HEALTH & HUMAN SERVICES

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2002-07 Minnesota Capital Budget

Presented by
Governor Jesse Ventura
to the 82nd Legislature

2002-07 CAPITAL BUDGET

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HEALTH AND HUMAN SERVICES

The *Executive Summary* of the 2002-2007 Minnesota Capital Budget and 9-volume set of detailed requests can be viewed at the Department of Finance's web site at: www.finance.state.mn.us

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STATE OF MINNESOTA
Agency Request
F.Y. 2002–2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)
($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
Administration, Department of									
Statewide CAPRA	1	470	GO	27,700	25,000	25,000	17,000	17,000	17,000
			GF	300	0	0	0	0	0
Agency Relocation	2	270	GF	7,601	1,500	3,000	1,500	0	0
DOT Exterior Repair	3	235	THF	5,046	4,720	5,044	5,046	4,720	5,044
New State Buildings	4	445	GO	84,589	0	0	84,589	0	0
			GF	0	9,200	0	0	9,200	0
Renovation of 1246 University	6	265	GO	11,827	0	0	0	0	0
			GF	0	300	0	0	0	0
Capitol Complex Electrical Work	7	350	GO	3,231	0	0	3,231	0	0
Governor's Residence Renovation & Repair	8	275	GO	4,246	0	0	4,246	0	0
			GF	45	0	0	45	0	0
Stassen Buildout/Rice & University Predesign	9	245	GO	2,730	4,407	0	0	0	0
			GF	427	0	0	0	0	0
Property Acquisition	10	140	GO	1,500	7,500	15,000	0	0	0
New State Buildings			GO	0	75,000	75,000	0	0	0
Administration Ramp Replacement			GO	0	0	6,000	0	0	0

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Administration, Department of									
IT Data Center			GO	0	0	300	0	0	0
Environmental Cluster Predesign			GO	0	0	300	0	0	0
Cedar Street Armory Demolition			GO	0	0	1,500	0	0	0
Project Total				**$149,242**	**$127,627**	**$131,144**	**$115,657**	**$30,920**	**$22,044**
General Obligation Bonding				**$135,823**	**$111,907**	**$123,100**	**$109,066**	**$17,000**	**$17,000**
General Fund Projects (GF)				**$8,373**	**$11,000**	**$3,000**	**$1,545**	**$9,200**	**$0**
Trunk Highway Fund (THF)				**$5,046**	**$4,720**	**$5,044**	**$5,046**	**$4,720**	**$5,044**
Agriculture, Department of									
Rural Finance Authority Loan Participation	1	400	GO/UF	20,000	20,000	20,000	15,000	15,000	15,000
Minnesota Farmers Market Hall	2	221	GO	11,597	0	0	0	0	0
Expansion of Metro Greenhouse & Storage Bay	3	175	GO	292	0	0	0	0	0
Project Total				**$31,889**	**$20,000**	**$20,000**	**$15,000**	**$15,000**	**$15,000**
General Obligation Bonding				**$11,889**	**$0**	**$0**	**$0**	**$0**	**$0**
User Finance Bonding				**$20,000**	**$20,000**	**$20,000**	**$15,000**	**$15,000**	**$15,000**

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Amateur Sports Commission									
Sport Event Center	1	316	GO	5,250	0	0	4,250	0	0
			Project Total	**$5,250**	**$0**	**$0**	**$4,250**	**$0**	**$0**
			General Obligation Bonding	**$5,250**	**$0**	**$0**	**$4,250**	**$0**	**$0**
Capitol Area Architectural Planning Bd									
Capitol Building: Interior Renovation Design	1	350	GO	2,111	25,281	36,324	0	0	0
Capitol 2005: Restore Floors G–2 & Hist. Elevators	2	325	GO	1,933	0	3,305	1,933	0	3,305
			GF	646	0	0	646	0	0
Signage: Capitol Building and Grounds	3	300	GO	712	0	156	712	0	156
Predesign/Design & Const. for New Capitol Annex			GO	0	276	55,300	0	0	0
			Project Total	**$5,402**	**$25,557**	**$95,085**	**$3,291**	**$0**	**$3,461**
			General Obligation Bonding	**$4,756**	**$25,557**	**$95,085**	**$2,645**	**$0**	**$3,461**
			General Fund Projects (GF)	**$646**	**$0**	**$0**	**$646**	**$0**	**$0**

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Children, Families & Learning									
Early Childhood Facilities Grants	1	275	GO	5,000	5,000	5,000	0	0	0
Red Lake School Additions and Renovations	2	300	GO	40,125	0	0	12,400	0	0
Public Library Accessibility Grants	3	260	GO	1,000	1,000	1,000	0	0	0
Library for the Blind Renovation	4	200	GO	500	9,824	0	0	0	0
Project Total				**$46,625**	**$15,824**	**$6,000**	**$12,400**	**$0**	**$0**
General Obligation Bonding				**$46,625**	**$15,824**	**$6,000**	**$12,400**	**$0**	**$0**
Commerce, Department of									
Energy Investment Loan Program	1	400	GO/UF	6,000	6,000	6,000	6,000	6,000	6,000
Project Total				**$6,000**	**$6,000**	**$6,000**	**$6,000**	**$6,000**	**$6,000**
User Finance Bonding				**$6,000**	**$6,000**	**$6,000**	**$6,000**	**$6,000**	**$6,000**

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Corrections, Department of									
MCF-LL - 416-Bed Offender Housing Unit	1	356	GO	4,160	0	0	4,160	0	0
DOC - Asset Preservation	2	445	GO	23,100	15,000	15,000	23,100	15,000	15,000
MCF-SHK - ILC Renovation & Support Space	3	250	GO	3,070	0	0	3,070	0	0
MCF-STW - New Seg. Unit Design/Predesign	4	260	GO	906	0	0	90	0	0
MCF-RW - New Vocational Building	5	260	GO	4,938	0	0	0	0	0
MCF-FRB - Kitchen Renovation Predesign/Design	6	135	GO	346	0	0	0	0	0
MCF-WR/ML - Activities Building	7	195	GO	1,523	0	0	0	0	0
MCF-SCL - New Vocational Building	8	100	GO	8,070	0	0	0	0	0
MCF-SHK - 62-Bed Living Unit (Phase II)			GO	0	3,409	0	0	0	0
MCF-STW - Renovation of Old Ed & Admin Bldg.			GO	0	1,500	0	0	0	0
MCF-STW - Electronic Locks for CHA & CHD			GO	0	4,000	0	0	0	0
MCF-OPH - Security System Upgrade			GO	0	4,029	0	0	0	0
MCF-WR/ML - Industry Warehouse - ML			GO	0	596	0	0	0	0
MCF-WR/ML - Vehicle Garage - ML			GO	0	148	0	0	0	0
MCF-WR/ML - Kitchen Expansion - WR			GO	0	34	0	0	0	0
MCF-WR/ML - Industry Building Addition - ML			GO	0	51	708	0	0	0

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Corrections, Department of									
MCF–WR/ML – Building Maint. Shop – ML			GO	0	116	0	0	0	0
MCF–STW – Electrical Upgrade – Industry			GO	0	800	0	0	0	0
MCF–STW – Sewer Vent – Replace Water Main			GO	0	2,000	0	0	0	0
MCF–STW – Receiving Complex & Warehouse			GO	0	17,608	0	0	0	0
MCF–STW – Tuckpointing			GO	0	800	0	0	0	0
MCF–STW – Master Control Renovation			GO	0	1,611	0	0	0	0
MCF–OPH – Razor Ribbon Replacement			GO	0	350	0	0	0	0
MCF–SCL – Replace Facility Sewer System			GO	0	3,214	0	0	0	0
MCF–SCL – Replace Phone Equipment & Lines			GO	0	444	0	0	0	0
Dept. – Roof & Window Replacement			GO	0	7,776	7,776	0	0	0
MCF–SCL – Expand Floor – Balcony Level			GO	0	0	318	0	0	0
MCF–SCL – Toilet Carrier Replacement			GO	0	0	493	0	0	0
MCF–SCL – Remodel Administration Building			GO	0	0	4,504	0	0	0
MCF–SCL – Facility Climate Control			GO	0	0	1,291	0	0	0
MCF–SCL – Construct New Warehouse			GO	0	0	1,171	0	0	0
MCF–SCL – Retube Boilers			GO	0	0	517	0	0	0

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Corrections, Department of									
MCF–SCL – Upgrade Security System			GO	0	0	749	0	0	0
MCF–RW – New Living Unit			GO	0	0	1,470	0	0	0
MCF–LL – Replace HVAC Systems – Living Units			GO	0	0	700	0	0	0
MCF–SCL – Loop Wiring, High Voltage			GO	0	0	350	0	0	0
MCF–SCL – Install Sprinkler System			GO	0	0	500	0	0	0
MCF–RW – Admin. Building Porch Repair			GO	0	0	125	0	0	0
MCF–STW – Second Floor Kitchen Renovation			GO	0	0	75	0	0	0
Project Total				**$46,113**	**$63,486**	**$35,747**	**$30,420**	**$15,000**	**$15,000**
General Obligation Bonding				**$46,113**	**$63,486**	**$35,747**	**$30,420**	**$15,000**	**$15,000**
Finance, Department of									
Bond Sale Expenses	1		GO	800	800	800	800	459	459
Project Total				**$800**	**$800**	**$800**	**$800**	**$459**	**$459**
General Obligation Bonding				**$800**	**$800**	**$800**	**$800**	**$459**	**$459**

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Grants to Political Subdivisions									
Regional Sludge Management Demonstration Project	ARL-1		GO	500	0	0	0	0	0
Blazing Star Trail	AUS-1		GO	2,500	0	0	0	0	0
Bayport Storm Sewer Reconstruction	BAY-1		GO	1,550	0	0	0	0	0
Bloomington Center for the Arts	BLO-1		GO	1,000	0	0	0	0	0
Dakota County Flood Mitigation	DAK-1		GO	750	0	0	0	0	0
Coleraine Street and Utility Improvements	COL-1		GO	50	250	0	0	0	0
North Shore Sanitary Districts	DUA-1		GO	11,638	0	0	0	0	0
Duluth -- Aerial Lift Bridge Repainting	DUL-1		GO	1,900	0	0	0	0	0
Eveleth Sanitary Sewer Collection Improvements	EVE-1		GO	251	0	0	0	0	0
Duluth -- Spirit Mountain Improvements	DUL-2		GO	3,175	0	0	0	0	0
Municipal Solid Waste Combustor Replacement	FF-1		GO	1,150	0	0	0	0	0
Fergus Falls Public Library Expansion	FF-2		GO	1,835	0	0	0	0	0
Visitor Center at Historic Murphy's Landing	HP-1		GO	3,191	0	0	0	0	0
Campaign for the Children's Theatre Company	HEN-1		GO	12,000	0	0	0	0	0
Colin Powell Youth Leadership Center	HEN-2		GO	6,000	0	0	0	0	0
Restoration of Historic Fort Belmont	JAC-1		GO	200	200	100	0	0	0

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Grants to Political Subdivisions									
Regional Cold Weather Testing Facility	KOO–1		GO	3,628	0	0	0	0	0
Big Bear Education Center	KOO–2		GO	6,200	0	0	0	0	0
Trollwood Performing Arts School	MOR–1		GO	5,500	0	0	0	0	0
Minneapolis Park Improvements	MPB–1		GO	33,102	0	0	0	0	0
Minneapolis Empowerment Zone Projects	MPL–1		GO	12,000	7,900	8,400	0	0	0
Minnesota Space Discovery Center & Planetarium	MPL–2		GO	30,000	0	0	0	0	0
Guthrie Theater on the River	MPL–3		GO	35,000	0	0	0	0	0
Minnesota Shubert Performing Arts Center	MPL–4		GO	10,000	0	0	0	0	0
Minnesota Valley Academy	MPS–1		GO	3,500	0	0	0	0	0
Minnetonka –– Affordable Scattered Site Housing	MTK–1		GO	1,000	0	0	0	0	0
Glencoe –– Railroad Switching Yard	MTK–1		GO	796	0	0	0	0	0
Casey Jones Trail	MUR–1		GO	4,200	3,400	3,600	0	0	0
Minnesota Prairie Line Rehabilitation	MV–1		GO	7,500	0	0	0	0	0
Olmsted County Materials Recovery Facility	OLM–1		GO	3,000	0	0	0	0	0
Minnesota Center for Agricultural Innovation	OLV–1		GO	2,000	0	0	0	0	0
Pipestone County Museum Improvements	PIP–1		GO	125	0	0	0	0	0

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Grants to Political Subdivisions									
Gibbs Museum Interpretive Center	RAM-1		GO	137	1,436	0	0	0	0
Regional Public Safety Training Center	ROC-1		GO	550	1,286	0	0	0	0
The New Rochester Arts Center	ROC-2		GO	2,300	0	0	0	0	0
DM&E Railroad Corridor Mitigation	ROC-3		GO	50,000	0	0	0	0	0
Improving Access to the Ports of Savage	SAV-1		GO	11,500	0	0	0	0	0
St. Louis Park -- Pedestrian/Trail Crossing	SLP-1		GO	492	0	0	0	0	0
St. Paul -- The New Roy Wilkins Auditorium	STP-1		GO	70,000	0	0	0	0	0
St. Paul -- Phalen Boulevard	STP-2		GO	8,000	0	0	0	0	0
St. Paul -- Como Park Conservatory Restoration	STP-3		GO	2,700	0	0	0	0	0
St. Paul -- 2004 Renaissance Project	STP-4		GO	8,375	0	0	0	0	0
Neighborhood House/El Rio Vista Facility Expansion	STP-5		GO	5,000	0	0	0	0	0
American Lung Association Healthy Design Project	STP-6		GO	3,000	0	0	0	0	0
St. Cloud Civic Center Expansion	ST-1		GO	45,000	0	0	0	0	0
Central Minnesota Regional Parks and Trails	STC-1		GO	8,560	0	0	0	0	0
New Ulm Recreational Trail	ULM-1		GO	1,150	0	0	0	0	0
Virginia/Eveleth Progress Park Expansion	VEE-1		GO	1,500	0	0	0	0	0

