400	14,000	15,400	0	0	0
St. Peter - Remodel/Upgrade Dietary Department		0	500	5,000	5,500	0	0	0
St. Peter - Upgrade Security Hospital Building		0	600	6,000	6,600	0	0	0
<b>Total Project Requests</b>		\$107,700	\$31,900	\$61,700	\$201,300	\$97,854	\$3,000	\$3,000

**At A Glance****Health care programs – FY 2008**

- ◆ Average monthly enrollment of 669,000
- ◆ Medical Assistance — 527,000 people
- ◆ MinnesotaCare — 114,000 people
- ◆ General Assistance Medical Care — 28,000

**Economic assistance programs – FY 2008**

- ◆ Food Support — 280,000 people per month
- ◆ Minnesota Family Investment Program and Diversionary Work Program cases – 36,000 families
- ◆ General Assistance — 17,700 people
- ◆ More than 403,000 parents assisted through Child Support Enforcement
- ◆ \$625 million in child support payments collected
- ◆ 16,800 families received child care assistance for 29,900 children

**Child welfare services – CY 2008**

- ◆ Of more than 14,200 children in out-of-home placement, more than 9,800 children received care from foster families.
- ◆ About 9,000 children were cared for by adoptive parents or relatives who receive financial assistance and support for children's special needs
- ◆ 750 children under state guardianship were adopted.

**Mental health services – FY 2008**

- ◆ About 121,000 adults received publicly-funded mental health services
- ◆ 43,000 children received publicly-funded mental health services

**Operations and two-year state budget**

- ◆ FY 2010-11 \$8.9 billion general fund budget
- ◆ FY 2010-11 \$24.3 billion all funds budget
- ◆ 78 percent of DHS' general fund budget is spent on health care and long-term care programs and related services
- ◆ 100,000 health care providers and nine contracted health plans
- ◆ Approximately 98 percent of DHS' budget goes toward program expenditures, with two percent spent on central office administration

**Agency Purpose**

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

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

- ◆ Medical Assistance (MA), Minnesota's Medicaid program for low-income seniors, children and parents, and people with disabilities;
- ◆ MinnesotaCare for residents who do not have access to affordable private health insurance and do not qualify for other programs; and
- ◆ General Assistance Medical Care (GAMC), primarily for adults without dependent children (set to end in 2010).

Approximately two-thirds of all enrollees get their care through one of nine contracted health plans.

**Helping Minnesotans support their families**

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

**Aiding children and families in crisis**

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

**Assisting people with disabilities**

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

**Direct care services**

DHS provides an array of treatment and residential services to people with mental illness, chemical dependency, developmental disabilities, or acquired brain injury, many of whom may pose a risk to society. These services are provided at 16-bed inpatient psychiatric hospitals and Minnesota State Operated Community Services both with locations throughout the state. DHS also provides treatment for people, who have been civilly committed as mental ill and dangerous, at the Minnesota Security Hospital in St. Peter, and for people who are developmentally disabled and present a risk to society, at the Minnesota Extended Treatment Options Program in Cambridge. In addition, DHS provides services to people committed as sexual psychopathic personalities and/or sexually dangerous persons in the Minnesota Sex Offender Program at Moose Lake and St. Peter.

**Promoting independent living for seniors**

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

**Operations**

DHS has a wide variety of customers and business partners, including the state's 87 counties 11 tribal governments, 100,000 health care providers, and nine contracted health plans. DHS provides significant operational infrastructure to Minnesota's human services programs, most of which are provided at the county level.

DHS licenses about 24,700 service providers, including group homes, treatment programs for people with chemical dependency, mental illness, or developmental disabilities, child care providers, and foster care providers. DHS also monitors their compliance with Minnesota laws and rules, investigates reports of possible maltreatment, and completes background studies on individuals who provide direct care.

DHS' operations support other providers who directly serve Minnesotans. DHS oversees significant computer systems support for: MAXIS, which determines eligibility for economic assistance programs; PRISM, the child support enforcement system; the Medicaid Management Information System

(MMIS), which pays medical claims for publicly-funded health care programs; the Social Service Information System (SSIS), an automated child welfare case management system for child protection, children's mental health, and out-of-home placement; and MEC<sup>2</sup>, the Minnesota Electronic Child Care system.

**Budget**

DHS is one of the state's largest agencies, comprising 41 percent of the state's total spending from all sources. DHS's FY 2010-11 budget from all funding sources totals \$24.3 billion. Of the total budget for the biennium, \$8.9 billion comes from general fund tax dollars. The remaining \$15.4 billion comes from federal revenue and other funds, such as the health care access fund, enterprise fund, and agency fund. Approximately 6,900 full-time-equivalent employees work for DHS.

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

**At A Glance: Agency Long-Range Strategic Goals**

Minnesota Department of Human Services (DHS) has two business areas which are capital intensive, whose missions are:

- ◆ Minnesota Sex Offender Program (MSOP): Promotes public safety by providing world class treatment and successful reintegration opportunities for civilly committed sexual abusers
- ◆ State Operated Services: In partnership with others, provides innovative and responsive behavioral health care to people with complex needs and challenges, some of whom may present substantial safety risks.

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

Within in DHS, only two major areas require capital investments for the continued provision of service. Since the last time the department submitted capital budget requests, the management of the two programs have been separated.

***Minnesota Sex Offender Program***

The primary mission of MSOP is to provide sex offender treatment. To achieve this goal, MSOP has two bonding proposals this year.

MSOP is requesting bonding funds for the Phase II expansion. The Phase II expansion includes a 400-bed expansion at the Moose Lake Campus and

the critical essential services (food service, treatment space, health services) to support the 400-bed expansion and the existing 400 beds.

The MSOP client population has nearly quadrupled in the last nine years (149 in 2000 to 521 by July 2009). The primary reason for this growth was a change in the referral process and subsequent review by the courts. MSOP has no control over the number of clients that enter the program, as the courts decide who is committed and discharged from the program.

The tremendous growth has driven the rapid MSOP expansion. The program has grown from a small unit within the Minnesota Security Hospital Campus. In 1996, the MSOP main building in Moose Lake was opened with 100 beds. Two additional units were built in 2000 that increased the capacity by 50, to a total of 150 beds. This space was quickly fully occupied by the rapidly growing MSOP population.

