

Project Title	2008 Agency Priority Ranking	Agency Project Request for State Funds (\$ by Session)				Governor's Recommendations 2008	Governor's Planning Estimate	
		2008	2010	2012	Total		2010	2012
Asset Preservation	1	\$9,900	\$6,000	\$6,000	\$21,900	\$7,000	\$6,000	\$6,000
Minneapolis Building 9 Demolition	2	1,000	0	0	1,000	1,000	0	0
Minneapolis New Nursing Building	3	25,999	0	0	25,999	25,999	0	0
Hastings Supportive Housing	4	6,655	0	0	6,655	0	0	0
Fergus Falls Special Care Unit	5	9,970	0	0	9,970	0	0	0
Silver Bay Master Plan Renovation	6	3,800	0	0	3,800	227	0	0
Minneapolis Campus HVAC Upgrade	7	11,300	0	0	11,300	7,835	0	0
Kandiyohi Veterans Home Construction	8	7,905	0	0	7,905	0	0	0
Minneapolis Campus Security	9	2,300	0	0	2,300	0	0	0
Minneapolis Building 17	10	11,351	0	0	11,351	0	0	0
Total Project Requests		\$90,180	\$6,000	\$6,000	\$102,180	\$42,061	\$6,000	\$6,000

Agency Profile At A Glance

In FY 2006, Minnesota veterans received more than \$162 in federal veterans' benefits as a direct result of the department's claims and outreach offices on campus.

Over 2,000 veterans and their families receive State Soldiers Assistance Benefits annually.

Veterans Assistance Offices on Campus are operational and assisted 593 veterans at Minnesota's higher education institutions.

Support Our Troops license plates have generated more than \$450,000 for veterans programs.

Outreach offices have served approximately 1,500 veterans since 2004.

Manage five veterans homes statewide with 859 operating beds and a 98 percent occupancy.

Agency Purpose

The Department of Veterans Affairs mission and purpose is to serve the veterans of Minnesota, their dependents and survivors, in securing all benefits and services afforded by state and federal law. As well as provide the highest possible quality programs for housing, health and supportive services to veterans and their spouses.

Since its creation in 1943 (MS Chapter 196), the department has accomplished its mission of meeting the needs of Minnesota's veterans and their families by being a steadfast veteran-focused organization, functioning as a single, comprehensive provider of seamless service to the men and women who have served this great state and nation.

Core Functions

The Department of Veterans Affairs provides overall leadership and direction to the Veteran Community through collaboration with public and private service providers. The core functions of the Department of Veterans Affairs include

- ◆ Promotion of self-sufficiency and personal responsibility through a temporary safety net of benefits and services;
- ◆ Supplying representation to clients pursuing claims for federal veterans benefits;
- ◆ Ensuring a smooth transition for veterans from active military service to civilian life;
- ◆ Providing dignified and compassionate committal services at the Minnesota State Veterans Cemetery;
- ◆ Revising and building upon proven business practices to ensure the most timely, cost-effective delivery of benefits and services;
- ◆ Prudently managing all budgets, accounts, financial transactions, information technology, and human resources to meet departmental needs; and
- ◆ Provide nursing care, medical and social services to veterans and their spouses in the five state operated veterans homes.

Operations

The department serves over 464,968 Minnesota veterans, their dependents and survivors with the assistance of the eighty-seven men and women who comprise the corps of County Veterans Service Officers and representatives of Minnesota's congressionally chartered veterans' organizations. The department is comprised of three divisions: benefits, services, and departmental operations.

Benefits – The Veterans benefits program provides financial assistance through the State the State Soldiers Assistance Program, Veteran's Preference Enforcement, and rehabilitation services to all Minnesota veterans in need. Also included within this main program area is the veterans' and war orphans' educational benefits, and the homeless veterans' initiative.

Services - This area of the department provides claims representation in collaborative effort with the eighty-seven county veterans service officers as well as fiduciary guardianship services.

Departmental Operations – This function includes the commissioner’s office (which is responsible for the overall management of the agency), oversight of the Minnesota State Veterans Cemetery, Veterans’ Outreach Services, The Minnesota State Approving Agency, Information Technology, Higher Education Veterans Assistance Offices on Campus, Recently Separated Veterans Program, Support Our Troops License Plates, Grants to Counties, Disable American Veterans (DAV), Military Order of Purple Heart, and the VFW.

Veterans Homes - This area of the department provides operational assistance to the five state operated veterans nursing homes which includes financial management, human resources, quality management, corporate compliance, and legal issues. The Deputy Commissioner of Veteran Health Care has been hired and is responsible for all operational aspects of the homes.

Budget

FY 2006-07 agency activities are primarily funded through general fund appropriations, which account for 86.1 percent of total funding. Additional funding comes from departmental earnings and other revenue, 10.4 percent; and federal funds, 3.5 percent. The homes side of the budget operating resources comes from state appropriations, 53 percent; federal per diem payments, 23 percent; and resident patient pay, 24 percent. The department staff totals approximately 1,075 full-time equivalents (FTEs).