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Grants to Political Subdivisions									
District Steam Heating System Infrastructure	VIR-1		GO	5,000	0	0	0	0	0
Northeast Park Community Center -- Waseca	WAS-1		GO	1,800	0	0	0	0	0
WMEP Southwest Integration Magnet School	WES-1		GO	27,714	0	0	0	0	0
Winona Harbor Intermodal Transp Improvements	WIN-1		GO	6,300	0	0	0	0	0
Project Total				**$464,319**	**$14,472**	**$12,100**	**$0**	**$0**	**$0**
General Obligation Bonding				**$464,319**	**$14,472**	**$12,100**	**$0**	**$0**	**$0**
Health, Department of									
Dental Clinic at State Colleges and Universities		150	GO	775	0	0	0	0	0
Project Total				**$775**	**$0**	**$0**	**$0**	**$0**	**$0**
General Obligation Bonding				**$775**	**$0**	**$0**	**$0**	**$0**	**$0**

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Housing Finance Agency									
Publicly Owned Transitional Housing Loans	1	285	GO	19,500	2,500	2,500	4,461	2,500	2,500
Project Total				**$19,500**	**$2,500**	**$2,500**	**$4,461**	**$2,500**	**$2,500**
General Obligation Bonding				**$19,500**	**$2,500**	**$2,500**	**$4,461**	**$2,500**	**$2,500**

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Human Services, Department of									
System–Wide Roof Replacement	1	470	GO	2,789	4,167	2,145	2,789	1,500	1,500
System–Wide Asset Preservation	2	470	GO	6,500	8,450	8,400	6,500	4,000	4,000
FFRTC – Upgrade Program Facilities	3	385	GO	3,000	3,000	0	0	0	0
System–Wide Building/Structure Demolition	4	395	GO	2,250	1,650	1,065	2,000	1,650	1,065
BRHSC – Building #20 Improvements	5	315	GO	6,305	0	0	0	0	0
SPRTC – Convert Power Plant to Low Pressure	6	280	GO	3,619	0	0	3,619	0	0
BRHSC – Convert Power Plant to Low Pressure	7	255	GO	2,965	4,414	0	0	0	0
AGC – B/C Residential Unit Remodeling			GO	0	2,750	0	0	0	0
AGC – A/D Residential Unit Remodeling			GO	0	2,750	0	0	0	0
AMRTC – Remodel Miller Building			GO	0	6,000	0	0	0	0
AMRTC – Construct Vehicle Maintenance/Storage Bldg			GO	0	250	0	0	0	0
BRHSC – Remodel Dietary Department			GO	0	1,000	0	0	0	0
MSPPTC – Reconfigure Industry Ship/Rec. Area			GO	0	250	0	0	0	0
MSPPTC – Construct Storage Building			GO	0	100	0	0	0	0
SPRTC – Bartlett/Sunrise Building Improvements			GO	0	4,000	0	0	0	0
SPRTC – Storm/Saniatary Sewer Separation/Upgrades			GO	0	1,500	0	0	0	0

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Human Services, Department of									
AGC - B/C Residential Unit Remodeling			GO	0	2,750	0	0	0	0
BRHSC - Building #19 Improvements			GO	0	6,200	0	0	0	0
SPRTC - Phase II Upgrade Shantz & Pexton			GO	0	9,500	0	0	0	0
AGC - Remodel E-Building & Install Elevator			GO	0	0	3,200	0	0	0
AGC - Install Fire Sprinklers			GO	0	0	1,100	0	0	0
MSSPTC - Construct 50-Bed Addition			GO	0	0	9,900	0	0	0
WRTC - Upgrade HVAC/Mechanical Systems Bldg. #8			GO	0	0	1,500	0	0	0
Project Total				**$27,428**	**$58,731**	**$27,310**	**$14,908**	**$7,150**	**$6,565**
General Obligation Bonding				**$27,428**	**$58,731**	**$27,310**	**$14,908**	**$7,150**	**$6,565**

Funding Source

GF = General Fund	OTH = Other Funding Sources	THF = Trunk Highway Fund
GO = General Obligation Bonds	THB = Trunk Highway Fund Bonding	UF = User Finance Bonding

STATE OF MINNESOTA
Agency Request
F.Y. 2002–2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)
($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
Iron Range Resources & Rehabilitation Bd									
Mesabi Station	1	229	GO	2,783	0	0	0	0	0
Giants Ridge Sports Dorm Renovation	2	250	GO	441	0	0	0	0	0
Giants Ridge Chalet/Winter Sports Operations	3	170	GO	939	0	0	0	0	0
Giants Ridge Magic Carpet	4	150	GO	71	0	0	0	0	0
Ironworld Library Expansion	5	125	GO	652	0	0	0	0	0
Ironworld Interpretive Center Energy Efficiency	6	145	GO	1,439	0	0	0	0	0
Ironworld Discovery Center Roof Replacement	7	155	GO	218	0	0	0	0	0
Ironworld Water and Sewer Upgrade/Extension	8	95	GO	284	0	0	0	0	0
			Project Total	**$6,827**	**$0**	**$0**	**$0**	**$0**	**$0**
			General Obligation Bonding	**$6,827**	**$0**	**$0**	**$0**	**$0**	**$0**

Funding Source

GF = General Fund	OTH = Other Funding Sources	THF = Trunk Highway Fund
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STATE OF MINNESOTA
Agency Request
F.Y. 2002–2007

GOVERNOR'S RECOMMENDATIONS (BY FUNDING SOURCES)
($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
Metropolitan Council									
Northwest Metro Busway	1	351	GO	50,000	50,000	50,000	50,000	0	0
Livable Communities Grant Program	2	275	GO	10,000	10,000	10,000	10,000	10,000	10,000
Snelling Bus Garage	3	336	GO	10,000	10,000	10,000	10,000	0	0
Transit Passenger Facilities	4	200	GO	10,000	10,000	10,000	0	0	0
CSO Reliever Sewer	5	160	GO	2,500	20,000	0	0	0	0
Project Total				**$82,500**	**$100,000**	**$80,000**	**$70,000**	**$10,000**	**$10,000**
General Obligation Bonding				**$82,500**	**$100,000**	**$80,000**	**$70,000**	**$10,000**	**$10,000**

Funding Source

GF = General Fund	OTH = Other Funding Sources	THF = Trunk Highway Fund
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STATE OF MINNESOTA
Agency Request
F.Y. 2002-2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)
($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
Military Affairs, Department of									
Asset Preservation & Kitchen Repair	1	380	GO	2,500	2,500	2,500	2,500	2,500	2,500
Facility Life/Safety	2	245	GO	1,000	1,000	1,000	1,000	1,000	1,000
Americans with Disabilities Act (ADA)	3	220	GO	857	796	822	857	796	822
Indoor Firing Range Rehab	4	195	GO	1,018	0	0	0	0	0
Military Affairs/Emergency Mgmt Facility	5	230	GO	3,235	39,284	0	0	0	0
Stillwater Training/Community Center (Armory)			GO	0	9,104	0	0	0	0
Blaine Training/Community Center (Armory)			GO	0	0	8,100	0	0	0
Anoka Training/Community Center (Armory)			GO	0	0	8,300	0	0	0
Project Total				**$8,610**	**$52,684**	**$20,722**	**$4,357**	**$4,296**	**$4,322**
General Obligation Bonding				**$8,610**	**$52,684**	**$20,722**	**$4,357**	**$4,296**	**$4,322**

Funding Source

GF = General Fund	OTH = Other Funding Sources	THF = Trunk Highway Fund
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STATE OF MINNESOTA
Agency Request
F.Y. 2002–2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)
($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
Minnesota Historical Society									
Asset Preservation – Historic Sites Network	1	450	GO	5,545	4,035	4,140	1,500	1,500	1,500
County and Local Historic Preservation Grants	2	385	GF	1,500	1,000	1,000	0	0	0
			GO	1,500	1,000	1,000	0	0	0
State Capitol 2005 Furnishings Project	3	290	GF	550	0	700	0	0	0
Sibley Historic Site Preservation	4	265	GO	542	1,000	0	0	0	0
Kelley Farm Historic Site Land Acquisition	5	125	GO	655	0	0	0	0	0
Historic Fort Snelling Site Improvements	6	220	GO	500	4,600	0	0	0	0
Heritage Trails	7	135	GO	384	250	250	0	0	0
Historic Sites Network Master Plan	8	125	GF	500	500	0	0	0	0
Improve Collections Storage Facilities			GO	0	2,000	500	0	0	0
Kelley Farm Maintenance Building			GO	0	600	0	0	0	0
St Anthony Falls Heritage Zone Implementation			GO	0	0	2,000	0	0	0
Split Rock Barn Reconstruction			GO	0	0	500	0	0	0
History Center Parking Ramp			GO	0	0	1,000	0	0	0
			Project Total	**$11,676**	**$14,985**	**$11,090**	**$1,500**	**$1,500**	**$1,500**

Funding Source

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STATE OF MINNESOTA
Agency Request
F.Y. 2002-2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)
($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
Minnesota Historical Society									
			General Obligation Bonding	$9,126	$13,485	$9,390	$1,500	$1,500	$1,500
			General Fund Projects (GF)	$2,550	$1,500	$1,700	$0	$0	$0

Funding Source

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($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
Minnesota State Academies									
Asset Preservation	1	415	GO	2,000	2,000	2,000	1,500	1,500	1,500
West Wing Noyes Hall Phase Two	2	315	GO	2,896	0	0	0	0	0
Safety Improvements/Roadway Related Construction	3	280	GO	1,400	0	0	0	0	0
MSAB Dorm Expansion			GO	0	3,225	0	0	0	0
Mott Hall Vocational Renovation			GO	0	2,416	0	0	0	0
MSAD Frechette Renovation			GO	0	4,247	0	0	0	0
MSAD Rodman Dining			GO	0	0	6,359	0	0	0
MSAB Vocational Building/Industrial Building			GO	0	0	1,257	0	0	0
MSAD Garage			GO	0	0	1,034	0	0	0
MSAD Lauritsen Recreation & Fitness Center			GO	0	0	5,217	0	0	0
Project Total				**$6,296**	**$11,888**	**$15,867**	**$1,500**	**$1,500**	**$1,500**
General Obligation Bonding				**$6,296**	**$11,888**	**$15,867**	**$1,500**	**$1,500**	**$1,500**

Funding Source

GF = General Fund	OTH = Other Funding Sources	THF = Trunk Highway Fund
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STATE OF MINNESOTA
Agency Request
F.Y. 2002–2007

GOVERNOR'S RECOMMENDATIONS (BY FUNDING SOURCES)
($ In Thousands)

Minnesota State Colleges & Universities

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
Roof Replacement & Repair	1	470	GO	33,264	30,000	25,000	0	0	0
Mechanical/Electr Infrastructure Replacement	1	470	GO	30,851	30,000	30,000	0	0	0
HEAPR	1	470	GO	35,885	40,000	45,000	35,000	35,000	35,000
Normandale CC – Science Remodel Phase 2	2	353	GO/UF	9,900	0	0	9,900	0	0
Minneapolis C&TC – Consolidation Remodel Phs 2	3	393	GO/UF	9,000	3,625	0	12,625	0	0
Metro SU – Library & Info Technology Center	4	308	GO/UF	17,442	0	0	17,442	0	0
Alexandria TC – Classroom/Technology Bldg	5	333	GO/UF	9,150	0	0	9,150	0	0
Winona SU – New Science Building	6	378	GO/UF	30,000	9,772	0	30,000	9,772	0
MSU Moorhead – New Science Building	7	343	GO/UF	18,955	10,022	0	18,955	10,022	0
Systemwide Science Lab Renovations	8	313	GO/UF	1,900	2,000	2,000	1,900	2,000	2,000
Systemwide Land Acquisition	9	208	GO/UF	2,000	2,000	2,000	0	0	0
Bemidji SU/NWTC Co–Location Design	10	208	GO/UF	850	10,000	5,000	0	0	0
NWTC Moorhead – Health & Appl Tech Addition	11	288	GO/UF	400	5,000	0	0	0	0
St. Cloud SU – Centennial, Riverview Remodel Phs 1	12	273	GO/UF	10,000	8,500	0	0	0	0
MSU Mankato – Athletic Facility Phase 3	13	168	GO/UF	8,400	0	0	0	0	0
Southwest SU – Library Remodel	14	298	GO/UF	9,200	0	0	0	0	0