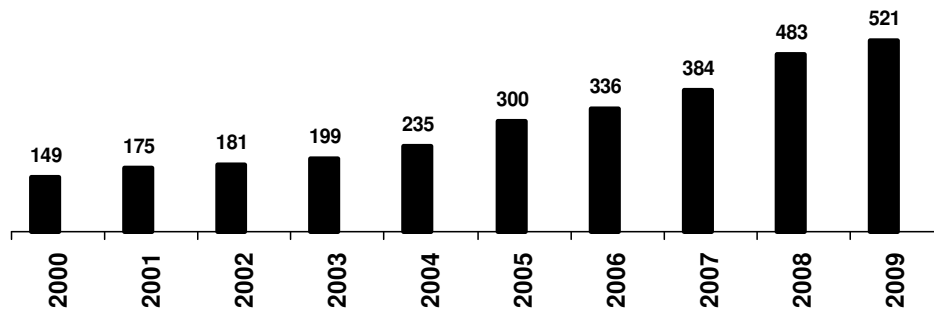
The legislature funded Phase I, a 400-bed expansion at Moose Lake, in the 2006 legislative session. While the expansion (MSOP Complex One) was being built, MSOP was left with only the option of renting very expensive beds from the Department of Corrections (DOC). The facility set-up for these beds worked poorly with a sex offender treatment program. When MSOP Complex One was opened in July 2009, the facility was already half full when MSOP moved 200 clients from the rented DOC beds.

If the current admission trends continue, the latest MSOP population projections indicate that MSOP Complex One will be completely full Spring/Summer 2012.

## Minnesota Sex Offender Program

### Facility Population

(July 1 each year)



\*\*\* A group of 62 patients are dual commits at MSOP and DOC and reside in DOC. Another group of is on "hold" status and housed at local jails / DOC.

In the 2006 bonding session, the Phase I expansion request only included bed space. It did not include any essential services to meet the constitutional and statutory obligations to provide clients with sex offender specific treatment, educational programming, and vocational services. This includes areas to ensure legal and humane services are provided to clients such as food service, laundry for clothing and linen, medical services, and health care services. Work areas for client record keeping, information technology, financial services (client banking and program financial services), security systems, and physical plant operations are also needed. These are fundamental life, safety, and program requirements for operating a 24/7 treatment program in a secure setting.

Similar to other civil commitment programs, MSOP is statutorily required to provide treatment and programming to individuals who are committed as sexually dangerous persons and/or having a sexual psychopathic personality. M.S. 253 B.18 requires that once a person is admitted to MSOP that treatment must begin. The minimum treatment program services are outlined in Rules 9515.3040. They include sexual offender specific treatment: psychiatric; medical, dental, psychological, social and advocacy services; educational programming; and vocational and rehabilitation services. The provision of all of these required treatment activities necessitates adequate physical space in number and size of treatment rooms.

MSOP individualized treatment plans address all of the areas listed in M.S. 9515.3040 and include components of contemporary evidence-based sex offender treatment methods. As such MSOP must have the ability to provide services to any client who is willing to engage in treatment, while maintaining a safe and secure living environment. At this time, 82 percent of the population actively participates in sex offender-specific treatment. Clients' risk factors are targeted through their participation in core treatment and psychoeducational groups. Participation in rehabilitative programming (vocational, education and recreation) is also mandatory as these settings provide environments to apply treatment skills and demonstrate meaningful change.

MSOP's second bonding request is for pre-design funding for a distinct and separate Community Preparation Services (CPS) Program. CPS currently has a bed capacity of 13 beds. Based on the current rate of Courts transfers, MSOP expects to be out of beds in the next four years. Pre-design must be funded this year to address this bed shortage need.

For more information on MSOP's operating budget, please refer to page 312 of: <http://www.mmb.state.mn.us/doc/budget/narratives/gov/human-svcs.pdf>

#### **State Operated Services**

State Operated Services provides an array of treatment, vocational, and residential services to people with chemical dependency, neuro-cognitive, psychiatric and developmental disorders, some of whom pose a risk to society. These services are provided at approximately 200 sites around the state.

Since its peak in 1960, when state operated residential facilities served an average daily population of 16,355 persons, 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. State Operated Services currently serves approximately 14,000 individuals per year. This downsizing trend is a result of advances in treatment models for persons with disabilities, coupled with recognition that all individuals can participate in daily life activities in a community setting.

In addition to the change to community based services, SOS has faced operating budget reductions over the past few biennia. With the adoption of the budget from the 2009 Session and the corresponding actions by the Governor to unallot to balance the 2010/2011 biennium, State Operated Services will be required to implement significant change in its delivery of services to persons with complex needs and challenges.

For more information on SOS operating budget, please refer to pages 307-311 and pages 315-320 of:  
<http://www.mmb.state.mn.us/doc/budget/narratives/gov/human-svcs.pdf>

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

#### ***Minnesota Sex Offender Program***

MSOP current projections indicate the program will be out of space by Spring/Summer 2012. With an expected 24-month building process, it is critical Phase II is bonded this year and construction started in the spring of 2010.

In addition, the legislative bonding bill in 2006 did not include any essential service space to address the significant programming limitations on treatment capacity in Moose Lake. The Phase II project must address and include the expanded space for services essential in providing sex offender treatment. This is critical to ensure the program continues to be clinically effective and constitutionally sound.

#### ***State Operated Services***

Over the last 30 years the Department has requested and received funding to construct and/or remodel residential/program/ancillary facilities for the

MSH at St. Peter, the Anoka-Metro RTC, the METO program at Cambridge, and the MSOP at Moose Lake and St. Peter. In addition, the Legislature has provided the funding necessary to address the reduction/elimination of the large amount of non-functional surplus space in State Operated Services institutional system. Most recently this has resulted in the sale and reuse of the regional treatment center campuses at Willmar, Fergus Falls and Ah-Gwah-Ching.