Contact

Department of Veterans Affairs
Veterans Service Building
20 West 12th Street
Saint Paul, Minnesota 55155

Home Page: www.mdva.state.mn.us
Department Results Page:
www.departmentresults.state.mn.us/vets/index.html

Clark Dyrud, Commissioner
Phone: (651) 296-2562
Fax: (651) 296-3954

At A Glance: Agency Long-Range Strategic Goals

- ◆ To serve the veterans of Minnesota as well as their dependents and survivors in securing all benefits and services afforded by state and federal law;
- ◆ To provide a therapeutic environment that encourages resident independence, respects individuality, promotes self-worth, well-being, and quality care;
- ◆ To be good stewards of physical assets to ensure all facilities are properly maintained and managed;
- ◆ To coordinate services and work cooperatively with medical communities;
- ◆ To develop new and innovate solutions in the delivery of long-term care;
- ◆ To provide quality programs to meet the long-term care needs of Minnesota’s Veterans and their spouses; and
- ◆ To implement those findings of the Governor’s Long Term Care Commission which are feasible.

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

According to the United States Department of Veterans Affairs, 420,000 veterans currently reside in Minnesota. While the veteran population is expected to decrease over the next 20 years, the number of veterans 75 and older will grow by nine percent from today’s rates. At least 50 percent of the patients cared for in veteran’s homes are between the ages of 75-84 and 21 percent over the age of 85. This is compared to private sector long-term care where approximately 31 percent are between the ages of 75-84 and 52 percent over 85.

Residents with Alzheimer’s and/or dementia related illnesses comprise more than 50 percent of our inpatient population. In addition, as in the rest of the long term care industry, residents are being admitted later in life and with more complex medical and mental health diagnosis.

The Hastings Veterans Home currently operates a community based supportive housing program for residents that need supportive services to be

successful in their goal of independent living. This facility also has plans to construct a new 60 bed supportive housing program on that campus to accommodate a larger number of veterans to achieve their goal for a more independent living arrangement.

Although the impact has not yet been seen at our facilities, a new group of eligible veterans are emerging from Desert Storm and Iraqi Freedom. Due to the nature of their injuries, veterans’ homes across the state and nation could begin to see applications for admissions from veterans with multiple amputations, traumatic brain injuries, and post traumatic stress related injuries once they have completed their acute care phase of their treatment.

Nationally, state veterans home programs represent the largest provider of long term care in the United States with 24,827 operating beds in 48 states. The U.S Department of Veterans Affairs (VA) provides state home construction grants to supplement the construction of new and the renovation of existing state veterans’ health care facilities. As part of our strategy, we have submitted our major projects to the VA for state home grant funding. All of our project submissions have been approved by the VA and are waiting state funding. If state funding were awarded, a final decision on federal funding is made during the beginning quarter of the following federal fiscal year.

Currently, the Minnesota State Veteran’s Homes are licensed for:

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

Our programs are specialized to our veterans' needs. We continue to evaluate our services on an ongoing basis to ensure that the care and services provided are appropriate to our mission and responsive to the changing special needs of the veterans' community.

As a result of factors such as age, gender, case mix, diagnosis, demographic changes, this agency is continually reevaluating its programs in an effort to meet the needs of the aging veteran population.

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

An assessment of each facility follows:

Minneapolis – This is our oldest campus dating back to 1887. We continue to work on maintaining this 51 acre historic site. While major renovations have taken place over the past few years, work is still required to update various aspects of the buildings on site, which are reflected in the asset preservation project list as a part of the bonding request. Minneapolis maintains a waiting list of over 300 veterans seeking skilled care services.

Hastings – This site has completed a major campus renovation. Beginning with a major rework of the infrastructure, the renovations have included updates to the mechanical systems in the major patient care buildings, repair or replacement of tunnels, updates to the power plant, roof repairs or replacements, and other energy conservation items.

Silver Bay – This facility was originally an elementary school built in 1953. It was converted to a nursing home and a number of space and functional deficiencies remain. A new sloped metal roof project has been completed. This new roof not only will reduce life-cycle costs, but has already provided energy savings. A clinical update plan would bring the facility up to current nursing home construction standards and provide a better environment for providing patient care services.

Luverne – The project to add programming space to the Alzheimer's wing has broken ground this summer. Work to correct water runoff in the parking lots has been completed. This work eliminates a safety hazard, especially during the winter months. Luverne maintains a waiting list of approximately 40 individuals.

Fergus Falls – This is our newest facility and operates 86 skilled nursing beds and has a VA outpatient clinic co-located on site. A project proposed for this facility would add a 21 bed special care unit for Alzheimer's. Fergus Falls

also has had a major waiting list for care, approximately 70 individuals, and the additional beds will help to alleviate that unmet demand.

Agency Process Used to Arrive at These Capital Requests

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

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

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

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

The long-range planning study and the Historic Structures Report used to develop these requests contain a building-by-building evaluation of all

buildings at the Minneapolis and Hastings veterans' homes. These evaluations detail the condition of the buildings, the asbestos content, and the modification needed to comply with ADA standards. The study also includes long-range strategic plans for the Minneapolis and Hastings veterans' homes' renovations, remodeling, and new construction. These plans, if implemented, will not only bring the homes into compliance with current health care and safety standards, but will also improve the service delivery to our residents.

A study of the long-term care needs of veterans in Minnesota has helped the board shape these requests. There has been an active strategic planning process at the facility and agency level and strategic initiatives have been reviewed, prioritized, and approved by the Board of Directors.