Funding Source

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STATE OF MINNESOTA
Agency Request
F.Y. 2002–2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)
($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
Minnesota State Colleges & Universities									
Hennepin TC - "D" Wing Remodel & Driveway	15	238	GO/UF	3,500	0	0	0	0	0
NEHED Virginia - Lab, Classroom, LRC Remodel	16	248	GO/UF	5,496	0	0	0	0	0
Lake Superior C&TC - Design Academic Addition	17	158	GO/UF	700	8,000	0	0	0	0
MSC–SETC - Student Services Remodel	18	238	GO/UF	580	1,169	0	0	0	0
Dakota TC - Design Info Tech/Telecomm Remodel	19	213	GO/UF	500	6,000	0	0	0	0
St. Cloud TC - Design Workforce Center Add/Remodel	20	133	GO/UF	700	12,500	0	0	0	0
Ridgewater C&TC - Science Labs Remodel	21	188	GO/UF	2,880	0	0	0	0	0
Century C&TC - Design Intermediate Space Remodel	22	188	GO/UF	1,500	3,400	0	0	0	0
South Central TC - Design Applied Labs Remodel	23	188	GO/UF	300	4,199	0	0	0	0
Fergus Falls CC - Design IT & Student Services Add	24	213	GO/UF	760	6,500	0	0	0	0
MnWest Worthington CTC - Science, Nursing Remodel	25	208	GO/UF	6,300	0	0	0	0	0
Inver Hills CC - Design Student Services Addition	26	148	GO/UF	500	6,000	0	0	0	0
2004 /2006 Capital Improvement Program			GO/UF	0	51,313	141,000	0	0	0
Project Total				**$250,913**	**$250,000**	**$250,000**	**$134,972**	**$56,794**	**$37,000**
General Obligation Bonding				**$201,116**	**$201,163**	**$201,160**	**$101,983**	**$49,603**	**$36,340**
User Finance Bonding				**$49,797**	**$48,837**	**$48,840**	**$32,989**	**$7,191**	**$660**

Funding Source

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OTH = Other Funding Sources
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THF = Trunk Highway Fund
UF = User Finance Bonding

STATE OF MINNESOTA
Agency Request
F.Y. 2002–2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)
($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
Natural Resources, Department of									
State Park Initiative	DNR–1	520	GO	31,000	13,000	13,000	31,000	7,300	7,300
Field Office Renovation & Improvements	B–1	335	GO	7,000	1,500	1,500	7,000	1,500	1,500
Statewide Asset Preservation	B–2	395	GO	2,900	2,900	2,900	2,900	2,900	2,900
Office Facilities Development	B–3	335	GO	4,600	7,507	10,168	4,600	4,600	4,600
ADA Compliance	B–4	390	GO	1,000	2,000	2,000	1,000	1,000	1,000
Fish Hatchery Improvements	B–5	310	GO	300	300	300	300	300	300
Dam Repair/Reconstruction/Removal	NB–1	350	GO	700	2,000	2,000	700	1,000	1,000
Reforestation	NB–2	335	GO	2,500	2,500	2,500	2,500	1,500	1,500
Forest Roads and Bridges	NB–3	320	GO	1,200	1,000	1,000	1,200	1,000	1,000
Metro Greenways and Natural Areas	NB–4	260	GO	1,000	1,500	1,500	1,000	1,000	1,000
SNA's Acquisition & Development	NB–5	375	GO	500	1,000	1,000	500	500	500
RIM – Consolidated Wildlife/Critical Habitat	NB–6	360	GO	3,000	5,000	5,000	3,000	3,000	3,000
Stream Protection & Restoration	NB–7	260	GO	500	1,000	1,000	500	500	500
Water Access Acq. Better, & Fishing Piers	NB–8	365	GO	1,500	3,000	3,000	1,500	1,500	1,500
State Trail Acquisition & Development	NB–9	325	GO	2,550	2,000	2,000	2,550	2,000	2,000

Funding Source

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($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
Natural Resources, Department of									
Well Sealing	NB-10	255	GO	425	0	0	600	0	0
			GF	175	0	0	0	0	0
Fisheries Acquisition and Improvement	NB-11	250	GO	500	500	500	500	500	500
State Park Acquisition	NB-12	345	GO	1,000	1,500	1,500	1,000	1,000	1,000
Prairie Bank Easements	NB-13	290	GO	500	500	500	500	500	500
Flood Hazard Mitigation Grants	NB-14	380	GO	15,500	15,000	15,000	15,500	15,000	15,000
State Forest Land Acquisition	NB-15	295	GO	500	1,000	2,000	500	500	500
Lake Superior Safe Harbors	NB-16	300	GO	1,750	6,500	8,000	0	0	0
Trust Fund Lands	NB-17	90	GO	0	1,000	1,000	0	0	0
Natural and Scenic Area Grants	G-1	270	GO	1,000	1,000	1,000	1,000	1,000	1,000
State Trail Connections	G-2	235	GO	500	1,000	1,000	500	500	500
Metro Regional Parks Capital Improvements	G-3	285	GO	8,000	15,400	15,900	8,000	5,000	5,000
			OTH	0	7,260	0	0	0	0
			Project Total	**$90,100**	**$96,867**	**$95,268**	**$88,350**	**$53,600**	**$53,600**
			General Obligation Bonding	**$89,925**	**$89,607**	**$95,268**	**$88,350**	**$53,600**	**$53,600**
			Env & Natural Resoures (OTH)	**$0**	**$7,260**	**$0**	**$0**	**$0**	**$0**

Funding Source

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Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
Natural Resources, Department of									
			General Fund Projects (GF)	**$175**	**$0**	**$0**	**$0**	**$0**	**$0**
Office of Environmental Assistance									
Capital Assistance Program	1	429	GO	12,500	8,000	12,000	3,000	3,000	3,000
			Project Total	**$12,500**	**$8,000**	**$12,000**	**$3,000**	**$3,000**	**$3,000**
			General Obligation Bonding	**$12,500**	**$8,000**	**$12,000**	**$3,000**	**$3,000**	**$3,000**

Funding Source

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($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
Perpich Center for Arts Education									
Performance Hall Cat Walk	1	275	GO	125	0	0	125	0	0
Asset Preservation	2	305	GO	643	300	300	643	300	300
Foodservice Kitchen Renovation	3	280	GO	570	0	0	570	0	0
Repair & Maintenance Building	4	230	GO	1,817	0	0	326	1,660	0
Project Total				**$3,155**	**$300**	**$300**	**$1,664**	**$1,960**	**$300**
General Obligation Bonding				**$3,155**	**$300**	**$300**	**$1,664**	**$1,960**	**$300**
Pollution Control Agency									
Closed Landfill Bonding	1	410	GO	10,795	25,260	0	10,000	26,055	0
Brownfield to Green Space Grant Program	2	245	GO	5,000	0	5,000	0	0	0
Project Total				**$15,795**	**$25,260**	**$5,000**	**$10,000**	**$26,055**	**$0**
General Obligation Bonding				**$15,795**	**$25,260**	**$5,000**	**$10,000**	**$26,055**	**$0**

Funding Source

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STATE OF MINNESOTA
Agency Request
F.Y. 2002-2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)
($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
Trade & Economic Development									
Redevelopment Grant Program	1	390	GO	10,000	10,000	10,000	10,000	10,000	10,000
State Matching Funds	2	436	GO	16,000	16,000	16,000	16,000	16,000	16,000
Wastewater Infrastructure Fund	3	378	GO	30,000	30,000	30,000	4,000	4,000	4,000
			GF	600	600	600	80	80	80
Clean Water Partnership	4	255	GF	3,000	3,000	3,000	0	0	0
Project Total				**$59,600**	**$59,600**	**$59,600**	**$30,080**	**$30,080**	**$30,080**
General Obligation Bonding				**$56,000**	**$56,000**	**$56,000**	**$30,000**	**$30,000**	**$30,000**
General Fund Projects (GF)				**$3,600**	**$3,600**	**$3,600**	**$80**	**$80**	**$80**

Funding Source

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STATE OF MINNESOTA
Agency Request
F.Y. 2002–2007

GOVERNOR'S RECOMMENDATIONS (BY FUNDING SOURCES)
($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
Transportation, Department of									
Northstar Corridor Rail Project	GO–1	319	GO	120,000	0	0	120,000	0	0
Local Bridge Replacement and Rehabilitation	GO–2	385	GO	48,000	65,000	70,000	30,000	30,000	30,000
Red Rock Corridor Rail Project	GO–3	270	GO	5,000	12,000	163,000	0	0	0
Midwest Regional Rail Initiative (Inter–City)	GO–4	256	GO	10,000	30,000	30,000	0	0	0
Rail Service Improvement	GO–5	270	GO	12,000	6,000	6,000	0	0	0
Port Development Assistance	GO–6	230	GO	8,000	8,000	6,000	0	0	0
Statewide Public Safety Radio System	GO–7	95	GO	36,690	35,000	35,000	0	0	0
Consolidated Operations Support Facility	THF–1	160	THF	9,500	0	0	9,500	0	0
Mankato Headquarters Building	THF–2	175	THF	14,000	0	0	14,000	0	0
Communications Backbone Digital Conversion	THF–3	145	THF	11,000	0	0	2,000	0	0
Rochester Headquarters Addition			THF	0	4,000	0	0	0	0
Golden Valley Building Addition			THF	0	4,000	0	0	0	0
Materials Lab Building Addition			THF	0	3,490	0	0	0	0
Training Center Building Addition			THF	0	4,600	0	0	0	0
State Bridge Replacement and Rehabilitation			THB	0	70,000	70,000	0	0	0
Duluth Headquarters Addition/Remodel			THF	0	0	1,250	0	0	0

Funding Source

GF = General Fund
GO = General Obligation Bonds
OTH = Other Funding Sources
THB = Trunk Highway Fund Bonding
THF = Trunk Highway Fund
UF = User Finance Bonding

STATE OF MINNESOTA
Agency Request
F.Y. 2002–2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)
($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
Transportation, Department of									
Crookston Headquarters Building Addition			THF	0	0	1,000	0	0	0
Willmar Headquarters Building Addition			THF	0	0	1,700	0	0	0
Shakopee/Jordan Truck Station Addition			THF	0	0	4,675	0	0	0
Eden Prairie Truck Station Addition			THF	0	0	2,000	0	0	0
Maple Grove Truck Station Replacement			THF	0	0	2,500	0	0	0
Plymouth Truck Station Addition			THF	0	0	2,000	0	0	0
Project Total				$274,190	$242,090	$395,125	$175,500	$30,000	$30,000
General Obligation Bonding				$239,690	$156,000	$310,000	$150,000	$30,000	$30,000
Trunk Highway Fund (THF)				$34,500	$16,090	$15,125	$25,500	$0	$0
Trunk Hwy Fund Bonding (THB)				$0	$70,000	$70,000	$0	$0	$0

Funding Source

GF = General Fund	OTH = Other Funding Sources	THF = Trunk Highway Fund
GO = General Obligation Bonds	THB = Trunk Highway Fund Bonding	UF = User Finance Bonding

STATE OF MINNESOTA
Agency Request
F.Y. 2002–2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)
($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
University of Minnesota									
Systemwide – HEAPR	1	470	GO	80,000	80,000	80,000	35,000	35,000	35,000
St. Paul – Plant Growth Facilities, Phase II	2	428	GO/UF	18,700	0	0	3,400	14,300	0
Duluth – Laboratory Science Building	3	288	GO/UF	25,500	0	0	25,500	0	0
Minneapolis – Nicholson Hall	4	298	GO/UF	24,000	0	0	10,000	0	0
Minneapolis – Mineral Resources Research Center	5	298	GO/UF	18,400	0	0	0	0	0
Systemwide – Classroom Improvements	6	213	GO/UF	4,000	4,000	1,500	4,000	0	0
Minneapolis – Translational Research Facility	7	233	GO/UF	37,000	0	0	0	0	0
Crookston – Bede Hall Replacement	8	313	GO/UF	7,701	0	0	7,701	0	0
Morris – Social Science Building & Sprinklers	9	213	GO/UF	9,000	0	0	0	0	0
Minneapolis – Teaching & Technology Center	10	213	GO/UF	3,000	0	0	0	0	0
Statewide – Research & Outreach Centers	11	248	GO/UF	3,000	3,000	3,000	0	0	0
Minneapolis – Northrop Auditorium	12	248	GO/UF	2,000	10,000	0	0	0	0
Minneapolis – AHC Precinct Plan Phase I			GO/UF	0	20,000	0	0	0	0
Crookston – Academic Program Improvement I			GO/UF	0	4,500	0	0	0	0
Minneapolis – Folwell Hall			GO/UF	0	27,000	0	0	0	0
Morris – Academic Program Improvements I			GO/UF	0	3,000	0	0	0	0

Funding Source

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GO = General Obligation Bonds	THB = Trunk Highway Fund Bonding	UF = User Finance Bonding

STATE OF MINNESOTA
Agency Request
F.Y. 2002-2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)
($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
University of Minnesota									
Minneapolis - Pillsbury Hall Design			GO/UF	0	1,000	0	0	0	0
Minneapolis - Teaching and Technology Center			GO/UF	0	42,000	0	0	0	0
Minneapolis - Lind Hall Renovation			GO/UF	0	18,000	0	0	0	0
St. Paul - North Project			GO/UF	0	24,000	0	0	0	0
Duluth - Kirby Plaza Project			GO/UF	0	12,000	0	0	0	0
Minneapolis - AHC Precinct Plan Phase II			GO/UF	0	0	52,500	0	0	0
Minneapolis - Pillsbury Hall			GO/UF	0	0	15,000	0	0	0
Minneapolis - Scott Hall			GO/UF	0	0	12,000	0	0	0
Minneapolis - Peik Hall			GO/UF	0	0	12,000	0	0	0
Morris - Academic Program Improvements II			GO/UF	0	0	4,500	0	0	0
Minneapolis - Tate Laboratory of Physics I			GO/UF	0	0	21,000	0	0	0
St. Paul - Food Science & Nutrition			GO/UF	0	0	15,000	0	0	0
St. Paul - Plant Science Teaching & Outreach			GO/UF	0	0	4,000	0	0	0
Duluth - Chemistry / Life Science Vacated Space			GO/UF	0	0	9,000	0	0	0
Duluth - Bulldog Sports Center			GO/UF	0	0	16,751	0	0	0
Crookston - Academic Program Improvements II			GO/UF	0	0	6,000	0	0	0