### ***Long-Range Strategic Goals and Objectives***

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

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

State Operated Services' primary strategic objective has long focused on the shift of campus-based mental health (MH) services to an array of community-based MH services that provide appropriate levels of care closer to patient's homes. This strategy focuses on providing better care to patients, increasing federal participation in funding care, and reducing use of less effective, more expensive RTC based services.

*Strategic objective two:* The successful implementation of this long-range objective resulted in a large amount of non-functional surplus space throughout the RTC system. In the spring of 2001, DHS initiated a strategic program to address this issue with the objective to convert surplus property to other ownership. In addition, funds were requested and appropriated during the 2002 legislative session to start the process of demolishing buildings that are determined to be non-functional and/or are considered to have exceeded their useful, designed life.

In 2005 SOS, in partnership with local communities, completed comprehensive redevelopment/reuse plans for the Ah-Gwah-Ching Center (AGCC), Fergus Falls Regional Treatment Center (FFRTC) and Willmar Regional Treatment Center (WRTC) campuses. In the fall of 2005, SOS and the Department of Administration (DOA) in conjunction with Crow Wing County and the City of Brainerd began the process of developing a comprehensive redevelopment plan for the Brainerd Regional Human Services Center.

The 2005 Legislature authorized the disposition of the Ah-Gwah-Ching, Fergus Falls and Willmar RTC campuses. The 2006 Legislature authorized the disposition of the Brainerd campus. In addition, the 2005, 2006, and 2008 Legislatures appropriated funds for improvements to facilitate the redevelopment/disposition of these campuses, including the demolition of deteriorated, unsafe, non-functional buildings and improvements to public infrastructure needed to support redevelopment of the surplus campuses.

In January 2006 the transfer/sale of the Willmar campus was negotiated between the state, Kandiyohi County, and MinnWest, a private company from the Willmar area. On June 30, 2007 the City of Fergus Falls purchased the Fergus Falls regional treatment center, and on June 3, 2008 title to the Ah-Gwah-Ching Center was transferred to Cass County.

The Brainerd campus master planning project, coordinated by Crow Wing County, was completed during the spring of 2007. However, neither the County nor the City of Brainerd is interested in assuming ownership of the Brainerd campus and managing its redevelopment. Accordingly, the State's current plan is to abate hazardous materials, demolish all current vacant/surplus non-functional buildings on the Brainerd campus, and then offer the vacant property for redevelopment. In the winter of 2009, a local group of citizens began working with area legislators to utilize this vacant property on the Brainerd campus for the development of a veteran's nursing home.

*Strategic objective three:* State Operated Services focuses on the need to provide adequate/appropriate facilities for the long-term operation of its program and facility operations. This includes plans that have a system-wide impact such as the development of the system-wide training center

strategically located at the Anoka Metro Regional Treatment Center, and other projects that focus on individual programs such as the long-range plans for improving/upgrading the St. Peter campus.

State Operated Services and the Minnesota Sex Offender Program are developing a long-range campus master plan for the St. Peter campus. This master plan will be used to manage future renovation/development on the large St. Peter campus, which will continue to serve both MSH and MSOP into the future.

The long-range goal of this campus master plan is to develop a distinct and separate campus for MSOP on the northwest corner of the St. Peter campus property. This will allow MSH to continue with earlier plans to maximize the lower campus for MSH program activities and enable MSOP to develop facilities specifically designed to meet their future program needs. In addition, both MSH and MSOP will be able to develop physical environments that are conducive to their distinct program operations and necessary to facilitate long-term operational efficiencies.

As a result of the campus master plan, a bonding initiative for development of construction documents for the MSOP Community Preparation Services (CPS) is being requested in 2010. This project will be the foundation for the development of a distinct and separate campus for MSOP.

Accommodating MSOP's increase in commitments to the sex offender treatment program continues to place "space" demands on the Minnesota Security Hospital's programs and the St. Peter campus. If the MSOP Phase II project is not funded during the 2010 Legislative Session, MSOP's future need for space on the St. Peter campus will pose a significant problem for the Security Hospital's programs, and delay much needed improvements to the Security Hospital's residential and program facilities on the St. Peter campus.

*Strategic objective four: asset preservation.* This objective centers on the need to address critical repair, replacement, and renewal needs specific to the physical plants of State Operated Services and the Minnesota Sex Offender Program. Extensive assessments of the facilities include the following: safety hazards, code compliance issues, and mechanical and structural deficiencies; major mechanical and electrical utility system

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

#### **Agency Process Used to Arrive at These Capital Requests**

Each year, the DHS executive team conducts strategic planning for the department. Priorities – the long-range strategic goals – are confirmed and revised. Work plans for how to achieve these priorities and constructed; budget and legislative proposals come from this work.

Grounded in these discussions, a planning team, consisting of the assistant commissioners and directors involved with MSOP and SOS, reviewed and prioritized initial proposals. The group worked to prepare final proposals in line with the priorities of the department.

#### **Minnesota Sex Offender Program**

The growth of the MSOP program has been extensively discussed at the legislature since the high-profile murder in 2003. With the rapid growth, DHS requested 400 beds and essential services space in 2007-2008 bonding session. The final bonding bill only included the 400 beds, and no essential services space. An additional 400-bed expansion was also planned and discussed at that time.

The current physical design does not have adequate treatment rooms to fulfill MSOP's primary mission for the current number of clients at the Moose Lake facility. This problem will only be exacerbated by the anticipated growth. Adding 400 more beds in Phase II greatly increases the need for more treatment rooms.

Given the clinical and security needs and physical location of the program in Moose Lake, there are limited options available to MSOP. MSOP reviewed several other options. However, the greatest efficiency and value for the State of Minnesota is to build the essential services space and an additional 400 beds as outlined in the Phase II expansion bonding proposal.

#### **State Operated Services**

State Operated Services utilizes long-range strategic operational programs for each of the services it provides to manage change to the system. These operational programs are updated and/or reviewed on an annual basis with the intent to outline and describe services to be provided, methods of delivering these services, and resources required/available for providing these services in the future. These strategic operational programs must demonstrate a strategic link to the agency's system-wide strategic objectives/goals. Utilizing these annual reviews the State Operated Services Executive Team initiates long-range capital planning. This process includes:

- ◆ A facilities analysis and planning program;
- ◆ Identification of viable alternatives for meeting future physical plant needs;
- ◆ Identification of any surveys or studies (predesign) that may be required to assess viable alternatives; and,
- ◆ Implementation/review of existing/new campus master planning projects.