Major Capital Projects Authorized in 2006

Asset Preservation - \$6,000,000

Fergus Falls - \$637,000 to design a 21 bed Alzheimer/dementia unit

Hastings Supportive Housing - \$700,000 to design 30 units

Luverne - \$599,000 to complete an Alzheimer/dementia area

Minneapolis - \$2,457,000 for emergency power system upgrade

Silver Bay - \$1,697,000 for the state share of a master plan renovation

Asset Preservation

2008 STATE APPROPRIATION REQUEST: \$9,900,000

AGENCY PROJECT PRIORITY: 1 of 10

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

Project At A Glance

- ◆ Provides funding for upgrades to over 50 buildings statewide
- ◆ Continues to provide a safe environment to care for vulnerable adults
- ◆ Ensures continued full use of all physical assets
- ◆ Timely repair/replacement of building components eliminates future high costs
- ◆ Does not qualify for 65 percent federal VA reimbursement

Project Description

This request is for department-wide asset preservation. This request will address building repair items that go beyond the day-to-day maintenance needs of each facility. It will also ensure facilities used to care for over 900 residents are in good condition.

Examples of projects in this request include: replacing of exterior envelope components, roof replacement, tuckpointing, sanitary sewer repairs, mechanical and electrical updates, and updates to resident bathrooms and central showers. This request would update a variety of resident building components. These projects serve to maintain a safe, efficient, and manageable environment for the residents at the homes.

There are also specific asset preservation needs at each facility. Projects for the Minneapolis campus provide repairs to exterior envelopes, and the replacement of windows and doors. The Hastings campus is in need of repairs on exterior envelopes, roofs, windows, doors, and sanitary/storm sewers. Parking lots are also in need of reengineering and upgrading. The

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

The amount identified in this asset preservation request reflects a backlog of asset preservation needs.

Impact on Agency Operating Budgets (Facilities Notes)

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

Previous Appropriations for this Project

Past amounts appropriated for asset preservation include: \$4 million in the 2005 bonding bill with an additional \$2.2 million dedicated from federal reimbursement of past projects; and \$6 million in the 2006 bonding bill. All of these accounts are being used with 95 percent of these funds encumbered for ongoing projects.

In 2007, the department received a total of \$6.5 million for repair and betterment of facilities to be used in this biennium. These funds have been encumbered against improvement projects currently in process. This funding will help with maintenance and improve the overall condition of each facility. In the past, operational funds designated for repairs and betterment have largely been reprogrammed to address operating budget shortfalls. Because of this new funding, the department is better equipped to address upkeep at every facility.

Other Considerations

This project is not eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of a project's cost once the state has appropriated its share - 35 percent.

Asset Preservation**Project Contact Person**

Christine Kiel, Legislative Liaison
Veterans Services Building
20 West 12th Street
Saint Paul, Minnesota 55155
Phone: (651) 757-1530
Fax: (651) 757-1537
Email: Christine.kiel@state.mn.us

Governor's Recommendations

The governor recommends general obligation bonding of \$7 million for this project. Also included are budget planning estimates of \$6 in 2010 and \$6 in 2012.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	902	624	624	2,150
4. Project Management	0	304	210	210	724
5. Construction Costs	0	7,478	5,166	5,166	17,810
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	1,216	0	0	1,216
TOTAL	0	9,900	6,000	6,000	21,900

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	9,900	6,000	6,000	21,900
State Funds Subtotal	0	9,900	6,000	6,000	21,900
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	9,900	6,000	6,000	21,900

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	9,900	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

Minneapolis Building 9 Demolition**2008 STATE APPROPRIATION REQUEST:** \$1,000,000**AGENCY PROJECT PRIORITY:** 2 of 10**PROJECT LOCATION:** 5101 Minnehaha Avenue South, Minneapolis**Project At A Glance**

- ◆ Demolishes a building on the Minneapolis campus due to problems with structural integrity
- ◆ May qualify for 65 percent federal VA reimbursement

Project Description

This request is to demolish building 9 on the Minneapolis campus. The estimated cost to repair the structural deficiencies and restore the building integrity is approximately \$13.3 million. Due to the significant cost of repair and the longer term service needs, the department has determined demolishing the building is preferable and allows for developing space for multiple resident care-centered uses.

Building 9 was built in 1937 using a post and beam design to structurally support the building. Reinforced concrete floors are supported on each of the three levels by steel beams.

An exterior tuck pointing project discovered severe rusting of the horizontal and lateral beams in October 2007. Subsequent inspections by structural engineers identified significant rusting of the building's steel supports. Moisture absorption through the exterior brick veneer was identified as a contributing factor to the structural deterioration of the metal sub-structure. The damage to the building significantly increased the possibility of a collapse. Based on the available information and possible danger, residents were relocated to building 17.

Impact on Agency Operating Budgets (Facilities Notes)

The demolition of building 9 will not affect the operational budget.

Previous Appropriations for this Project

None.

Other Considerations

This project may be eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty of VA approval, the department is requesting the full amount and will seek reimbursement for the federal share, provided the project meets federal criteria. A grant application for this request will be submitted prior to the April 15, 2008 deadline.