Funding Source

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OTH = Other Funding Sources
THB = Trunk Highway Fund Bonding
THF = Trunk Highway Fund
UF = User Finance Bonding

($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
University of Minnesota									
Project Total				$232,301	$248,500	$252,251	$85,601	$49,300	$35,000
General Obligation Bonding				$186,596	$197,899	$196,223	$73,762	$49,300	$35,000
User Finance Bonding				$45,705	$50,601	$56,028	$11,839	$0	$0

Funding Source

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GO = General Obligation Bonds	THB = Trunk Highway Fund Bonding	UF = User Finance Bonding

STATE OF MINNESOTA
Agency Request
F.Y. 2002-2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)
($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
Veterans Homes Board									
Hastings Building Preservation	1	470	GO	8,553	0	0	8,553	0	0
Silver Bay Roof Replacement	2	395	GO	2,345	0	0	2,345	0	0
Silver Bay Master Plan Renovation	3	340	GO	3,659	0	0	0	0	0
Minneapolis Dining/Kitchen Renovation	4	315	GO	4,375	0	0	0	0	0
Asset Preservation	5	420	GO	4,690	4,406	4,963	2,000	2,000	2,000
Luverne Dementia Unit/Wander Area	6	345	GO	766	0	0	766	0	0
Minneapolis Adult Day Care	7	210	GO	2,825	0	0	0	0	0
Minneapolis Assisted Living	8	210	GO	2,710	0	0	0	0	0
Fergus Falls Wing-Dementia/Wander Additions			GO	0	5,034	0	0	0	0
			Project Total	**$29,923**	**$9,440**	**$4,963**	**$13,664**	**$2,000**	**$2,000**
			General Obligation Bonding	**$29,923**	**$9,440**	**$4,963**	**$13,664**	**$2,000**	**$2,000**

Funding Source

GF = General Fund	OTH = Other Funding Sources	THF = Trunk Highway Fund
GO = General Obligation Bonds	THB = Trunk Highway Fund Bonding	UF = User Finance Bonding

STATE OF MINNESOTA
Agency Request
F.Y. 2002-2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)
($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
Water & Soil Resources Board									
Reinvest In Minnesota	1	340	GO	20,000	20,000	20,000	7,000	7,000	7,000
			GF	1,634	1,634	1,634	0	0	0
Local Government Road Wetland Replacement	2	275	GO	5,200	4,600	4,600	0	0	0
			GF	900	800	800	0	0	0
Streambank, Lakeshore and Roadside Erosion Control	3	215	GO	4,740	4,740	4,740	0	0	0
			GF	260	260	260	0	0	0
			Project Total	**$32,734**	**$32,034**	**$32,034**	**$7,000**	**$7,000**	**$7,000**
			General Obligation Bonding	**$29,940**	**$29,340**	**$29,340**	**$7,000**	**$7,000**	**$7,000**
			General Fund Projects (GF)	**$2,794**	**$2,694**	**$2,694**	**$0**	**$0**	**$0**
Zoological Gardens									
Zoo Master Plan Design/Construction	1	370	GO	18,563	67,442	0	7,184	0	0
Asset Preservation	2	410	GO	3,000	3,000	3,000	3,000	3,000	3,000
			Project Total	**$21,563**	**$70,442**	**$3,000**	**$10,184**	**$3,000**	**$3,000**
			General Obligation Bonding	**$21,563**	**$70,442**	**$3,000**	**$10,184**	**$3,000**	**$3,000**

Funding Source

GF = General Fund	OTH = Other Funding Sources	THF = Trunk Highway Fund
GO = General Obligation Bonds	THB = Trunk Highway Fund Bonding	UF = User Finance Bonding

STATE OF MINNESOTA
Agency Request
F.Y. 2002–2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)
($ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request F.Y. 2002	Agency Request F.Y. 2004	Agency Request F.Y. 2006	Governor's Recommendation F.Y. 2002	Governor's Planning Estimates F.Y. 2004	Governor's Planning Estimates F.Y. 2006
			Grand Total	$1,942,026	$1,557,087	$1,573,906	$844,559	$357,114	$289,331
			General Obligation Bonding	$1,762,840	$1,314,785	$1,341,875	$745,914	$314,923	$262,547
			User Finance Bonding	$121,502	$125,438	$130,868	$65,828	$28,191	$21,660
			Env & Natural Resoures (OTH)	$0	$7,260	$0	$0	$0	$0
			General Fund Projects (GF)	$18,138	$18,794	$10,994	$2,271	$9,280	$80
			Trunk Highway Fund (THF)	$39,546	$20,810	$20,169	$30,546	$4,720	$5,044
			Trunk Hwy Fund Bonding (THB)	$0	$70,000	$70,000	$0	$0	$0

Funding Source

GF = General Fund	OTH = Other Funding Sources	THF = Trunk Highway Fund
GO = General Obligation Bonds	THB = Trunk Highway Fund Bonding	UF = User Finance Bonding

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

Project Title	2002 Agency Priority Ranking	Agency Project Requests for State Funds ($ by Session)				Statewide Strategic Score	Governor's Recommendations 2002	Governor's Planning Estimate	
		2002	2004	2006	Total			2004	2006
Dental Clinic at State Colleges and Universities		$775	$0	$0	$775	150	$0	$0	$0
Total Project Requests		$775	$0	$0	$775		$0	$0	$0

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AGENCY MISSION STATEMENT:

The mission of the Minnesota Department of Health (MDH) is to protect, maintain, and improve the health of all Minnesotans.

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

Dental access continues to be a major problem for public program patients and other underserved populations. Appointments are hard to get, delays in service are long at best, and patients often travel great distances seeking care. Additional dental clinics serving these populations are clearly needed.

DESCRIBE THE AGENCY'S LONG-RANGE STRATEGIC GOALS IN RELATION TO CAPITAL REQUESTS:

The department's highest strategic capital budget goal continues to be the development of new facilities to adequately house the state public health programs and laboratories. Existing facilities are being utilized to the maximum and are already inadequate to meet current program demands much less growth related to new demands. Those programs that involve clinical, environmental and radiological laboratory analysis and related investigatory staff needed to identify disease and other health risk agents and develop responses designed to protect the health of the public are at particular risk.

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

The Minnesota State Colleges and Universities (MNSCU) facilities in this proposal each have a dental hygienist or dental assistant training program with clinic and lab space for these dental auxiliary training programs. These sites are thus well suited for modification and expansion to add additional equipment and capacity for an expansion to allow a dentist to provide restorative and other treatment services.

AGENCY PROCESS USED TO ARRIVE AT THESE CAPITAL REQUESTS:

Laws 2001 1st Special Session, Chapter 9, Article 2, section 71, subd. 2, directed the commissioner of health, in consultation with the MNSCU, to determine the capital improvements needed to establish community-based dental clinics at state colleges and universities to be used as training sites and as public community-based dental clinics for public program recipients during times when the school is not in session and the clinic is not in use. The law directed the commissioner to submit the necessary capital improvement costs for start-up equipment and necessary infrastructure as part of the 2002 legislative capital budget requests.

MDH and MNSCU sought proposals from MNSCU campuses for projects that could be implemented if capital funding was provided. Two campuses responded, with program plans and cost figures, which were reviewed and revised by MNSCU facilities staff.

AGENCY CAPITAL BUDGET PROJECTS DURING THE LAST SIX YEARS (1996-2001): None

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2002 STATE APPROPRIATION REQUEST: $775,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION: Duluth, Moorhead

PROJECT DESCRIPTION AND RATIONALE:

The Laws of 2001, 1st Special Session, Chapter 9, Article 2, section 71, subd. 2, directed the commissioner of health, in consultation with the Minnesota State Colleges and Universities (MNSCU), to determine the capital improvements needed to establish community-based dental clinics at state colleges and universities to be used as training sites and as public community-based dental clinics for public program recipients during times when the school is not in session and the clinic is not in use. The law directed the commissioner to submit the necessary capital improvement costs for start-up equipment and necessary infrastructure as part of the 2002 legislative capital budget requests.

In response to this direction in law, Minnesota Department of Health (MDH) and MNSCU sought proposals from MNSCU campuses for projects that could be implemented if capital funding was provided. Two proposals resulted. This request is for $775,000 to upgrade and remodel the dental clinic facilities in Duluth and Moorhead. The request also identifies $380,000 for operating costs beginning in FY 2003.

Lake Superior College Community Dental Clinic - Lake Superior College (LSC), Duluth, in cooperation with area dentists, plans to establish a Community Dental Clinic housed at the LSC Dental Hygiene training facilities at the college. The Community Dental Clinic is needed by the dental community to address a significant underserved population present in northeastern Minnesota. This underserved population has a high cancellation rate due to a lack of affordability and adequate insurance to cover needed dental care and treatment. Dental services associated with the Community Dental Clinic will be provided initially on the first and third Tuesday evening of each month for three hours per evening. Staffing, with the exception of the clinic coordinator, will be on a volunteer basis. Initially, two dentists, two hygienists, and three dental assistants, will staff the clinic. The number of evenings may increase if demand warrants the need for additional hours of operation.

The Lake Superior proposal requests funds for dental equipment and facility operating costs. Costs include startup expenses, dental supplies inventory and capital equipment needs to adequately equip the LSC dental hygiene training facilities to handle the dental care needs of the area's underserved population.

Operating costs include building maintenance, utilities, hazardous waste disposal, equipment wear & tear, janitorial service, signage, and a receptionist/bookkeeper.

Total cost for the Lake Superior project is $128,000. Capital costs are $105,000, and operating costs are $23,000, per year. After its start-up period, the project will be partially supported by reimbursements for dental services provided to public program patients. The budget assumes equipment purchases will be completed by December 2002, and operations will begin January 2003.

Northwest Technical College, Moorhead Campus. The proposal is to expand the capabilities of the existing Northwest Technical College (NTC) Dental Hygiene Clinic to include restorative work, which must be performed by a dentist, and provide greater opportunities for students and the underserved population of the area. This proposal is conceived in two phases:

- Phase 1 will be to use the existing clinic space while adding additional services through the greater use of the existing staff and a contracted dentist.
- Phase 2 will be to further expand services through the reallocation and renovation of adjacent space to provide for the additional operatories, x-ray rooms, waiting room, and administration space.

The NTC proposal requests funds for renovation of space for an expanded dental clinic, for startup dental equipment, and for operating costs. These investments will allow the dental program to respond to the dental care needs of the area's underserved population. The request also includes the operating costs associated with the personnel needed to provide these additional services and the administration of the Community Based Dental Clinic. Operating costs include building maintenance, utilities, hazardous waste disposal, equipment wear and tear, janitorial service, signage, and personnel costs for dental hygienist, dental assistant, clinic administrator contract dentists and receptionist/secretary/bookkeeper personnel.

Total cost for the NTC project is $925,000. Capital costs are $569,000, and operating costs are $356,000 for phases 1 and 2. The project will be partially supported by reimbursements for dental services provided to the public program patients. The budget projects operations of both phase 1 and 2 will begin near 7-1-2002. Northwest Technical College is involved in another capital bonding request for a part of this area, and also has a longer term proposal for a third phase of this project, which would be the relocation of the entire dental clinic and instructional dental spaces to the new location as indicated on the Master Facility Plan that was included in NTC's Capital Bonding Phase 2 Expansion Project. This phase 3 project is being requested as part of NTC's FY 2002 Capital Bonding Request.

In addition to costs calculated by each campus, other design and project management costs and fees of $101,000 were calculated jointly for the combined projects.

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

The Laws of 2001, 1st Special Session, Chapter 9, Article 2, section 71, subd. 2, directed the commissioner of health, in consultation with the MNSCU, to determine the capital improvements needed to establish community-based dental clinics at state colleges and universities to be used as training sites and as public community-based dental clinics for public program recipients during times when the school is not in session and the clinic is not in use.

This request responds to the MDH's Strategic Direction to develop strategies to improve the health of vulnerable populations, including children, and to assure that all Minnesotans have access to affordable, high quality health care.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

This project will increase the operating budget of each college through increased operating and personnel costs at each campus. In addition to facilities personnel, NTC seeks contract program personnel (two dentists), and support for hygienist, dental assistant, and administrative personnel. After start-up, program costs will begin to be offset by revenues from billings for dental services.