After completion of this work long-range (six-year) physical plant project budgets are reviewed/revised/updated. These six-year plans outline all capital projects proposed for each facility and also identify all known physical plant deficiencies, scheduled maintenance, or proposed/required improvements. Each project is evaluated and listed in a recommended budget category (R&R, R/R special projects, capital equipment, asset preservation, asset preservation, capital). This information is then used to:

- ◆ Establish potential costs associated with improving specific buildings or groups of buildings;
- ◆ Determine the appropriateness of related or proposed expenditures;
- ◆ Assess alternatives for meeting an individual facility's operational program; and
- ◆ Develop recommendations for the agency's senior staff to review and consider for inclusion in the agency's six-year capital budget plan.

The six-year plan outlines an incremental plan for improving and upgrading the physical plant resources required to support future operational programs at the SOS and MSOP facilities in accordance with the department's



strategic goals and objectives outlined in preceding sections of this Strategic Planning Summary document.

**Major Capital Projects Authorized in 2008 and 2009 (\$000's)**

**Laws of Minnesota, 2008, Chapter 179**

<b>Section 17</b>		<b>\$7,505</b>
System-Wide	Asset Preservation	\$3,000
System-Wide	Redevelopment, Reuse, or Demolition	\$3,400
	Multicounty Regional Chemical Dependency Treatment Facility	\$ 150
	Hennepin County Medical Center	\$ 820
	Remembering with Dignity	\$ 135

**Laws of Minnesota, 2009, Chapter 93**

<b>Section 13</b>		<b>\$2,000</b>
System-Wide	Asset Preservation	\$2,000

## Minnesota Sex Offender Program Expansion - Phase II

**2010 STATE APPROPRIATION REQUEST:** \$96,000,000

**AGENCY PROJECT PRIORITY:** 1 of 5

**PROJECT LOCATION:** Moose Lake

**Project At A Glance**

- ◆ **Phase II of two-phase project;** Funds for the first phase of construction (400 beds) and the design of Phase II were appropriated during the 2006 Legislative Session. **Current** proposal requests funds for construction of 400 additional beds and construction of essential life safety, and legally-required treatment activity space for all 800 beds on the Moose Lake MSOP campus. Without the proposed additions, there will continue to be a lack of kitchen, treatment, and programming space to effectively manage even the current number of Minnesota Sex Offender Program (MSOP) clients.
- ◆ **Creates critical bed space:** Current projections indicate MSOP will be out of beds by Spring/Summer 2012. With a 24-month building process, it is critical Phase II is bonded this year. Construction can begin this spring and be completed in 2012. If not bonded, MSOP will have to rent additional space which is very expensive and poses significant safety, licensing and logistical issues.
- ◆ **Project, as proposed, is fiscally responsible and most secure for public safety;** Attempts to break this project into additional phases not only compromises the integrity of the program but significantly increases the costs. In addition, further phasing would result in construction occurring within a secure perimeter which increases fiscal costs and public safety risks.

**Project Description**

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

The 2006 Legislature authorized a total of \$41.3 million for the first phase of the MSOP expansion. Phase I focused exclusively on site development; construction of residential facilities for 400 beds; and construction of minimal ancillary support facilities needed to operate the first 400-bed building while Phase II of the project is under construction. The 2006 Legislature also authorized the design of Phase II of the MSOP expansion.

This request (Phase II) includes funds to construct, furnish and equip an additional 400-bed secure residential facility; the necessary program areas (treatment/activity, work activity, group rooms, rehabilitation, visitation, medical treatment, warehousing etc.); the balance of the critical essential service space (dietary, mechanical and electrical, storage space, control centers, program administration, visitation, security center, etc.); and address the physical plant infrastructure to support the new physical space. In addition, this project will also require the expansion and upgrading of interior/exterior security systems (including fencing and electronic surveillance, communications, and emergency systems), reconfiguration of some road ways and parking areas, and some changes/modifications to the facility's basic utility infrastructure (sewer, water and electrical distribution) systems.

Utilizing the Phase I design as a model for designing Phase II allows the Department of Human Services (DHS) to construct significantly more secure space/beds for fewer dollars. This new residential model will provide enhanced security features while **reducing operational costs** associated with the security staff levels used for the previously utilized 25-bed MSOP living units.

## Minnesota Sex Offender Program Expansion - Phase II

**Background**

In late spring 2005, it became apparent that earlier projections in the MSOP program significantly underestimated growth in civil commitments. Specifically, the program has nearly quadrupled in the last nine years. This unprecedented growth caused a very serious capacity problem, in terms of housing and treatment delivery, for the MSOP.

This exponential growth resulted in the department needing to find temporary space to house individuals committed to the MSOP. All appropriate/available secure facilities at the Department's residential facilities were full in June 2006. To address this capacity problem, DHS and DOC implemented an emergency plan to utilize space at the Minnesota Correctional Facility (MCF)–Moose Lake as temporary facilities for the MSOP. This resulted in MSOP renting beds from DOC to house nearly 250 clients at a cost of nearly \$70 per day. In addition, MSOP also had to pay for staffing and operations of the two buildings within the DOC secure perimeter. This resulted in MSOP's operating budget and per diem significantly increasing.

The DOC entered into this agreement with the understanding that the option to use space at their Moose Lake facility was:

- ◆ a short term solution;
- ◆ was only available because of a temporary slowdown in DOC'S population growth; and,
- ◆ the DOC facilities at Moose Lake would be turned back to them by July 1, 2009.

When the MSOP clients moved into the Phase I expansion in June 2009, the facility was already half-full. As agreed, the buildings that MSOP utilized at the MCF -Moose Lake are now being utilized for DOC programs and would be unavailable if MSOP, again, faced a bed-crisis. In retrospect, while using the DOC facility was a stop-gap, it also resulted in significantly higher operational costs having clients across three locations.