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

Project Contact Person

Christine Kiel, Legislative Liaison
Veterans Services Building
20 West 12th Street
Saint Paul, Minnesota 55155
Phone: (651) 757-1530
Fax: (651) 757-1537
Email: Christine.kiel@state.mn.us

Governor's Recommendations

The governor recommends general obligation bonding of \$1 million for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	928	0	0	928
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	72	0	0	72
TOTAL	0	1,000	0	0	1,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,000	0	0	1,000
State Funds Subtotal	0	1,000	0	0	1,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,000	0	0	1,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

Minneapolis New Nursing Building

2008 STATE APPROPRIATION REQUEST: \$25,999,000

AGENCY PROJECT PRIORITY: 3 of 10

PROJECT LOCATION: 5101 Minnehaha Avenue South, Minneapolis

Project At A Glance

- ◆ Construction of a new 100-bed nursing care building
- ◆ Incorporates a community/neighborhood concept in the floor configuration
- ◆ One resident per room, with individual bathroom
- ◆ Unit dining, resident common activity space with family lounge space available on each community unit
- ◆ Qualifies for 65 percent federal VA reimbursement

Project Description

This request is to design, construct, furnish and equip a 100-bed nursing care facility on the Minneapolis campus. The facility would be built utilizing the space created by the demolition of building 9. This request represents 100 percent of the total project cost.

The new facility will incorporate designs that optimize resident-centered care. Communities of 16 residents will be created with each resident having a private room with bath. Each community will include common space for home-like living and dining activities. Each community will provide infrastructure capabilities for enhanced transfer, bathing, and care technologies.

The Minneapolis campus is home to 353 veterans. This request will add to the current nursing care services located in buildings 6 and 17. These buildings are configured to house two residents in each room. Building 17 is constructed to provide one bathroom per four residents, while in building 6 two residents share one bathroom. The new facility will be able to serve

residents needing the highest level of care, and improve the overall quality of life for all residents on the campus.

Impact on Agency Operating Budgets (Facilities Notes)

Although the resident population at this campus is expected to stay the same, the maintenance/operation of this new building may alter budget configurations. A predesign will be completed to identify more precise financial implications.

Previous Appropriations for this Project

None.

Other Considerations

This project is eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty of when VA approval will occur, the department is requesting the full amount and will seek reimbursement for the federal share of the project's total cost. A grant application for this request will be submitted prior to the April 15, 2008 deadline.

The mission at the Minneapolis Veterans Home is to provide high quality skilled health care services to veterans. In addition, the Minneapolis Veterans Home has a high demand for beds on this campus and maintains an active waiting list, at times in excess of 300.

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

Minneapolis New Nursing Building

Project Contact Person

Christine Kiel, Legislative Liaison
Veterans Services Building
20 West 12th Street
Saint Paul, Minnesota 55155
Phone: (651) 757-1530
Fax: (651) 757-1537
Email: Christine.kiel@state.mn.us

Governor's Recommendations

The governor recommends general obligation bonding of \$25.999 million for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	601	0	0	601
4. Project Management	0	300	0	0	300
5. Construction Costs	0	20,392	0	0	20,392
6. One Percent for Art	0	100	0	0	100
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	905	0	0	905
9. Inflation	0	3,701	0	0	3,701
TOTAL	0	25,999	0	0	25,999

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	25,999	0	0	25,999
State Funds Subtotal	0	25,999	0	0	25,999
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	25,999	0	0	25,999

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	25,999	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

Hastings Supportive Housing

2008 STATE APPROPRIATION REQUEST: \$6,655,000

AGENCY PROJECT PRIORITY: 4 of 10

PROJECT LOCATION: 1200 East 18th Street, Hastings

Project At A Glance

- ◆ Improves programming for veterans ready for discharge
- ◆ Provides a supportive environment which increases the chance for success
- ◆ Provides a needed service which is in short supply in the Hastings area
- ◆ Increases the opportunity to serve more homeless veterans
- ◆ Does not currently qualify for 65 percent federal VA reimbursement

Project Description

This request is to design, construct, furnish and equip 30 units of permanent supportive housing for veterans with disabilities on the Hastings campus. This housing will consist of 30 one-bedroom apartments for single adults. All veteran residents will have some disability, but are able to live on their own with supportive services. Staff of the home is expected to provide property management and supportive services for the housing unit.

The Hastings facility currently operates 200 domiciliary beds for veterans who require support with chronic medical problems, mental health diagnosis, substance abuse treatment, and transitional services to move veterans towards independent living. There is a significant shortage of low income housing in the Hastings area and it impedes the facility's ability to timely discharge residents. In addition, the success of discharge is dependent, to a large extent, on the supportive services available to assist veterans in their transition. The Hastings facility will complement the services already in place to incrementally provide the necessary service package to veterans in the housing units.

The original concept was to remodel an existing building on the Hastings campus to provide residents with supportive housing services. After further review, the department determined that remodeling existing space was too costly and presented challenges because residents would have difficulty accessing other services on the campus. By constructing an entirely new building, costs per square foot are lower and residents will have better access to the services and programming they need.

Impact on Agency Operating Budgets (Facilities Notes)

This project would require an additional \$235,000 per year to support operations in FY 2010-11. Residents would be required to participate in the payment of rent and rental assistance will be sought to cover other expenses. Supportive services will be coordinated with facility and community resources. Veterans would have access to the Veterans Administration Medical Center in Minneapolis daily for additional follow-up care on an outpatient basis.

Previous Appropriations for this Project

\$700,000 was approved for the design of this project in the 2006 bonding bill.