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

MDH:
Mark Schoenbaum
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Minnesota Department of Health
Phone: (651) 282-3859
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AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands ($137,500 = $138)

TOTAL PROJECT COSTS All Years and All Funding Sources	**Project Costs** All Prior Years	**Project Costs** FY 2002-03	**Project Costs** FY 2004-05	**Project Costs** FY 2006-07	**Project Costs** All Years	**Project Start** (Month/Year)	**Project Finish** (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	$0	$0	$0	$0	$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	4	0	0	4		
Design Development	0	15	0	0	15		
Contract Documents	0	19	0	0	19		
Construction Administration	0	9	0	0	9		
4. Project Management							
State Staff Project Management	0	9	0	0	9		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs							
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	375	0	0	375		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	3	0	0	3		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	304	0	0	304		
Telecommunications (voice & data)	0	5	0	0	5		
Security Equipment	0	2	0	0	2		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	745	0	0	745		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		4.00%	0.00%	0.00%			
Inflation Cost		30	0	0	30		
GRAND TOTAL	$0	$775	$0	$0	$775		

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

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	775	0	0	775
General	0	0	0	0	0
State Funds Subtotal	0	775	0	0	775
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**	**775**	**0**	**0**	**775**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	290	580	580	0
Other Program Related Expenses	41	82	82	0
Building Operating Expenses	27	54	54	0
Building Repair and Replacement Expenses	22	44	44	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	380	760	760	0
Revenue Offsets	0	<108>	<216>	0
TOTAL CHANGES	380	652	544	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 only)	Amount	Percent of Total
General Fund	775	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)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

NA

Department of Finance Analysis

This project is included in the Governor's Capital Budget in accordance with the Laws of 2001, 1st Special Session, Ch. 9, Art. 2, Sec. 71. It would be more appropriately placed and prioritized within the capital requests from MNSCU, since the funding requests are from MNSCU campuses. Northwest Technical College has other capital requests included this budget, which includes relocating the dental clinic that this project proposes to remodel. This request should be evaluated along with those proposals.

Governor's Recommendation

The Governor does not recommend capital funding for this request. This request should first be reconsidered and reprioritized as part of the overall request package of the Minnesota State Colleges and Universities.

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	0
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	150

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

Project Title	2002 Agency Priority Ranking	Agency Project Requests for State Funds ($ by Session)				Statewide Strategic Score	Governor's Recommendations 2002	Governor's Planning Estimate	
		2002	2004	2006	Total			2004	2006
System-Wide Roof Replacement	1	$2,789	$4,167	$2,145	$9,101	470	$2,789	$1,500	$1,500
System-Wide Asset Preservation	2	6,500	8,450	8,400	23,350	470	6,500	4,000	4,000
FFRTC - Upgrade Program Facilities	3	3,000	3,000	0	6,000	385	0	0	0
System-Wide Building/Structure Demolition	4	2,250	1,650	1,065	4,965	395	2,000	1,650	1,065
BRHSC - Building #20 Improvements	5	6,305	0	0	6,305	315	0	0	0
SPRTC - Convert Power Plant to Low Pressure	6	3,619	0	0	3,619	280	3,619	0	0
BRHSC - Convert Power Plant to Low Pressure	7	2,965	4,414	0	7,379	255	0	0	0
SPRTC - Phase II Upgrade Shantz & Pexton		0	9,500	0	9,500		0	0	0
BRHSC - Building #19 Improvements		0	6,200	0	6,200		0	0	0
AMRTC - Remodel Miller Building		0	6,000	0	6,000		0	0	0
SPRTC - Bartlett/Sunrise Building Improvements		0	4,000	0	4,000		0	0	0
AGC - B/C Residential Unit Remodeling		0	2,750	0	2,750		0	0	0
AGC - A/D Residential Unit Remodeling		0	2,750	0	2,750		0	0	0
AGC - B/C Residential Unit Remodeling		0	2,750	0	2,750		0	0	0
SPRTC - Storm/Saniatary Sewer Separation/Upgrades		0	1,500	0	1,500		0	0	0
BRHSC - Remodel Dietary Department		0	1,000	0	1,000		0	0	0
MSPPTC - Reconfigure Industry Ship/Rec. Area		0	250	0	250		0	0	0
AMRTC - Construct Vehicle Maintenance/Storage Bldg		0	250	0	250		0	0	0
MSPPTC - Construct Storage Building		0	100	0	100		0	0	0
MSSPTC - Construct 50-Bed Addition		0	0	9,900	9,900		0	0	0
AGC - Remodel E-Building & Install Elevator		0	0	3,200	3,200		0	0	0
WRTC - Upgrade HVAC/Mechanical Systems Bldg. #8		0	0	1,500	1,500		0	0	0
AGC - Install Fire Sprinklers		0	0	1,100	1,100		0	0	0
Total Project Requests		$27,428	$58,731	$27,310	$113,469		$14,908	$7,150	$6,565

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AGENCY MISSION STATEMENT:

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

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

The DHS capital budget requests are made for betterments at the State Operated Services sites. In addition, the department has been working with the Department of Administration for the last several years to consolidate the eight metro locations of the DHS central office into one building. An appropriation of $1 million was approved during the 2000 legislative session for a predesign study for collocating facilities for the Department of Health and Human Services as well as the Department of Agriculture's laboratory. The capital request for the next phase of this project is included in the Department of Administration's capital budget proposal for FY 2002.

State Operated Services is the unit of DHS that provides state operated services to persons with mental illness, developmental disabilities, and chemical dependency. These services are provided in settings that are consistent with the patients' maximum level of functioning. Included within State Operated Services is the Eastern Minnesota State Operated Community Services Program (EMSOCS), and the state's eight regional treatment centers (RTCs). They are:

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

* The Cambridge campus is the site of the Minnesota Extended Treatment Option (METO) Program.

The role of State Operated Services is to assist persons with mental illness, developmental disabilities, chemical dependency, and psycho-geriatric treatment needs to achieve their maximum degree of self-sufficiency in the most appropriate and least restrictive setting possible. The Minnesota Security Hospital in St. Peter provides multi-disciplinary forensic evaluation and treats disorders, which may manifest into severely aggressive and/or dangerous behaviors. In addition, MSPPTC at Moose Lake provides sex offender treatment to individuals committed as persons with sexual psychopathic personalities or as sexually dangerous persons.

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

Trends -Central Office

In the 1980s, DHS centralized its offices at 444 Lafayette Road in St. Paul. In the intervening years a number of policy decisions have affected growth and the dispersal of staff to other sites. These decisions were predicated on the idea of more effectively managing statewide human services business between DHS and the 87 counties. The automation of public welfare eligibility determinations by linking the 87 counties and DHS through the MAXIS computer system was a huge change. From MAXIS came the opportunity to use economies of scale and centralize welfare benefit distribution from one site in St. Paul rather than continuing with the inefficiencies and taxpayer costs of distribution from 87 counties.

What this centralization and use of systems has meant is consciously shifting costs from the local or county human services system to the state in order to get overall benefits to taxpayers and to provide better service to its clients. This has also meant staff growth in the systems area and more space needs for equipment and staff to perform centralized duties.

The state's role in providing health care coverage for low income, uninsured children and families also grew with the advent of Minnesota Care and so did the need for more space. With Minnesota Care, DHS assumed the roles and tasks associated with an insurance company providing coverage to over 100,000 enrollees including eligibility determination, premium collection, and customer service.

Trends - State Operated Services

Since its peak in 1960, when state operated residential facilities served an average daily population of 16,355 persons, RTC population levels have steadily declined as part of a deliberate state strategy to integrate persons with disabilities into their home communities where it is beneficial and appropriate to do so. The present licensed capacity of the RTC system is approximately 3,000 beds and the RTCs collectively serve an average daily population of approximately 1,350 persons on their campuses.

This downsizing trend is a result of advances in the treatment of persons with disabilities, coupled with a recognition that all individuals can participate at some level in the activities of daily life in community settings. With increased emphasis on creative and flexible client services in the community, the need for institutional based services will continue to decline. The definition of the state's "safety net" for vulnerable populations is evolving. More and more this "safety net" function emphasizes outreach, training for community providers, and crisis intervention in the community instead of the historic practice of removing the client from home or community and placing them in RTC campus-based programs. The size and nature of the RTC campus-based operations will change. Over the next decade RTCs will likely move toward specialized programs that are smaller, more accessible, and focus on intensive treatment and faster return to the community. As a result, the state is faced with an ever-increasing excess capital capacity on the RTC campuses; requiring significant funds to be diverted from client services without any value added benefit to clients.

Mental Illness (MI)
Mental Illness programs are operated at Anoka, Brainerd, Fergus Falls, St. Peter, and Willmar. MI services administered through Moose Lake State Operated Services are located in community settings. The RTC MI average daily population was 969 in March 1999, including 169 patients served by MSH, and 145 psychopathic personalities patients served by MSPPTC at Moose Lake and St. Peter. Since 1984, RTC annual admissions and discharges have increased dramatically, but average daily population has remained stable due to significant reductions in the average length of stay. In the past patients often spent a year or more in treatment, today the average length of stay at RTCs is less than 100 days. This decline is directly attributable to the development of new psychotropic medications that have been successful in controlling the symptoms of mental illness.

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

Also in 1995, the department began establishing creative partnerships between the RTCs and the local mental health authorities in the regions served by the RTC. The purpose behind this effort is to build upon and strengthen the existing community mental health system and utilize state staff and resources to support patients after they are discharged from the hospital, and to help clients to handle crises in the community so that re-hospitalization is averted. Implementation of these efforts continues and should result in even further reductions in campus-based psychiatric services and downsizing of on-campus bed capacity. In recognition of this, the department has initiated site planning on all campuses with MI programs. While the RTC MI programs are undergoing significant change, the cyclical nature of mental illness will require continued need for campus-based psychiatric hospital programs.

Psychopathic Personality/ Sex Offender Needs
In the early 1990s the state experienced a growth in the number of individuals committed as psychopathic personalities (PP). Based on projected referrals to the program, a 100 bed secure facility in Moose Lake, and a 50-bed expansion of the Minnesota Security Hospital in St. Peter have been built to accommodate projected need. In May 1995 there were 76 persons under PP commitment, with referrals to the programs occurring at approximately one per month. In October 1997 there were 121 individuals at both locations, and referrals to the program had increased to nearly two per month bringing the population to 145 in March 1999.

Two additional 25-bed units were approved to be constructed at the Moose Lake facility in 1998. These beds are scheduled to be ready for occupancy during the summer of 2000. The level of referrals continues at approximately two per month, or nearly 25 per year, resulting in an average net growth of approximately 19 per year. As a result, there is a need to continue planning and development of additional secure capacity for the PP/sex offender program for both the short and long-term.

Developmental Disabilities (DD)
In 1960 the RTCs provided residential care for 6,008 individuals with mental retardation and other developmental disabilities. By the end of FY 1997, this number had declined to 244. In June 2000 the department completed the transition to community placements for the remaining population. This downsizing of campus-based DD programs has been accomplished in part through the development of

state operated day training and habilitative programs and waiver services homes in community settings. Some of these services are delivered in leased residential space, while others are provided in state owned homes. "Safety net" services for persons with developmental disabilities have been redefined to include community support service teams throughout Minnesota, and a small treatment facility on the Cambridge RTC campus. The METO (Minnesota Extended Treatment Option) program has an authorized capacity of up to 72 individuals who present a public safety risk and/or who have involvement with the criminal justice system. Construction of the residential facilities for 36 beds was completed this spring. Construction of 12 additional beds will be completed in the fall of 2001. At present there is only a projected need for 48 specialized beds for this population. However, the design of the METO residential units will allow for incremental bed development in modules of 6 or 12 should additional capacity be required in the future.

Chemical Dependency (CD)
Since January 1988, the RTC CD programs have operated as enterprise funds and compete in the marketplace with other vendors for CD funding from the Consolidated Chemical Dependency Treatment Fund and other third party sources. The average daily population as of April 2001 was just over 200. The state operated CD system has captured a defined market niche and the operations remain stable and profitable.

Nursing Homes (NH)/Long-Term Care
The department's involvement as a provider of NH services is principally limited to the AGCC, which is licensed for 343 beds and has an average daily population of 155 as of April 2001. In addition, BRHSC operates a small, 28-bed program.

Other Forces Impacting Capital Planning
As campus-based restructuring of RTC services continues, and as the "safety net" is redefined to include more community outreach and other wrap-around services. there will be more buildings declared as surplus. As the resident tenant of state property, the responsibility to maintain vacant and unused buildings and grounds falls to the RTC system. The costs of these maintenance efforts are consuming a greater proportion of the funding allocated to the state operated system. This trend will continue unless steps are taken to sell the surplus property or to demolish surplus buildings. This trend is further complicated by the fact that all of the state operated CD programs and nearly all of the state's services for developmental disabilities are revenue-based programs, with more enterprise activities authorized for the future. Reimbursement levels under Medical Assistance and other third party sources are unable to bear the costs of this overhead without seriously affecting the ability of the programs to be competitive in the health care marketplace.

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

Self-Assessment – Central Office
While the rationale for a consolidated DHS central office is explained in more detail on its budget page, the current use of eight rental sites is no longer functional for the following reasons:

- Current space is not a good value for taxpayer money. The cost of continuing to lease current DHS offices is more expensive than building to own.
- Current space will not meet the needs for increasing reliance upon technology. Current mechanical, electrical, and network infrastructure will require extensive and expensive upgrades. This is not a good investment for buildings the state does not own.
- Staff is now shuttling between eight locations to do basic work, losing time in productivity and opportunities to easily collaborate on service delivery for clients.
- Citizens seeking services and business partners must also travel among locations, furthering a belief that government is insensitive. This presents a public image that does not mesh with the department's mission to promote the dignity, safety, and rights of the individual, as well as ensuring public accountability and trust through responsible use of resources.

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

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

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

Historically, one of the primary roles of State Operated Services in the mental health system has been to provide inpatient care to persons with serious and persistent mental illness (SPMI). 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.