The department projects the current admission rate will continue until such time longer sentencing guidelines established in the 2005 Legislature actually begin to impact the annual number of referrals to the MSOP. Phase II is needed to ensure that adequate bed capacity is maintained to accommodate the level of court-ordered commitments. MSOP needs the

additional critical support services proposed for construction during Phase II to maintain the integrity of the program and basic essential life services (i.e., dietary, educational, health care, etc.).

**Impact on Agency Operating Budgets (Facilities Notes)**

The increasing sex offender population will impact the agency's operating budget. The proposed change in operating costs will be outlined in the Project Detail page of this request.

**Previous Appropriations for this Project**

The Legislature appropriated funds to construct the original 100-bed facility at Moose Lake in 1994. Funds for the first 50-bed addition to Moose Lake were appropriated in 1998. The 2006 Legislature revised the 2005 appropriation so it could be used to design the MSOP Expansion at Moose Lake. The 2006 Legislature also appropriated \$41.3 million for design, construction, furnishings, and equipment for the new facilities for sex offenders at Moose Lake. However, this bonding bill did not include any essential service space to address the significant limitations on treatment capacity.

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

**Other Considerations**

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

**Minnesota Sex Offender Program Expansion - Phase II****Project Contact Person**

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$89.072 million for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>FY 2014-15</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	3,906	2,136	0	0	6,042
4. Project Management	0	1,750	0	0	1,750
5. Construction Costs	0	79,773	0	0	79,773
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	4,495	0	0	4,495
9. Inflation	0	7,846	0	0	7,846
<b>TOTAL</b>	<b>3,906</b>	<b>96,000</b>	<b>0</b>	<b>0</b>	<b>99,906</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>FY 2014-15</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	3,906	96,000	0	0	99,906
<b>State Funds Subtotal</b>	<b>3,906</b>	<b>96,000</b>	<b>0</b>	<b>0</b>	<b>99,906</b>
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
<b>TOTAL</b>	<b>3,906</b>	<b>96,000</b>	<b>0</b>	<b>0</b>	<b>99,906</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>FY 2014-15</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	7,588	32,003	39,591
Other Program Related Expenses	0	672	3,008	3,680
Building Operating Expenses	0	2,848	5,196	8,044
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	11,108	40,207	51,315
Revenue Offsets	0	<1,100>	<4,000>	<5,100>
<b>TOTAL</b>	<b>0</b>	<b>10,008</b>	<b>36,207</b>	<b>46,215</b>
Change in F.T.E. Personnel	0.0	94.9	131.6	226.5

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	96,000	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2015

## System-wide Asset Preservation

**2010 STATE APPROPRIATION REQUEST:** \$5,000,000

**AGENCY PROJECT PRIORITY:** 2 of 5

**PROJECT LOCATION:** Anoka-Metro Regional Treatment Center, Brainerd Regional Human Services Center, Minnesota Extended Treatment Options - Cambridge, St. Peter Regional Treatment Center, System-Wide

#### Project At A Glance

- ◆ Maintain and preserve capital investments in state assets
- ◆ Provide repairs and replacements to basic facility infrastructure and key mechanical, electrical, utility, and 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 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/replacements,
- ◆ Road and parking lot maintenance,
- ◆ Major mechanical and electrical utility system repairs, replacements,

- ◆ upgrades and/or improvements, including the replacement of boilers and upgrade of steam systems,
- ◆ Abatement of hazardous materials (e.g., asbestos containing pipe insulation, floor and ceiling tile, lead paint, etc.), and
- ◆ Demolition of deteriorated/unsafe/non-functional buildings and structures

#### Background Information

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

The key objective of asset preservation is to help reduce the amount of deferred maintenance and deferred renewal referred to as the "capital iceberg." Although most projects associated with this request are considered nonrecurring in scope, all facility components require scheduled maintenance and repair, and eventually many require replacement. The average life cycle of most projects associated with this request range between 25 and 30 years; however, some have longer life cycles (i.e. tuck pointing, window replacement), and a few may have shorter life cycles (i.e. road and parking lot seal coating and overlays, exterior 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.

## System-wide Asset Preservation

**Impact on Agency Operating Budgets (Facilities Notes)**

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

**Previous Appropriations for this Project**

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  
2000 Legislature appropriated \$3 million  
1998 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, an 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.

**Project Contact Person**

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$3 million for this project. Also included are budget planning estimates of \$3 million in 2012 and 2014.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>FY 2014-15</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	400	445	493	1,338
4. Project Management	0	146	175	192	513
5. Construction Costs	0	3,995	4,725	5,241	13,961
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	459	1,155	2,074	3,688
<b>TOTAL</b>	<b>0</b>	<b>5,000</b>	<b>6,500</b>	<b>8,000</b>	<b>19,500</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>FY 2014-15</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	5,000	6,500	8,000	19,500
<b>State Funds Subtotal</b>	<b>0</b>	<b>5,000</b>	<b>6,500</b>	<b>8,000</b>	<b>19,500</b>
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
<b>TOTAL</b>	<b>0</b>	<b>5,000</b>	<b>6,500</b>	<b>8,000</b>	<b>19,500</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>FY 2014-15</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	5,000	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
No	MS 16A.642: Project Cancellation in 2015



## System-wide (Brainerd) - Campus Redevelopment /Reuse/Demo

**2010 STATE APPROPRIATION REQUEST:** \$5,782,000

**AGENCY PROJECT PRIORITY:** 3 of 5

**PROJECT LOCATION:** Brainerd Regional Human Services Center

#### Project At A Glance

- ◆ Upgrade building/facility components to facilitate redevelopment/reuse of the Brainerd Regional Human Services Center campus – the last of the surplus Regional Treatment Center (RTC) campuses associated with this long term project.
- ◆ Demolish old, non-functional buildings and infrastructure considered non-functional for redevelopment/reuse or determined too expensive to redevelop for an alternative reuse.
- ◆ Address other issues associated with disposition of the surplus buildings on the Brainerd RTC campus.