Other Considerations

The U.S. Department of Veterans Affairs (VA) does not currently have a supportive housing program. As a result, this project may be eligible for funding under the federal State Home Construction Grant Program in the future. Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty of VA approval, the department is requesting the full amount and will seek reimbursement for the federal share, provided the project meets federal criteria.

Hastings Supportive Housing

A demographic study completed in October 2004 identifies housing as one of the unmet demands on campus and supports the proposed construction. Sufficient space is available on campus for this construction and a renovated power plant will be able to support the new construction. In addition to following the B-3 state building compliance, this building will be "LEED" certified. The Leadership in Energy and Environmental Design (LEED) Green Building Rating System™ is the nationally accepted benchmark for the design, construction, and operation of high performance green buildings.

Project Contact Person

Christine Kiel, Legislative Liaison
Veterans Services Building
20 West 12th Street
Saint Paul, Minnesota 55155
Phone: (651) 757-1530
Fax: (651) 757-1537
Email: Christine.kiel@state.mn.us

Governor's Recommendations

The governor does not recommend capital funds for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	575	0	0	0	575
4. Project Management	125	0	0	0	125
5. Construction Costs	0	5,744	0	0	5,744
6. One Percent for Art	0	41	0	0	41
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	189	0	0	189
9. Inflation	0	681	0	0	681
TOTAL	700	6,655	0	0	7,355

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	700	6,655	0	0	7,355
State Funds Subtotal	700	6,655	0	0	7,355
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	700	6,655	0	0	7,355

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	363	121	484
Other Program Related Expenses	0	12	4	16
Building Operating Expenses	0	67	23	90
Building Repair and Replacement Expenses	0	9	3	12
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	451	151	602
Revenue Offsets	0	<216>	<72>	<288>
TOTAL	0	235	79	314
Change in F.T.E. Personnel	0.0	2.8	1.0	3.8

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	6,655	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

Fergus Falls Special Care Unit

2008 STATE APPROPRIATION REQUEST: \$9,970,000

AGENCY PROJECT PRIORITY: 5 of 10

PROJECT LOCATION: 1821 North Park Street, Fergus Falls

Project At A Glance

- ◆ Provides increased capacity to meet demand for special care beds
- ◆ Improves clinical space for those diagnosed with Alzheimer's/dementia
- ◆ Improves patient physical environments
- ◆ Qualifies for 65 percent federal VA reimbursement

Project Description

This request is to construct, furnish and equip a 21-bed special care unit and additional clinical space. The unit will meet the demand for services and the particularly unique needs of residents with Alzheimer's/dementia, who comprise nearly 59 percent of the population at the facility. Though not all residents with Alzheimer's and dementia would benefit equally from a special care unit addition (early and late stage residents), it is estimated that up to half of the currently affected facility population will require these services in their lifetime.

The special care unit would add an additional 33,500 square feet to the facility. A "community concept" is incorporated in the design. The interior space will be divided in two with one community resident population of 11 and another of 10 divided by central services of dining, nursing station, and housekeeping served by a central elevator. This elevator will provide the ability to introduce meals, housekeeping, laundry, and other service amenities to this unit from the basement. The central location of this elevator will be non intrusive to the residents.

Also included is an expansion of space used by the U.S. Department of Veterans Affairs (VA) at the facility that provides clinical services. Through a shared use agreement, the VA now serves over 1,100 area veterans in the

geographic area. In exchange for hosting the clinic, the facility is able to obtain nurse practitioner and other services for veterans at no cost. This proposal expands this arrangement by constructing a 2,550 square feet addition for their use. This proposed space was included after consultation with the local Veterans Service Integrated Network Director and, if accepted, will mark another first in delivering services to veterans.

This project will help to meet the sustained and increasing demands of the veteran population in this geographic area. Since the establishment of full census in September of 1998, the facility has been faced with increased demand for its services that it has been unable to meet. Waiting lists have grown to a maximum of 85 on the facility active waiting list and 205 on the inactive waiting list. Veterans on lists of this length could experience up to a 12-month delay before admission to this facility. This prevents the facility from effectively meeting current demand and precludes them from addressing any immediate post acute needs of veterans.

Impact on Agency Operating Budgets (Facilities Notes)

The phased April 2010 opening of the 21 beds would require the addition of 31 FTEs to perform nursing, direct support, and indirect support for the additional residents. Also, related dietary, drug, and, medical supplies will be required. Other plant operating costs will accrue due to the additional square footage. Partial costs will begin in FY 2010, totaling approximately \$2 million in FY 2010-11.

Previous Appropriations for this Project

\$637,000 was provided in the 2006 bonding bill for design of this project.

Other Considerations

This project is eligible for funding under the federal State Home Construction Grant Program, administered by VA. Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty of when VA approval will occur, the department is requesting the full amount and will seek reimbursement for the federal share of the project's total cost.

Fergus Falls Special Care Unit

The Fergus Falls Veterans Home has from its inception been a leader and innovator in long-term care for veterans. During its second year of operation it had the honor of becoming the first Nurse Practitioner Nursing Home Based VA Clinic in the nation.