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

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

The third strategic objective focuses on asset preservation. This objective centers on the need to address critical repair, replacement, and renewal needs specific to the physical plants of the regional treatment centers. These needs have developed over a long period of time, and represent a system-wide assessment of: safety hazards, code compliance issues, and mechanical and structural deficiencies; major mechanical and electrical utility system repairs/replacements/improvements; abatement of asbestos containing materials; roof work, tuckpointing; and other building envelope work such as window replacement, elevator repairs/upgrades, and road and parking lot maintenance. As indicated above, asset preservation projects included in this capital plan are consistent with the anticipated needs of the evolving state operated mental health service system.

A fourth strategic objective focuses on the reduction/elimination of the large amount of nonfunctional surplus space throughout the RTC system. In the spring of 2001, the department sent Commissioner Fisher, Department of Administration, a list of buildings that are currently considered surplus to the RTCs. With the assistance of the Department of Administration, DHS hopes to convert surplus space to other ownership or cost effective lease arrangements. Funds are being requested to demolish those buildings that are determined to be nonfunctional and/or are considered to have served past the useful designed life of the structure.

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

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

AGENCY PROCESS USED TO ARRIVE AT THESE CAPITAL REQUESTS:

Agency Process-Central Office
The department received a proposal from its landlord in Lafayette Park in 1997 to construct a new facility and consolidate the central offices. The Department of Finance and Administration directed DHS to explore other options including the construction of a state owned facility to meet its needs.

The Department of Human Services developed a participatory process, driven by basic questions such as, how is DHS organized? How do employees work together, communicate with each other and their business contacts? How do customers interact with the department? The approach has been one of developing a strategy that furthers the DHS mission and builds on organizational strengths. The project team interviewed over 50 leaders throughout the department and identified several key issues of critical importance to decision-makers. They held a workshop in which 120 employees discussed several potential facilities scenarios and developed recommendations for further planning. The team also surveyed over 900 employees to help focus planning energies in the areas that will have the most impact on efficiency and effectiveness. This proposal is a result of the facilities master-planning process.

Agency Process - State Operated Services
Early in 1997 the agency conducted a two-day strategic planning conference for State Operated Services. The purpose of this conference was to initiate the process for developing and upgrading long-range strategic goals and objectives for their operations.

With these goals and objectives in mind, each State Operated Service program was asked to establish a well-defined, long-range operational program for its facility. These operational programs are updated biennially with the intent to outline and describe services to be provided, methods of delivering these services, and resources required for providing these services in the future. These operational programs must demonstrate a strategic link to the agency's system-wide strategic plan.

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

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

After completion of this work each facility is required to revise their long-range (6-year) facilities budgets, which outline all capital projects proposed for the facility. All known physical plant deficiencies, scheduled maintenance, or proposed/required improvements are evaluated and listed in the appropriate budget category (R&R, R/R Special Projects, Asset Preservation, CAPRA, Capital, etc.) This information is 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.

This information is then utilized to develop the agency's Six-Year Capital Budget Plan. We believe the following six-year plan outlines an incremental plan for improving and upgrading the physical plant resources required to support future operational programs at the State Operated Services facilities in accordance with the strategic goals and objectives outlined in preceding sections of this Strategic Planning Summary document.

In addition, the FY 2002-07 Capital Budget request for the Department of Administration includes a plan to design and construct a new office building to meet the future space needs of the department, and to consolidate the agency's multiple metro area offices. The project narrative for this request outlines how the state will realize significant savings for the agency's long-term space costs. It also points out the economies of scale for having agency operations located centrally.

AGENCY CAPITAL BUDGET PROJECTS DURING THE LAST SIX YEARS (1996-2001):

		(in $000s)
Laws of Minnesota, 1996, Chapter 463, Section 17		**$ 8,807**
System-Wide	Asset Preservation	$ 1,000
Anoka RTC	Design Miller Building Renovation	$ 322
Brainerd RHSC	Upgrade HVAC	$ 1,500
Cambridge RHSC	Remodel/construct Residential/ Program Space for 36 METO beds	$ 3,400
Willmar RTC	Residential/Program Space Remodeling Adolescent Treatment Program	$ 2,500
Laws of Minnesota, 1998, Chapter 404, Section 18		**$ 19,600**
Statewide	Roof Repair and Replacement	$ 1,900
Statewide	Asset Preservation	$ 4,000
METO	Construct 12 beds	$ 1,500
MSPPTC	Construct 50-bed addition	$ 8,000
Crisis and Respite	Residential Capacity	$ 1,200
WRTC	Renovate MTC and Cottage 14	$ 3,000
Laws of Minnesota, 2000, Chapter 492, Art. 1, Section 17		**$ 12,171**
Statewide	Roof Repair and Replacement	$ 1,971
Statewide	Asset Preservation	$ 3,000
SPRTC	Upgrade Pexton Hall, St. Peter	$ 7,200

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2002 STATE APPROPRIATION REQUEST: $2,789,000

AGENCY PROJECT PRIORITY: 1 of 7

PROJECT LOCATION: System-Wide

PROJECT DESCRIPTION AND RATIONALE:

This project request outlines system-wide roof repair and replacement needs for the Department of Human Services (DHS) State Operated Services' facilities. The projects included in this request range from repair/replacement of existing flashing materials to total roof replacement. All of the buildings included in this request have roofs or certain roof system components that have reached or exceeded projected useful life. Repairs and replacements are needed to prevent subsequent damage to other components of the building(s).

In recent years, asset preservation has become a fundamental component of the capital budget process. The key objective of asset preservation is to help reduce the amount of deferred maintenance and deferred renewal referred to as the "Capital Iceberg." Roof repair/replacement is generally considered an asset preservation project. However, because of the system-wide scope of roof repair/replacement in the regional treatment center (RTC) system, and the potential ramifications associated with not maintaining the weatherproofing integrity of roofs, DHS has separated roof repair/replacement from other asset preservation projects in this (FY 2002-03) Capital Budget request.

Roofs and related components require schedule maintenance and eventually replacement. Most roofs included in this request have exceeded their useful life. The estimated cost of the roof projects requested for FY 2002-03 range from $25,000 to $293,000.

Each of the department's facilities is required to have a six-year roof maintenance and repair/replacement plan for the buildings on their campus. These plans must support the future need and projected use of the buildings being proposed for major roof repair/replacement expenditures. Buildings proposed for roof repair/replacement are not evaluated simply on the building's roof system deficiency, but rather on an assessment of the building's overall condition, current utilization, and projected or proposed future use.

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

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

DHS 2002/2003 Roof Repair/Replacement Plan

Facility	Building Name	Estimated Cost
AGCC	C-Building Flat Roof Area	$ 25,000
AMRTC	Miller-Shop & Gym Area	170,000
AMRTC	Warehouse Building	293,000
AMRTC	Portland Ave	70,000
BRHSC	Building #7	230,000
BRHSC	Building #8	230,000
BRHSC	Building #10	230,000
BRHSC	Building #20	230,000
BRHSC	Building #21	230,000
SPRTC	Shantz Hall	261,000
SPRTC	Green Acres	235,000
SPRTC	Sunrise	235,000
SPRTC	Laundry Building	123,000
SPRTC	Mechanical Shop	20,000
	Estimated Project Costs	$2,582,000
	Estimated Inflation	207,000
	Total Project Cost	$2,789,000

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

Lack of funding of this request or limited funding of the statewide CAPRA request would require the use of limited repair and replacement operating funds to address critical roof repair and replacement projects. This action would limit the agency's ability to address routine preventive and correct facility maintenance and actually compound the deferred maintenance problem this request is attempting to address.

OTHER CONSIDERATIONS:

Deferred repairs or replacement of roof systems can result in a significant increase in total project costs. Leaking roofs can damage interior surfaces and jeopardize structural integrity. Leaking roofs can ruin roof insulation, cause significant damage or deterioration to roof decks, deteriorate HVAC and electrical systems, and cause significant damage or destruction of program equipment and furnishings.

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

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

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

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	$0	$0	$0	$0	$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	39	56	25	120	07/2002	06/2003
Design Development	0	52	73	34	159	08/2002	07/2003
Contract Documents	0	103	145	68	316	08/2002	08/2003
Construction Administration	0	64	91	42	197	09/2002	06/2004
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						07/2002	06/2004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	2,208	3,040	1,444	6,692		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	116	160	75	351		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	2,582	3,565	1,688	7,835		
9. Inflation							
Midpoint of Construction		06/2003	06/2005	07/2007			
Inflation Multiplier		8.00%	16.90%	27.10%			
Inflation Cost		207	602	457	1,266		
GRAND TOTAL	$0	$2,789	$4,167	$2,145	$9,101		

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

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,789	4,167	2,145	9,101
State Funds Subtotal	0	2,789	4,167	2,145	9,101
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**	**2,789**	**4,167**	**2,145**	**9,101**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
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 CHANGES	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 only)	Amount	Percent of Total
General Fund	2,789	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS

Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.

No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	60
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
Total	700 Maximum	470

Department of Administration Analysis:

Admin policy is to support the appropriation of funds for asset preservation as a means of ensuring appropriate stewardship of current state owned facilities.

Department of Finance Analysis:

Roof repair and replacement is critical to the agency's mission and asset preservation strategy, and is a consistent component of the state's six-year planning estimates. This is reflected in the statewide strategic score.

The commitment the department has made to the maintenance of its facilities is reflected in the priority ranking of this project. The department is responsible for maintaining a significant number of buildings between all its facilities. The maintenance costs exceed the capacity of its operating budget.

Governor's Recommendation:

The Governor recommends general obligation bonding of $2.789 million for this request as part of his statewide asset preservation and facility repair initiative. Also included are budget planning estimates of $1.5 million in 2004 and $1.5 million in 2006.

To encourage rapid expenditure of these capital funds for immediate economic stimulus, the Governor recommends a sunset date of 6-30-2004 for the 2002 appropriation. Any portion of these funds not spent or encumbered by that date should be cancelled.

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2002 STATE APPROPRIATION REQUEST: $6,500,000

AGENCY PROJECT PRIORITY: 2 of 7

PROJECT LOCATION: System-wide

PROJECT DESCRIPTION AND RATIONALE: This project request involves the repair, replacement, and renewal needs specific to the operations of the regional treatment centers (RTCs). These needs developed over a long period of time, and represent a system-wide assessment of the facility deficiencies, including, but not limited to the following:

- Safety hazards and code compliance issues
- Emergency power/egress lighting upgrades (life safety)
- Mechanical and structural deficiencies
- Tuckpointing and other building envelope work (window and door replacement, facia 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 repair/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

Although most of the 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. tuckpointing, window replacement), and a few may have shorter life cycles, (i.e. road and parking lot seal coating and overlays, water tower cleaning and painting). 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 recent years, asset preservation has become a fundamental component of the capital budget process. The key objective of asset preservation is to help reduce the amount of deferred maintenance and deferred renewal referred to as the "capital iceberg." According to information from the Department of Administration, the capital iceberg for all state owned buildings is estimated at $1.5 billion.

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. Projects related to new construction, facility adaptation, or program remodeling are also included on these lists; however, they are associated with a different source of funding. A list outlining many of the asset preservation projects identified by the RTCs is available upon request.

When new projects are identified, facility and agency staff evaluate project type and scope to determine the most appropriate method of project funding. Alternative funding methods include operating budgets (repairs and betterments); CAPRA funds (controlled by the Department of Administration); and capital budget requests (generally appropriated on a two-year cycle). The facilities' asset preservation plans must support the future need and projected use of the facility. Building components are not evaluated on an individual deficiency basis, but rather on an overall building evaluation or assessment basis to determine that its life cycle characteristics and program suitability are in balance. In some cases repair 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 or committed.

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

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):
Lack of funding of this request or limited funding of the statewide CAPRA request, will require the use of a large percentage of limited repair and replacement operating funds to address critical and expensive asset preservation projects. This action would limit the agency's ability to address routine preventative, predictive and corrective facility maintenance and subsequently compound the existing deferred maintenance problem.

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

PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:
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E-mail: alan.vanbuskirk@state.mn.us

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

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	$0	$0	$0	$0	$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	77	94	95	266	06/2002	09/2003
Design Development	0	100	120	124	344	08/2002	10/2003
Contract Documents	0	200	240	240	680	09/2002	11/2003
Construction Administration	0	125	150	150	425	09/2002	12/2003
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						07/2002	07/2004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	5,000	6,000	6,000	17,000		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	500	600	0	1,100		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	6,002	7,204	6,609	19,815		
9. Inflation							
Midpoint of Construction		07/2003	07/2005	07/2007			
Inflation Multiplier		8.30%	17.30%	27.10%			
Inflation Cost		498	1,246	1,791	3,535		
GRAND TOTAL	$0	$6,500	$8,450	$8,400	$23,350		

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

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	6,500	8,450	8,400	23,350
State Funds Subtotal	0	6,500	8,450	8,400	23,350
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**	**6,500**	**8,450**	**8,400**	**23,350**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
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 CHANGES	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 only)	Amount	Percent of Total
General Fund	6,500	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

Admin policy is to support the appropriation of funds for asset preservation as a means of ensuring appropriate stewardship of current state owned facilities.

Department of Finance Analysis:

Asset Preservation is critical to the agency's mission and is a consistent component of the state's six-year planning estimates. This is reflected in the statewide strategic score.

The commitment the department has made to the maintenance of its facilities is reflected in the priority ranking of this project. The department is responsible for maintaining a significant number of buildings between all its facilities. The maintenance costs exceed the capacity of its operating budget.