#### Project Description

This capital budget request is for funds to continue with the disposition (sale/transfer of ownership) of the Department of Human Services' surplus RTC campuses. This request will focus on the Brainerd Regional Human Services which is the remaining campus of the four surplus campuses associated with this long term objective. This request is for funds to:

- ◆ Upgrade building/facility components which will facilitate redevelopment and/or reuse or continued use of buildings on the Brainerd campus (i.e., independent HVAC systems for utilized buildings).
- ◆ Abate hazardous materials from buildings and tunnels to prepare these structures for future renovation or demolition.
- ◆ Demolish old, non-functional buildings and infrastructure that may be considered in-appropriate and/or too expensive to remodel/renovate for an alternate future reuse.
- ◆ Address other issues associated with the disposition of the surplus buildings and land on the Brainerd campus (infrastructure modifications).

The department's current plan for the campus is to: 1) install independent HVAC (heating, ventilation and air conditioning) and electrical service to the three buildings that are currently scheduled to continue to be utilized for State programs (Bldgs. 20, 21 & 22); 2) abate hazardous materials and demolish buildings that are currently vacant (Bldgs. 4,5,6,7,8,10,17 & 19); and, 3) complete abatement of hazardous materials and demolish Building #1, Building #2 and the campus tunnel system.

#### Background Information

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

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

In January 2006 the transfer/sale of the Willmar campus was worked out between the state, Kandiyohi County, and MNWest, a private company from the Willmar area. On June 30, 2007 the City of Fergus Falls purchased the Fergus Falls regional treatment center, and on June 3, 2008 title to the Ah-Gwah-Ching Center was transferred to Cass County.

The Brainerd campus master planning project, coordinated by Crow Wing County, was completed during the spring of 2007. Both the county and the city of Brainerd advised the State that they were not interested in taking over ownership of the Brainerd campus and/or managing the redevelopment of the Brainerd campus.

## System-wide (Brainerd) - Campus Redevelopment /Reuse/Demo

**Impact on Agency Operating Budgets (Facilities Notes)**

Current campus operational costs (fuel and utilities, building and grounds maintenance, and power plant operations) exceed \$1 million per fiscal year.

This expense provides heat and cooling to the three program buildings (MNS, CARE, and MinnesotaCare) and to Crow Wing County's building, heat and cooling to Building 1, minimal heat to vacate buildings, and basic buildings and grounds maintenance for the campus. This expense also funds salaries for the power plant engineers for a 24 hour 7 day per week power plant operation.

The budget adopted by the 2003 Legislature assumed that the Brainerd campus would be vacated by July 1, 2007, and no longer in the possession of DHS. This means the department currently has a \$1 million annual funding deficiency associated with the operations of the Brainerd campus.

This level of operational funding will need to be restored until the transfer/sale of the Brainerd campus occurs or the non-functional buildings and infrastructure is demolished.

**Previous Appropriations for this Project**

The 2005 legislature appropriated \$8,910,000 for this request: \$4 million for the Ah-Gwah-Ching campus; \$1.9 million for the Willmar campus; and approximately \$3 million for the Fergus Falls campus.

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

The 2006 Legislature appropriated \$5,000,000 for this system-wide request *"to demolish surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional facilities and infrastructure at Department of Human Services campus that the commissioner of administration is authorized to convey to a local unit of government under Laws of 2005, chapter 20, article 1, section 46, or other law."*

The 2008 Legislature appropriated \$3.4 million for system-wide Redevelopment/Reuse and Demolition. These funds are earmarked for the installation of independent HVAC and electrical systems in Buildings 20, 21 and 22, and preliminary design for abatement of the hazardous materials in the buildings that are currently vacant on the Brainerd campus.

**Other Considerations**

- ◆ Experience indicates that because of their original design and construction, many of the Brainerd buildings have very limited capacity for effective/efficient reuse. Renovation/reuse usually requires these buildings to be brought up to current building/energy codes. The cost associated with this upgrade can make the reuse ineffective/cost prohibitive.
- ◆ Vacant buildings tend to become an attractive nuisance and pose a significant safety risk to the community and the State. Both kids and adults are drawn to vacant buildings, and can cause considerable damage to the facilities. More importantly, vandals/trespassers can be exposed to very dangerous conditions and are at serious risk for injury when trying to enter these buildings through broken windows/doors. If successful at gaining entry to the campus buildings/tunnels individuals could be exposed to hazardous materials (asbestos, lead paint, mercury, etc.), high voltage electricity, and active high pressure steam.
- ◆ An alternative to demolition of the vacant non-functional buildings on the Brainerd campus would be "mothballing." Mothballing would slow down the inevitable deterioration of the vacant buildings. Mothballing would close up building openings to prevent unauthorized access and to reduce water infiltration. Mothballing would also include installation of basic heating equipment to maintain a minimum cold weather temperature of 50 degrees. The cost to physically mothball all buildings except Buildings 20, 21 and 22 was estimated to be approximately \$2.5 million in 2006 dollars. However, mothballing would also require **ongoing annual operating/maintenance costs for these buildings**, and the overall cost of mothballing the Brainerd campus buildings for an extended period of time would soon exceed the cost of abatement/demolition of the vacant buildings.

**System-wide (Brainerd) - Campus Redevelopment /Reuse/Demo**

Funding of this proposal will enable the department to move forward with the disposition of the surplus buildings/property on the Brainerd campus. If an alternate use cannot be found for a particular building the department intends to pursue abatement of hazardous materials and demolition so the need to continue to expend state dollars to maintain these non-utilized, non-functional buildings in the future can be eliminated.