Project Contact Person:

Christine Kiel, Legislative Liaison
Veterans Services Building
20 West 12th Street
Saint Paul, Minnesota 55155
Phone: (651) 757-1530
Fax: (651) 757-1537
Email: Christine.kiel@state.mn.us

Governor's Recommendations

The governor does not recommend capital funds for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	10	0	0	0	10
2. Predesign Fees	42	0	0	0	42
3. Design Fees	354	0	0	0	354
4. Project Management	283	0	0	0	283
5. Construction Costs	0	7,578	0	0	7,578
6. One Percent for Art	0	62	0	0	62
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	1,230	0	0	1,230
9. Inflation	0	1,100	0	0	1,100
TOTAL	689	9,970	0	0	10,659

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	637	9,970	0	0	10,607
Misc Special Revenue	52	0	0	0	52
State Funds Subtotal	689	9,970	0	0	10,659
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	689	9,970	0	0	10,659

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	2,438	1,254	3,692
Other Program Related Expenses	0	320	243	563
Building Operating Expenses	0	216	109	325
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	2,974	1,606	4,580
Revenue Offsets	0	<958>	<731>	<1,689>
TOTAL	0	2,016	875	2,891
Change in F.T.E. Personnel	0.0	31.0	0.0	31.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	9,970	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

Silver Bay Master Plan Renovation

2008 STATE APPROPRIATION REQUEST: \$3,800,000

AGENCY PROJECT PRIORITY: 6 of 10

PROJECT LOCATION: 45 Banks Boulevard, Silver Bay

Project At A Glance

- ◆ Provides improved clinical and program space
- ◆ Brings facility up to current skilled care space standards
- ◆ Provides improved physical environment to allow staff to better care for residents
- ◆ Community, household clustering for better patient care
- ◆ Qualifies for 65 percent federal VA reimbursement

Project Description

This request is for renovation of existing space and a structural building addition to the nursing care facility in Silver Bay.

This initiative would renovate select space within the facility to provide a resident environment with additional clinical space, with less institutional resident programming space, and also expand space for administration offices. A recent study of the clinical capacity at Silver Bay has shown that the facility is in need of modification.

Also, the facility's support functions do not have adequate space to provide proper support for resident care and recreation facilities. This expansion would separate these functions; giving residents more space to enjoy and while improving the efficiency of the site's operations.

Impact on Agency Operating Budgets (Facilities Notes)

The project will allow for savings from bulk purchases, as well as minimize the fire hazard liability potential. Adding storage space to this facility will be a direct benefit to residents because of the inconvenience having current programming space double as storage. As a result of increasing the size of

the facility, there will be an increase in operating costs of approximately \$45,000 in FY 2010-11.

Previous Appropriations for this Project

The 2006 bonding bill included \$1.697 million, which represents the state portion needed to qualify for federal reimbursement. In 2004, \$2.345 million was appropriated for a facility-wide project to install a new roof. The new roof was designed to accommodate the floor plan changes included in this request.

Other Considerations

This project is eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. While the state portion has already been appropriated, the remaining amount is being requested due to uncertainty of when VA approval will occur and to avoid further delays. The department will continue to seek reimbursement for the federal share of the project's total cost.

This nursing facility was originally constructed as an elementary school in 1953, and the overall quality of life will be enhanced for the residents by reducing the current institutional character of the facility.

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

Silver Bay Master Plan Renovation**Project Contact Person**

Christine Kiel, Legislative Liaison
Veterans Services Building
20 West 12th Street
Saint Paul, Minnesota 55155
Phone: (651) 757-1530
Fax: (651) 757-1537
Email: Christine.kiel@state.mn.us

Governor's Recommendations

The governor recommends general obligation bonding of \$227,000 for this project. Due to cost increases, the 2006 appropriation no longer meets the 35 percent state share. The recommended amount provides the additional funding to satisfy the state obligation. This project is expected to receive the federal portion in the upcoming award cycle in 2008.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	42	0	0	0	42
3. Design Fees	156	303	0	0	459
4. Project Management	44	83	0	0	127
5. Construction Costs	1,393	2,699	0	0	4,092
6. One Percent for Art	0	21	0	0	21
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	104	198	0	0	302
9. Inflation	0	496	0	0	496
TOTAL	1,739	3,800	0	0	5,539

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	1,697	3,800	0	0	5,497
Misc Special Revenue	42	0	0	0	42
State Funds Subtotal	1,739	3,800	0	0	5,539
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	1,739	3,800	0	0	5,539

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	45	53	98
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	45	53	98
Revenue Offsets	0	0	0	0
TOTAL	0	45	53	98
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,800	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

Minneapolis Campus HVAC Upgrade

2008 STATE APPROPRIATION REQUEST: \$11,300,000

AGENCY PROJECT PRIORITY: 7 of 10

PROJECT LOCATION: 5101 Minnehaha Avenue South, Minneapolis

Project At A Glance

- ◆ Campus-wide heating, ventilation, and air conditioning (HVAC) system upgrade
- ◆ Upgrades equipment for reliability, and to reduce utility cost and ongoing maintenance
- ◆ Provides enhanced monitoring equipment allowing pro-active daily maintenance (Direct Digital Controls)
- ◆ Advances the goal of lower power/equipment failures and lower on-site maintenance costs
- ◆ Qualifies for 65 percent federal VA reimbursement

Project Description

This request is to replace/upgrade mechanical equipment at the Minneapolis campus. It would replace equipment that has exceeded its life expectancy and provide the campus with an updated, operationally efficient utility system.