Governor's Recommendation:

The Governor recommends general obligation bonding of $6.5 million for this request as part of his statewide asset preservation and facility repair initiative. Also included are budget planning estimates of $4 million in 2004 and $4 million in 2006.

To encourage rapid expenditure of these capital funds for immediate economic stimulus, the Governor recommends a sunset date of 6-30-2004 for the 2002 appropriation. Any portion of these funds not spent or encumbered by that date should be cancelled.

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	60
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
Total	700 Maximum	470

2002 STATE APPROPRIATION REQUEST: $3,000,000

AGENCY PROJECT PRIORITY: 3 of 7

PROJECT LOCATION: Fergus Falls Regional Treatment Center

PROJECT DESCRIPTION AND RATIONALE:

This capital budget request is for designing upgraded facilities (renovated/new), which are sized and located to appropriately support the programs that the northern region of State Operated Services will provide the northwest catchment area currently served by Fergus Falls Regional Treatment Center (FFRTC); and, providing funds for the renovation/construction necessary for the development of this alternative space.

In addition, this request is for funds to address issues associated with the disposition of the large amount of surplus land and buildings on the FFRTC campus, including the repair, replacement, and/or construction of key building components needed to support the initiative to reuse FFRTC's historical "Kirkbride Building Complex," surplus land, and other buildings not listed on the National Register of Historic Sites.

Funds for this request are being requested in two phases. Phase 1 will focus on the design, development, and equipping renovated/new space to support FFRTC's psychiatric treatment program, and the design of improvements required to implement the reuse of the Historic Kirkbride complex. The department is requesting $3 million for the first phase of this multi-phased project in the 2002 legislative session.

Funds for Phase 2 will be requested during the 2004 legislative session. Phase 2 will address the actual improvements/construction associated with the disposition/reuse of the FFRTC's campus assets. Although all of the issues associated with reuse have not yet been identified, it is certain that funds will be needed for hazardous materials (asbestos, lead, etc.) abatement, improvements to basic utility systems (water distribution, sewer lines, electrical distribution systems, life safety systems), structural integrity and building envelope issues (tuckpointing, building foundation restoration, windows, doors, and roofing issues), and building code and other regulatory issues associated with change of occupancy. The department's 2004/2005 capital budget may also include funds for the demolition of all the buildings on the Fergus Falls campus that are determined to be nonfunctional for future utilization or reuse.

BACKGROUND:

The Kirkbride buildings have served the citizens of Minnesota for over 100 years. Although the Kirkbride buildings are considered beautiful by many people, or at least impressive by most that have seen them, they are old, massive in size, and very expensive to maintain and operate **for health care purposes**. These buildings were designed and constructed to accommodate a much different type of program from that which is required to meet today's in-patient psychiatric treatment needs. In addition, earlier studies have noted that the cost to remodel the Kirkbride buildings for psychiatric (health care) services would exceed the cost of constructing new space, or remodeling more modern space (on campus or off) for the facility's psychiatric program and ancillary support functions.

Over the past five years, the FFRTC has experienced a decline in the utilization of its inpatient mental health program. This, in combination with extensive surplus space on the campus, the age of the facilities, and the estimated cost for ongoing maintenance of the physical plant, has created financial pressures that cannot be ignored. Operational costs for FFRTC have reached a critical stage and the Department of Human Services (DHS) has determined that it is impractical to continue utilization of the Kirkbride buildings for the small psychiatric treatment program needs that are currently evolving for the northwest area of the state. The Kirkbride buildings have served their useful life as healthcare facilities, and it is time to move forward with the development of alternative space(s) for the existing FFRTC psychiatric treatment program.

The department has entered into a partnership with both the local and regional community to determine how to best meet the needs of persons who seek care and treatment for both inpatient mental health programs operated by FFRTC, and service options provided through alternative community-based sites. The future service design for the region will take into consideration dispersed service sites throughout the region using the options of leasing alternative space, building new space, remodeling existing structures, or any combination of these options.

In addition to the initiative to establish the future service design for the northwest region, a taskforce has also been established to identify appropriate reuse ideas for the existing FFRTC land and buildings. The "Reuse Taskforce" consists of members from State Operated Services, FFRTC, the Department of Administration, the Minnesota Historical Society, the local Historical Society, the city of Fergus Falls, the Otter Tail county Board, and the legislators from the Fergus Falls area. This group is working with a consultant that specializes in conducting reuse studies of historical buildings and/or historical facilities. The purpose of this group is to identify potential reuse ideas for the FFRTC complex, and to develop an appropriate plan for the disposition of the land and buildings that will become surplus when the transition of the FFRTC's psychiatric program to more efficient and effective space has been successfully completed.

Accordingly, the 2002/2003 and 2004/2005 capital budget proposal for Fergus Falls RTC is an integrated request that focuses on the northwest region's long-range inpatient mental health facilities needs, and issues associated with the eventual disposition/reuse of the facility's surplus land, buildings, and the historical Kirkbride complex.

OBJECTIVE:

This proposal will enable the DHS to develop modern facilities to serve the northwest region of the state, which are appropriately located and sized (bed capacity) for in patient services for persons with serious and persistent mental illness.

This project is consistent with the department's strategic goals and objectives to:

- Reduce the cost of caring for patients with SPMI (serious and persistent mental illness) in a way that does not compromise quality of service.
- Replace and/or improve aging and inadequate residential, program, and ancillary service facilities with new or improved facilities based on the proposed bed capacity required in the context of the community services integration that is taking place under the Adult Mental Health Initiative authorized by the 1995 legislature. Sizing of future facility space requirements will take into consideration the redefined "safety net" services, which the state will continue to provide.
- Assure more equitable access to treatment opportunities for regions by repositioning some RTC psychiatric capacity to alternative community sites, both through state operated community services and through creative partnerships with community vendors.
- Focus on the reduction/elimination of nonfunctional surplus buildings in the RTC system.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The impact on the agency's operating budget will be contingent on the level of services provided in the future, and the location and the type of facilities developed to provide these services. Just reducing the costs associated with heating and maintaining the unused/oversized spaces in the Kirkbride buildings would provide a significantly savings to overhead costs, and would help reduce the per diem costs for FFRTC's psychiatric program to a level more in line with the per diem cost of the state's other psychiatric treatment programs.

However, actual savings cannot be accurately projected until the department and its regional partners have finalized the service plans for providing future services, and related facility/space programming is complete.

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

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AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands ($137,500 = $138)

TOTAL PROJECT COSTS All Years and All Funding Sources	**Project Costs** All Prior Years	**Project Costs** FY 2002-03	**Project Costs** FY 2004-05	**Project Costs** FY 2006-07	**Project Costs** All Years	**Project Start** (Month/Year)	**Project Finish** (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	$0	$0	$0	$0	$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	25	0	0	25	07/2002	12/2002
Design Development	0	34	0	0	34	08/2002	01/2003
Contract Documents	0	67	0	0	67	09/2002	04/2003
Construction Administration	0	42	0	0	42	10/2002	06/2004
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						07/2002	06/2004
Site & Building Preparation	0	25	2,566	0	2,591		
Demolition/Decommissioning	0	75	0	0	75		
Construction	0	1,540	0	0	1,540		
Infrastructure/Roads/Utilities	0	100	0	0	100		
Hazardous Material Abatement	0	135	0	0	135		
Construction Contingency	0	210	0	0	210		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	15	0	0	15		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy						12/2002	12/2004
Furniture, Fixtures and Equipment	0	250	0	0	250		
Telecommunications (voice & data)	0	175	0	0	175		
Security Equipment	0	85	0	0	85		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	2,778	2,566	0	5,344		
9. Inflation							
Midpoint of Construction		06/2003	06/2005				
Inflation Multiplier		8.00%	16.90%	0.00%			
Inflation Cost		222	434	0	656		
GRAND TOTAL	$0	$3,000	$3,000	$0	$6,000		

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

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,000	3,000	0	6,000
State Funds Subtotal	0	3,000	3,000	0	6,000
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**	**3,000**	**3,000**	**0**	**6,000**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
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 CHANGES	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 only)	Amount	Percent of Total
General Fund	3,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

Without a predesign being submitted prior to the request it is not possible for an analysis to be made that addresses building reuse and project phasing. While Admin is supportive of the intent of Human Services to develop a plan for integrating the current Fergus Falls facility services in to the local community, it is important to more clearly articulate this plan in order to be able to support the divesture of the current land holdings.

Department of Finance Analysis:

Unlike other RTC campuses, the programs at Fergus are unable to move into smaller buildings on the campus as the patient population declines. As a result, significant overhead costs, both for maintenance and operations, are being spread over a smaller and smaller patient base. This creates a financial burden to the State Operated Services' budget and severely impacts the ability of the campus-based programs to be competitive.

Governor's Recommendation:

The Governor's supplemental budget recommends administrative simplification of the state operated services system. A part of this recommendation is to close the Fergus Falls RTC campus and move services into the community. The Governor is prepared to recommend funding for the capital costs associated with closing the campus when the state's obligation is determined.

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	
Critical Legal Liability - Existing Liability	0/700	
Prior Binding Commitment	0/700	
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	
State Asset Management	0/20/40/60	60
State Operating Savings or Operating Efficiencies	0/20/40/60	
Contained in State Six-Year Planning Estimates	0/25/50	25
Total	700 Maximum	385

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2002 STATE APPROPRIATION REQUEST: $2,250,000

AGENCY PROJECT PRIORITY: 4 of 7

PROJECT LOCATION: Fergus Falls Regional Treatment Center, Minn Extended Treatment Options (METO) - Cambridge, St. Peter Regional Treatment Center

PROJECT DESCRIPTION AND RATIONALE: The 2002 project request for demolition includes the following buildings at the regional treatment centers listed:

Facility	Building Identification	Year Constructed	Sq. Footage
Demolition	**Proposed for FYs 2002/2003**		
FFRTC	Old Part of Power House	1892	4,000
METO	Cottage 1	1925	14,114
METO	Cottage 2	1928	14,307
METO	Cottage 3	1930	18,487
METO	Cottage 4	1930	18,487
METO	Cottage 5	1932	18,739
METO	Cottage 6	1932	18,739
METO	Cottage 12	1938	19,528
METO	Cottage 14	1937	28,734
SPRTC	Community North	1918	13,488
SPRTC	Community South	1919	13,488
SPRTC	Hoffman Bldg.	1937	8,500
	Total Square Footage	**For 2002/2003**	190,611

Funds will be requested to demolish additional buildings during the 2004/2005 and 2006/2007.

Funds are requested for professional services, hazardous materials abatement (i.e., asbestos, lead), demolition, and disposal of materials in accordance with federal law, Minnesota statutes, and local governmental rules/regulations. Funds are also requested for site restoration, and the capping and sealing of the utility tunnels and building services leading to the basement of the buildings and structures.

This project relates to the department's commitment to consolidate and restructure the state regional treatment center (RTC) system. This proposal will enable the department to work aggressively to convert surplus facilities (land and buildings) to other ownership or alternative uses under lease arrangements. It also eliminates unnecessary expenditure of state dollars on non-utilized, nonfunctional buildings by demolishing structures that have been vacant or under utilized for many years.

The buildings listed above were constructed as residential, program, or support service facilities from before 1900 to the late 1930s. Most have large multi-bed rooms, congregate bathing and toilet facilities, and limited program or rehabilitative space. They are not equipped with modern heating, ventilation, or air conditioning systems and their basic mechanical infrastructure is heavily worn and in need of extensive renovation or replacement. In addition, these buildings do not meet current building, life/fire safety, or accessibility codes and standards.

A change in use would require a substantial capital investment. All mechanical and electrical systems would have to be replaced or upgraded. Elevators would have to be installed and some form of ramping would be required to make the buildings accessible from the exterior. In addition, restrooms would be required as well as the installation of fire rated doors and frames, sprinkler systems, energy efficient windows, new surface materials for floors, walls and ceilings, etc. Clearly, the interiors of the buildings would have to be completely demolished and rebuilt. The cost of this work could equal or exceed the cost to construct new space, depending on the occupancy.

Subsequently, these buildings are not functional for the RTC's utilization or desirable for renting for alternative uses. These buildings are surplus to the needs of the respective facilities and have been declared surplus to the Department of Administration. They are expensive to maintain and will require continued maintenance until they are demolished, sold, or custodial control is transferred. These buildings are becoming an attractive place for trespassers and vandals and must be considered serious safety hazards. Hopefully, funds will be appropriated to demolish these nonfunctional, deteriorating buildings before one of these trespassers/vandals is seriously injured while attempting to access, or damage one of these vacant buildings.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE): Funds have been expended to heat these buildings during cold weather months, conduct routine/corrective maintenance, and to keep the basic building envelopes in tack to prevent or minimize further building deterioration, and to try to prevent trespassers from gaining access.

OTHER CONSIDERATIONS: Many of these buildings have roofs that will need to be replaced if they are not demolished in the very near future. The cost of replacing the roof systems on these buildings would, in many cases, equal the cost to demolish the buildings. If the bad roofs are not addressed, and the buildings are not demolished, water infiltration will basically destroy the structural integrity of these buildings, posing a more serious safety hazard than they pose now.