**Project Contact Person**

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$5.782 million for this request.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>FY 2014-15</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	474	0	0	474
4. Project Management	0	145	0	0	145
5. Construction Costs	0	4,730	0	0	4,730
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	433	0	0	433
<b>TOTAL</b>	<b>0</b>	<b>5,782</b>	<b>0</b>	<b>0</b>	<b>5,782</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>FY 2014-15</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	5,782	0	0	5,782
<b>State Funds Subtotal</b>	<b>0</b>	<b>5,782</b>	<b>0</b>	<b>0</b>	<b>5,782</b>
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
<b>TOTAL</b>	<b>0</b>	<b>5,782</b>	<b>0</b>	<b>0</b>	<b>5,782</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>FY 2014-15</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
Other Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	5,782	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
No	MS 16A.642: Project Cancellation in 2015

## MSOP - Design New Facilities for CPS Program

**2010 STATE APPROPRIATION REQUEST:** \$300,000

**AGENCY PROJECT PRIORITY:** 4 of 5

**PROJECT LOCATION:** St. Peter Regional Treatment Center Campus

#### Project At A Glance

- ◆ **Multi-Phased Project - Phase One** (2010 budget request) - Design a 24-bed residential facility for the Minnesota Sex Offender Program's Community Preparation Services Program (CPS), and develop related construction documents. **Phase Two** (2012) budget request) - Construct, furnish, fixture and equipment (FF&E) the new facility.
- ◆ **Consistent with DHS long-term planning:** Current CPS is placed on St. Peter campus and encroaches on existing treatment space for vulnerable adults. Construction and relocation of CPS on the northeast end of the St. Peter campus geographically and programmatically delineates MSOP and SOFS.
- ◆ **Creates needed bed-space:** Based on current rate of transfers, CPS will be out of beds in 2014. Pre-design must be funded this year to proactively address bed-shortage.
- ◆ **Maximizes public safety in community preparation:** Management of risk is best accomplished through gradual increases in liberty and an individualized supervision plan. CPS is essential in providing these critical opportunities for ongoing assessment and monitoring.

#### Project Description

This project will focus on the development of new facilities for the Minnesota Sex Offender Program's (MSOP) Community Preparation Services (CPS) Program. This new building will be designed to accommodate 24 residents, and will include space for residential, program/treatment and staff facilities. This building will be located on the St. Peter campus.

This project is being proposed as a two-phase project. **Phase I** will focus on the development of construction documents for the facilities proposed for the CPS program. Funds for the design and development of construction documents are being requested in the 2010 Legislative session with the intent of having the project ready to bid in the spring of 2012.

**Phase II** will focus on the actual construction project. Funds for construction, furnishings and equipment, will be requested during the 2012 Legislative Session.

The proposed CPS program facilities will be designed to accommodate 24 residents. Living units will provide multi-bed sleeping rooms, common use living spaces, dining areas, kitchenettes, bathing/toilet facilities, a patient laundry room and housekeeping spaces. The residential units will adjoin a central staff area separated from client sleeping and commons areas. Staff areas will include work areas, shared/private offices for staff and providers, multi-purpose rooms, break room, work/copy room, and unit storage spaces.

The site will need to provide parking for staff and visitors, outdoor activities/recreation, and program/facility security. In addition, the site will need basic utility services such as sewer, water, natural gas, electricity and telecommunication services. The space program, scope of work, preliminary design concept, and project cost estimates for this project were developed in a predesign study in the fall of 2008 by Young & Associates Architects, Ltd., Minneapolis, Minnesota.

#### Background

The MSOP's key activities focus on providing specialized treatment for individuals committed by the courts as either a sexual psychopathic personality (SPP) or a sexually dangerous person (SDP). The majority of persons committed to the MSOP program have been referred by the Department of Corrections (DOC) (prior to their scheduled release date) to individual counties for consideration of civil commitment.

Once individuals are civilly committed, they are provided opportunities to participate in comprehensive sexual offender specific treatment. MSOP applies the risk, needs responsivity model and cognitive behavioral

## MSOP - Design New Facilities for CPS Program

approaches to assist clients in skill acquisition, application and risk reduction. Opportunities are provided throughout the treatment process for clients to demonstrate and maintain meaningful change. MSOP provides various levels of care to meet the individual needs of the patients.

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

MSOP recently initiated its **Community Preparation Services (CPS) program**. The CPS program is designed to assist with the reintegration of MSOP clients from a secure setting on campus to a more community-based setting located outside the secure perimeter. Clients within MSOP, who have completed primary treatment requirements and have demonstrated meaningful change, may petition to the SRB for placement in CPS to continue their reintegration process.

**General Program (Community Preparation Services) Description**

CPS clients participate in individualized programming within a residential setting outside the MSOP secure perimeter. CPS clients continue to progress toward reintegration by utilizing their individualized treatment plans. These treatment plans address sexual offender specific treatment in the community; community based support groups (i.e. AA) as well as continued rehabilitation services. MSOP is dedicated to assisting clients in making a successful transition back into a community of which they have been absent for many years, sometimes decades. It is crucial that CPS clients be provided opportunities to apply their treatment skills in a vocational work setting beginning with on campus placements in the hopes of community based employment.

The on-going monitoring and supervision of clients is accomplished by utilizing several different methods. Those include electronic monitoring, intermittent staff surveillance, GPS tracking, and drug and alcohol screening. The Office of Special Investigations (OSI) serves a primary role within the CPS treatment team with regard to the overall supervision of each client. Other treatment team members include the Primary Clinician, Clinical Supervisor, Unit Director, Vocational/Rehab Counselors, and Security Counselors.

Through treatment team oversight and facilitation, individual resident liberties and/or privileges are defined and/or incorporated into their respective individual treatment plans. Clients are encouraged and supported to take full responsibility for their daily activities including work and recreation.

**Temporary Facilities**

In late 2007, the Supreme Court Appeal Panel placed the first MSOP client into CPS. In early 2009, the Supreme Court Appeal Panel placed two more MSOP clients in CPS to continue their transition to community placement/reintegration. The CPS program is currently utilizing the century old Halvorson House located on the northeast corner of the St. Peter campus. The Halvorson House is licensed as a Supervised Living Facility for **five** residents. Although this building meets licensure requirements, the basic layout, size of the rooms and two-story construction provide less than optimal space for the CPS program. The Halvorson House was set-up as a temporary facility until new facilities designed specifically for the program are developed.

**Projected Capacity Needs**

Based on current placements and projections, the Special Review Board and Supreme Court Appeal Panel will place several more clients in CPS over the next six years. The existing buildings are inadequate to accommodate this growth. The new facility proposed in this capital budget request will provide space for up to 24 residents. If the proposed 24-bed CPS is not bonded for design and then construction, CPS will be forced to operate out of multiple locations which compromises the integrity of the program and increased operating costs associated with the program

**Impact on Agency Operating Budgets (Facilities Notes)**

The increasing sex offender population will impact the agency's operating budget. Although a new building will be much more efficient and will save energy costs per square foot (vs. a house that is over one century old), until the new facility is designed the actual amount of savings is unknown. Further, if MSOP does not build its own CPS, the program will be forced to expand to a second location, most likely on the St. Peter campus. Economy of scale is lost when operating two facilities as opposed to one larger, more current facility, thereby increasing operational and staffing costs.