The Minneapolis campus is home to 353 veteran residents. The skilled 24/7 nursing program operates by licensure that requires the interior temperature be maintained at a constant level throughout the year. Maintaining a reliable, updated heating-cooling system at this campus allows these mandates to be achieved. A recent study recommended replacement of all HVAC equipment exceeding life expectancy. This study also recommends installation of direct digital equipment used to monitor this equipment and provide utility efficiencies.

Impact on Agency Operating Budgets (Facilities Notes)

No new state funding would be required to meet the facilities operating needs per this request. The new system may allow operational efficiencies giving maintenance staff more latitude to pro-actively maintain the campus.

Previous Appropriations for this Project

None.

Other Considerations

This project is eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty surrounding when VA approval will occur and the urgency of completing the project, the department is requesting the full amount and will seek reimbursement for the federal share of the project's total cost.

The Minneapolis facility leadership conducted an in-depth strategic planning process in 2005, which identifies the need to upgrade utilities on this campus. Our mission is to provide high quality skilled environmentally stable health care services to veterans on this campus.

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

Project Contact Person

Christine Kiel, Legislative Liaison
 Veterans Services Building
 20 West 12th Street
 Saint Paul, Minnesota 55155
 Phone: (651) 757-1530
 Fax: (651) 757-1537
 Email: Christine.kiel@state.mn.us

Minneapolis Campus HVAC Upgrade

Governor's Recommendations

The governor recommends general obligation bonding of \$7.835 million for this project. This amount is to upgrade the HVAC system for building 17, in order to maintain environmental conditions needed by nursing facility residents.

Veterans Affairs, Department of
Minneapolis Campus HVAC Upgrade

Project Detail
 (\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	1,200	0	0	1,200
4. Project Management	0	200	0	0	200
5. Construction Costs	0	8,409	0	0	8,409
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	200	0	0	200
9. Inflation	0	1,291	0	0	1,291
TOTAL	0	11,300	0	0	11,300

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	11,300	0	0	11,300
State Funds Subtotal	0	11,300	0	0	11,300
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	11,300	0	0	11,300

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	11,300	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

Kandiyohi Veterans Home Construction

2008 STATE APPROPRIATION REQUEST: \$7,905,000

AGENCY PROJECT PRIORITY: 8 of 10

PROJECT LOCATION: Kandiyohi County

Project At A Glance

- ◆ Provides clinical and program nursing care space for veterans
- ◆ Provides current "community model" environment for patient care
- ◆ Predesign identifies opportunity for shared services with Rice Care Center
- ◆ Qualifies for 65 percent federal VA reimbursement

Project Description

This request is to design, construct, furnish and equip a new 90-bed facility to provide skilled nursing services to veterans in Kandiyohi County. The total project cost to construct the 90-bed facility is \$22.585 million. The amount requested is the required state match to qualify for funding under the federal State Home Grant Program.

A predesign was completed for this project in 2006. It included six 15-bed resident "community clusters" with nursing stations located at intersection between two communities. A community room kitchenette will be provided to prepare breakfasts and activity treats. The design includes a new power plant, central kitchen, in house pharmacy, and business office. A "town square" support services space has been designed in a central location near the front entrance to provide chapel, barber/beauty shop, multipurpose room, activities room and library. A physical and occupational therapy area will also be created and staffed to meet the resident's needs.

Impact on Agency Operating Budgets (Facilities Notes)

This project would need additional funding to begin operations. Based on estimated construction schedule this facility would need approximately \$900,000 for operations in FY 2010-11. Full operational funding for the subsequent biennium is approximately \$8.6 million.

Previous Appropriations for this Project

\$100,000 was provided in the 2005 bonding bill for predesign of this project.

Other Considerations

This project is eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. The department will seek the federal share of the project's total cost.

The Kandiyohi county area is a growing community with professional resources to support a new Veterans Home. Medical support in this immediate area provides two medical clinics, 31 dentists, 88 doctors, one hospital, and four nursing homes. In 2005, the census of a 50 mile area surrounding Willmar identified 32,456 veterans. The area had 19,915 veterans age 55 and older in 2005.

Project Contact Person

Christine Kiel, Legislative Liaison
 Veterans Services Building
 20 West 12th Street
 Saint Paul, Minnesota 55155
 Phone: (651) 757-1530
 Fax: (651) 757-1537
 Email: Christine.kiel@state.mn.us

Governor's Recommendations

The governor does not recommend capital funds for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	100	0	0	0	100
3. Design Fees	0	1,051	0	0	1,051
4. Project Management	0	894	0	0	894
5. Construction Costs	0	13,637	0	0	13,637
6. One Percent for Art	0	100	0	0	100
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	3,249	0	0	3,249
9. Inflation	0	3,654	0	0	3,654
TOTAL	100	22,585	0	0	22,685

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	100	7,905	0	0	8,005
State Funds Subtotal	100	7,905	0	0	8,005
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	14,680	0	0	14,680
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	100	22,585	0	0	22,685

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	602	10,293	10,895
Other Program Related Expenses	0	260	2,101	2,361
Building Operating Expenses	0	15	715	730
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	877	13,109	13,986
Revenue Offsets	0	0	<4,483>	<4,483>
TOTAL	0	877	8,626	9,503
Change in F.T.E. Personnel	0.0	4.3	87.2	91.5

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	7,905	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

Minneapolis Campus Security

2008 STATE APPROPRIATION REQUEST: \$2,300,000

AGENCY PROJECT PRIORITY: 9 of 10

PROJECT LOCATION: 5101 Minnehaha Avenue South, Minneapolis

Project At A Glance

- ◆ Campus security - grounds and buildings
- ◆ Control traffic on campus during/after hours
- ◆ Provide walk in secure entry point after hours
- ◆ Lock/monitor all door entry/exit points
- ◆ May qualify for 65 percent federal VA reimbursement

Project Description

This request is to install a fully developed and monitored security system for the Minneapolis campus.