**MSOP - Design New Facilities for CPS Program****Previous Appropriations for this Project**

None

**Other Considerations**

The MSOP CPS investigated the possibility of renovating some of the very limited existing space on the St. Peter campus to meet the CPS program space requirements. This would result in two CPS facilities accommodating five and eight beds each. However, the costs associated with operating two facilities as opposed to one 24-bed facility are increased. In addition, this option would only provide 13 beds instead of the needed 24 beds, forcing CPS to look at a third facility, increasing the costs and liability of the program (i.e., clients have a constitutional right to progress to the next level of the program).

**Project Contact Person**

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**Governor's Recommendations**

The Governor does not recommend capital funds for this request.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>FY 2014-15</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	281	0	0	281
4. Project Management	0	0	180	0	180
5. Construction Costs	0	0	2,546	0	2,546
6. One Percent for Art	0	0	17	0	17
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	276	0	276
9. Inflation	0	19	489	0	508
<b>TOTAL</b>	<b>0</b>	<b>300</b>	<b>3,508</b>	<b>0</b>	<b>3,808</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>FY 2014-15</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	300	3,508	0	3,808
<b>State Funds Subtotal</b>	<b>0</b>	<b>300</b>	<b>3,508</b>	<b>0</b>	<b>3,808</b>
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
<b>TOTAL</b>	<b>0</b>	<b>300</b>	<b>3,508</b>	<b>0</b>	<b>3,808</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>FY 2014-15</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	300	900	1,200
Other Program Related Expenses	0	427	523	950
Building Operating Expenses	0	46	92	138
Building Repair and Replacement Expenses	0	0	13	13
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	773	1,528	2,301
Revenue Offsets	0	<77>	<153>	<230>
<b>TOTAL</b>	<b>0</b>	<b>696</b>	<b>1,375</b>	<b>2,071</b>
Change in F.T.E. Personnel	0.0	3.0	2.0	5.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	300	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2015



## Anoka - Remodel Miller Building

**2010 STATE APPROPRIATION REQUEST:** \$618,000

**AGENCY PROJECT PRIORITY:** 5 of 5

**PROJECT LOCATION:** Anoka-Metro Regional Treatment Center

#### Project At A Glance

- ◆ This is a two phase project to develop a training center on the Anoka-Metro Regional Treatment Center campus.
- ◆ This 2010 request (Phase One) is for funding to design the project.
- ◆ Phase Two will focus on renovation / construction and FF&E

#### Project Description

This request is for funds to design a training, office and support complex on the Anoka-Metro Regional Treatment Center (AMRTC) campus for State Operated Services (SOS).

The development of the training center will focus on the Miller Building and the area adjacent to the Miller Building. It will involve renovation of existing space and construction of new space, HVAC and electrical upgrades and the development of new/additional parking facilities.

Funds for renovation/construction and for furnishing, fixtures and equipment (FF&E) for this project will be requested in the department's 2012 Capital Budget request.

#### Background Information

As a result of the disposition of the Ah-Gwah-Ching, Fergus Falls, and Willmar campuses, and the current downsizing of the Brainerd campus, most of the spaces that the department previously used for out-state training of

SOS staff is no longer available. The development of this training center on the Anoka campus will provide this badly needed space.

This new training center will facilitate a joint relationship to provide educational opportunities between SOS and the University of Minnesota Medical School and other metro-area professional and technical colleges. This training center will also provide a facility for SOS professionals to learn and study in a clinical environment on the Anoka campus.

Classrooms and support spaces will be specifically designed to accommodate this specialized training and in a location in close proximity to the hospital. Locating this training facility at Anoka Metro RTC will facilitate the integration of theory and practice, and the linking of clinician training directly to patients. This renovated space will also act as a lab for best practices and evidence-based practices. It will also provide an environment for professionals in psychiatry, nursing, social services, psychology, program administration and support functions to learn in a clinical environment.

In addition, the Anoka campus is centralized with respect to most of SOS' out-states facilities and has excellent highway access from most parts of the state.

#### Impact on Agency Operating Budgets (Facilities Notes)

This renovated space will increase the facility's annual fuel and utility budget by a small percentage. It will also cause a slight increase in the facility's annual maintenance budget. However, these costs should be more than offset by operational savings attributed to no longer leasing space in the community for this training, and by the efficiency associated with having AMRTC's clinicians train for several hours a day and then walk to their treatment units to serve patients for the balance of their shift.

#### Previous Appropriations for this Project

None

**Other Considerations**

Without this project the department will continue to bear the costs of having to rent or lease space in the community for training.

**Project Contact Person**

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**Governor's Recommendations**

The Governor does not recommend capital funds for this request.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>FY 2014-15</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	576	0	0	576
4. Project Management	0	0	290	0	290
5. Construction Costs	0	0	5,244	0	5,244
6. One Percent for Art	0	0	42	0	42
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	525	0	525
9. Inflation	0	42	1,141	0	1,183
<b>TOTAL</b>	<b>0</b>	<b>618</b>	<b>7,242</b>	<b>0</b>	<b>7,860</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>FY 2014-15</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	618	7,242	0	7,860
<b>State Funds Subtotal</b>	<b>0</b>	<b>618</b>	<b>7,242</b>	<b>0</b>	<b>7,860</b>
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
<b>TOTAL</b>	<b>0</b>	<b>618</b>	<b>7,242</b>	<b>0</b>	<b>7,860</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>FY 2014-15</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	60	60
Other Program Related Expenses	0	0	30	30
Building Operating Expenses	0	0	40	40
Building Repair and Replacement Expenses	0	0	20	20
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	150	150
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>150</b>	<b>150</b>
Change in F.T.E. Personnel	0.0	0.0	1.0	1.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	618	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2015