This request would provide a security system, with cameras and monitors, for observation campus-wide. The entrances to the campus will have gate lift arms with card swipe to monitor vehicle traffic throughout the campus. Skilled nursing care buildings 6, 9, and 17 will have magnetic door locks installed, with card access for staff. Closed circuit cameras will be installed in all patient hallways and entrances to monitor activities recorded and accessible only by authorized supervisory staff.

Impact on Agency Operating Budgets (Facilities Notes)

No new state funding would be required to meet the facilities operating needs per this request. The current security budget would sufficiently support this program.

Previous Appropriations for this Project

None.

Other Considerations

This project may be eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty of VA approval and the need for security is urgent, the department is requesting the full amount and will seek reimbursement for the federal share provided the project meets federal criteria.

The Minneapolis campus is home to 353 veterans. A large majority of the residents on this campus have limitations and impairments making them vulnerable to security issues. The location of the Minneapolis campus adjoining Minnehaha Park also creates a security challenge.

The Minneapolis facility leadership conducted an in-depth strategic planning process, which identifies the need to upgrade security on this campus. Our mission is to provide high-quality, skilled health care services to veterans on a secure campus.

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

Project Contact Person

Christine Kiel, Legislative Liaison
Veterans Services Building
20 West 12th Street
Saint Paul, Minnesota 55155
Phone: (651) 757-1530
Fax: (651) 757-1537
Email: Christine.kiel@state.mn.us

Governor's Recommendations

The governor does not recommend capital funds for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	100	0	0	100
4. Project Management	0	0	0	0	0
5. Construction Costs	0	1,102	0	0	1,102
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	900	0	0	900
9. Inflation	0	198	0	0	198
TOTAL	0	2,300	0	0	2,300

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,300	0	0	2,300
State Funds Subtotal	0	2,300	0	0	2,300
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	2,300	0	0	2,300

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	2,300	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

Minneapolis Building 17

2008 STATE APPROPRIATION REQUEST: \$11,351,000

AGENCY PROJECT PRIORITY: 10 of 10

PROJECT LOCATION: 5101 Minnehaha Avenue South, Minneapolis

Project At A Glance

- ◆ Update, remodel space to meet Department of Health requirements
- ◆ Re-design and enlarge unit dining room space for resident use
- ◆ Update kitchen food preparation area and dining room
- ◆ Qualifies for 65 percent federal VA reimbursement

Project Description

This request is to remodel all five resident units in building 17. It would also update the main kitchen with key replacements to refrigeration coolers, new serving counters, and dining room upgrades.

The current configuration does not provide the needed space for resident daily activity needs. The interior footprint would remove several resident rooms in the immediate area surrounding the unit dining rooms. This would allow for not only a larger space for dining activities but also provide multi-purpose space for resident activities on the units. This will provide a higher quality of life for residents. The interior will be code compliant and will include a new energy efficient mechanical system in this remodeled/expanded area to relieve the current HVAC building system.

Building 17 was opened in 1980 and has received minimal remodeling over the past 27 years. The building is home to 250 veterans in the current configuration. This request would reduce the census of this building to a total of 200.

Impact on Agency Operating Budgets (Facilities Notes)

To the extent the remodeling of building 17 changes the number of residents served, the facility's operating costs would be impacted. At this time, it is anticipated no new state funding would be required to meet the facility's operating needs.

Previous Appropriations for the Project

None.

Other Considerations

This project is eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty of when VA approval will occur, the department is requesting the full amount and will seek reimbursement for the federal share of the project's total cost.

This request references a strategic plan completed in 2005. This plan recommended census reduction in this building from 250 to 125. The strategic plan also recommended a new building addition to accommodate a reduction in the census of building 17. The funding of this project would move census in the direction recommended by the strategic plan, by reducing it to 200.

The mission at the department is to provide high quality skilled health care services to veterans. In addition, the department has a high demand for beds on this campus and maintains an active waiting list, at times in excess of 300.

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

Minneapolis Building 17

Project Contact Person

Christine Kiel, Legislative Liaison
Veterans Services Building
20 West 12th Street
Saint Paul, Minnesota 55155
Phone: (651) 757-1530
Fax: (651) 757-1537
Email: Christine.kiel@state.mn.us

Governor's Recommendations

The governor does not recommend capital funds for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	632	0	0	632
4. Project Management	0	237	0	0	237
5. Construction Costs	0	8,692	0	0	8,692
6. One Percent for Art	0	79	0	0	79
7. Relocation Expenses	0	79	0	0	79
8. Occupancy	0	300	0	0	300
9. Inflation	0	1,332	0	0	1,332
TOTAL	0	11,351	0	0	11,351

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	11,351	0	0	11,351
State Funds Subtotal	0	11,351	0	0	11,351
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	11,351	0	0	11,351

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	11,351	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013