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

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	$0	$0	$0	$0	$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	32	22	13	67	06/2002	12/2002
Design Development	0	42	28	17	87	08/2002	02/2003
Contract Documents	0	84	57	34	175	09/2002	03/2003
Construction Administration	0	52	35	21	108	10/2002	12/2003
4. Project Management						09/2002	12/2003
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	210	142	85	437		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						10/2002	12/2003
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	630	426	256	1,312		
Construction	0	105	115	85	305		
Infrastructure/Roads/Utilities	0	0	0	344	344		
Hazardous Material Abatement	0	944	595	0	1,539		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	2,099	1,420	855	4,374		
9. Inflation							
Midpoint of Construction		04/2003	04/2005	01/2007			
Inflation Multiplier		7.20%	16.20%	24.60%			
Inflation Cost		151	230	210	591		
GRAND TOTAL	$0	$2,250	$1,650	$1,065	$4,965		

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

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,250	1,650	1,065	4,965
State Funds Subtotal	0	2,250	1,650	1,065	4,965
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**	**2,250**	**1,650**	**1,065**	**4,965**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
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 CHANGES	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 only)	Amount	Percent of Total
General Fund	2,250	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

Recommend approval because of changing demographics.

Department of Finance Analysis:

Surplus buildings on the RTC campuses strain the agency's maintenance budget and inflate the overhead costs of service delivery. As populations on the campuses decline, the cost of maintaining these buildings makes it difficult for the agency's services to be competitive in the marketplace.

The department has completed an extensive re-use analysis for these buildings. They are not suitable for residences or treatment services and would require significant financial investment to meet current building codes if they were used for any other purpose.

Governor's Recommendation:

The Governor recommends general obligation bonding of $2 million for this request as part of his statewide asset preservation and facility repair initiative. Also included are budget planning estimates of $1.65 million in 2004 and $1.65 million in 2006.

To encourage rapid expenditure of these capital funds for immediate economic stimulus, the Governor recommends a sunset date of 6-30-2004 for the 2002 appropriation. Any portion of these funds not spent or encumbered by that date should be cancelled.

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	105
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	60
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	25
Total	700 Maximum	395

2002 STATE APPROPRIATION REQUEST: $6,305,000

AGENCY PROJECT PRIORITY: 5 of 7

PROJECT LOCATION: Brainerd Regional Human Services Center

PROJECT DESCRIPTION AND RATIONALE:

This request is for upgrading the residential and program areas in Building #20 at Brainerd Regional Human Services Center (BRHSC). Upon completion of this project, Building #20 will be used by BRHSC's adult mental health treatment program referred to as the Timberland Mental health Program.

This project will focus on reconfiguring interior spaces (patient rooms, toilet and bathing facilities, nursing stations, clinical areas, day rooms, patient program areas), installing new windows and doors, insulating exterior walls, installing new finishes, expanding HAVC systems, resizing electrical systems, and replacing/installing life/fire safety, and security systems.

Architecture One, 311 South Eighth Street, Brainerd, Minnesota, completed a predesign for this project in October 1999. The predesign estimate for this project totals $5,765,000 in the fall of 1999. The current project costs reflects added costs for inflation.

BACKGROUND INFORMATION:

Building #20 was constructed in 1960 as a residential building for developmentally disabled (DD) persons. Over the years it has had some remodeling, however, it still retains some of the original congregate care design elements (shared toilet and bathing areas, large multi person bedrooms, limited day spaces, non-efficient ancillary/support space adjacencies, etc.).

In recent years Building #20 has been used for residential/program space for the facility's adult mental health program. It is a one-story building with a partial basement. It is structurally sound, the roofing system is in good condition (currently scheduled for replacement in 2003), and the mechanical and electrical utility systems supplied to the building are more than adequate to meet the expanded capacity required of the proposed building improvements.

Interior finishes, and basic space configurations have not been modified for many years. Interior doors and the built-in wardrobes show considerable wear and tear. In addition, the building does not meet all Americans with Disabilities Act (ADA) accessibility requirements, and the life/fire safety systems do not meet current standards. These issues cause considerable problems during licensing reviews, and pose less than desirable environments for effective treatment programs.

The Timberland Mental Health Program currently provides psychiatric treatment services to individuals from a 23-county catchment area which includes the following counties: Aitkin, Beltrami, Benton, Carlton, Cass, Chisago, Clearwater, Cook, Crow Wing, Hubbard, Isanti, Kanabec, Koochiching, Lake, Lake of the Woods, Mille Lacs, Morrison, Pine, St. Louis, Sterns, Todd, and Wadena.

PROJECT OBJECTIVE:

Residential units that are clean, quiet, comfortable and aesthetically pleasing, are essential for creating an atmosphere, which is conducive to effective and efficient treatment programs. This project relates to the department's strategic objectives to: modernize and upgrade state-operated psychiatric facilities; to make spaces more conducive to active treatment; and to address critical repair, replacement and renewal needs specific to the physical assets which are projected to be utilized in the long-term operations of the individual regional treatment centers (RTCs).

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

- Enhance a community based service network to meet the needs of patients with serious and persistent mental illness (SPMI) so that the need for long-term inpatient hospital beds is minimized.
- Reduce the cost of caring for SPMI patients through less reliance on expensive hospital care without compromising quality.
- Replace and/or upgrade aging and inadequate residential, program and ancillary service facilities with new or improved facilities based on the reduced bed capacity required in the context of the community services developed through the Adult Mental Health Initiative authorized by the 1995 legislature. Sizing of future facility space requirements will be based on minimum essential "safety net" services.
- Assure more equitable access to treatment opportunities for rural residents by repositioning some RTC psychiatric capacity to alternative community sites, both through state operated community services and through creative partnerships with community vendors.

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

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

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

None.

OTHER CONSIDERATIONS:

Brainerd Regional Human Services Center will continue to be an integral part of the Department of Human Services' long-range strategic plan to make state-operated health care services more responsive to the needs of the people it is intended to serve. To achieve this goal, the department is proposing a multi-phased restructuring and modernization of RTC health facilities that it proposes to utilize for the foreseeable future. A primary objective of this modernization program is to ensure that all residential and program areas provide space that is conducive to active treatment. The improvements proposed for Building #20 are meant to address this objective.

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AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands ($137,500 = $138)

TOTAL PROJECT COSTS All Years and All Funding Sources	**Project Costs** All Prior Years	**Project Costs** FY 2002-03	**Project Costs** FY 2004-05	**Project Costs** FY 2006-07	**Project Costs** All Years	**Project Start** (Month/Year)	**Project Finish** (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	$0	$0	$0	$0	$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	53	0	0	53	08/2002	12/2002
Design Development	0	71	0	0	71	12/2002	01/2003
Contract Documents	0	142	0	0	142	01/2003	04/2003
Construction Administration	0	89	0	0	89	05/2003	04/2004
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						01/2003	01/2004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	220	0	0	220		
Construction	0	3,884	0	0	3,884		
Infrastructure/Roads/Utilities	0	90	0	0	90		
Hazardous Material Abatement	0	192	0	0	192		
Construction Contingency	0	400	0	0	400		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	39	0	0	39		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy						06/2003	12/2003
Furniture, Fixtures and Equipment	0	220	0	0	220		
Telecommunications (voice & data)	0	176	0	0	176		
Security Equipment	0	70	0	0	70		
Other Costs	0	176	0	0	176		
SUBTOTAL: (items 1 – 8)	0	5,822	0	0	5,822		
9. Inflation							
Midpoint of Construction		07/2003					
Inflation Multiplier		8.30%	0.00%	0.00%			
Inflation Cost		483	0	0	483		
GRAND TOTAL	$0	$6,305	$0	$0	$6,305		

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

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	6,305	0	0	6,305
State Funds Subtotal	0	6,305	0	0	6,305
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**	**6,305**	**0**	**0**	**6,305**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
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 CHANGES	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 only)	**Amount**	**Percent of Total**
General Fund	6,305	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)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	315

Department of Administration Analysis:

This request aligns with the predesign completed for this project and reflects the strategic plan for the agency. The scope addresses safety and code related concerns as well as program improvements.

Department of Finance Analysis:

This request represents needed improvements on the Brainerd campus to ensure residential and program space is conducive to appropriate treatment options.

The statewide strategic score reflects Brainerd's importance to the department's long-range strategic plan for the RTC system and the prominence of the Brainerd catchment area.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

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2002 STATE APPROPRIATION REQUEST: $3,619,000

AGENCY PROJECT PRIORITY: 6 of 7

PROJECT LOCATION: St. Peter Regional Treatment Center

PROJECT DESCRIPTION AND RATIONALE:

This request is for the replacement of old and worn high-pressure steam boilers, and the conversion of St. Peter Regional Treatment Center's (SPRTC's) steam system from the existing high-pressure system to a low-pressure steam system.

Boiler Replacement:
The St. Peter Power Plant was constructed in 1964. Four boilers were built in place during the building's construction. A smaller package boiler was installed for summer use in the late 1980s. One of the original boilers was worn beyond repair and removed several years ago. The expected useful life for St. Peter's original built-in place high-pressure boilers was between 30 and 40 years at the time of construction.

Two of the three remaining original boilers are in need of major repairs. The dual fuel boiler burners are worn, hard to adjust, and basically obsolete. Replacement parts are very expensive and often have to be specially made. Boiler tubes are starting to leak, and will all eventually require replacement. Continued use of these boilers will require complete rebuilding. The cost to rebuild these boilers and to replace related equipment (i.e., burners, fuel distribution equipment, controls, etc.) will exceed the cost to purchase and install new factory built package boilers. The Department of Administration recommends replacing boilers #3 and #4 with new package boilers. Boiler #2 has been re-tubed and had a new burner installed several years ago. This boiler may be retrofitted to operate at low-pressure and serve as a back-up unit to the new boilers proposed with this budget request. The newer summer boiler was designed to operate at both high and low pressure.

Steam Distribution System:
As part of the boiler replacement project review process, Department of Administration staff outlined the work necessary to convert the facility's boiler plant and high-pressure steam distribution system from a high-pressure system to a low-pressure operation. They also provided costs to complete this transition. This information was used to determine the cost effectiveness of converting the facility's current high-pressure steam plant and steam distribution system to a low-pressure steam distribution system.

Conversion to a low-pressure steam distribution system will require considerable work in the facility's power plant, tunnels system, and building mechanical rooms. Although some major piping is adequately sized for low pressure, some other major piping runs will have to be replaced with larger pipes to provide the necessary volume of steam to all buildings. Low-pressure systems also require a complex condensate return system. The existing condensate system will have to be redesigned and updated. In addition, proposed piping changes, installation of additional steam traps and improvements to the condensate system, will require the removal and replacement of the existing asbestos containing insulation materials. The old, obsolete boiler plant master controls will also need to be replaced with new boiler plant master controls.

The upper campus (Minnesota Security Hospital) at St. Peter is connected to the lower campus power plant with a direct buried steam, condensate, and hot water distribution system. This project proposes to replace the existing buried steam and condensate piping with piping sized to provide the volume of steam needed to heat the upper campus complex. However, it is possible that installing separate boilers on the upper campus may be a better long-term solution for heating MSH with low-pressure steam. Preliminary cost estimates indicated that both solutions for supplying MSH with steam have about the same initial cost. We plan to request the design specialist retained for this project to outline the pros and cons of both alternatives to assist the department of administration with deciding which method will be the best long-term solution.

Conversion to low-pressure will allow the boiler plant to reduce the number of hours per day staff need to be present to operate the boilers. Currently, boiler operation regulations enforced by the Department of Labor & Industry, Boiler Division, require large boilers such as SPRTC's, that exceed 15 psi, (pounds per square inch), be attended by a licensed operator at all times while under operation. Converting to low pressure (under 15 psi) will greatly reduce the number of hours the stationary steam engineers have to be physically present in the power plant during boiler operation.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

There will be considerable long-term operational efficiencies attributed to the difference in staffing requirements between high-pressure and low-pressure boiler plant operations.

Operating requirements for a high-pressure boiler plant requires staffing on a 24-hour, 7-day per week basis. A low-pressure boiler plant does not require this high level of staffing. Accordingly, a low-pressure plant provides significant salary savings over the cost of operating a high-pressure plant. Converting the St. Peter Regional Treatment Center power plant to a low-pressure system will save between 3 and 4 FTEs. This is a savings that will go on for the life of the power plant under current operating regulations for low-pressure boiler plants

Replacement of the old boilers and related equipment with new equipment will also provide a small increase to plant efficiency. This increase in efficiency should result in fuel savings of between 3 and 5% over the course of a year.

OTHER CONSIDERATIONS:

St. Peter's #3 and#4 boilers need to be repaired or replaced. They have both served for close to their projected useful life. This work needs to be done regardless of what happens with the proposal to convert the steam system to low-pressure. The steam and condensate lines at St. Peter are older than the power plant. All of the lines in the tunnel are insulated with hazardous asbestos containing insulation materials, and much of this insulation in showing considerable deterioration. Abatement of much of this asbestos pipe insulation should be considered regardless of the decision on the low-pressure conversion.

Proceeding with the piping upgrade will address three major issues: hazardous materials abatement; the replacement of old, worn piping; and, the ongoing high cost of staffing a high-pressure plant operation. The savings associated with the conversion to a low-pressure system will actually pay for the initial cost of this project, including the elimination of the thousands of feet of the very potential hazardous asbestos pipe insulation. Failure to replace the boilers in the next year or two will jeopardize the facility's ability to adequately provide the facility the steam it needs for processing and heating. Failure of one or more of the existing boilers would add tremendous cost to replacement under an emergency situation. Being proactive with the boiler replacement will eliminate the potential for such unnecessary expenditures.

Proceeding with the piping upgrade in conjunction with the replacement of the boilers and related boiler equipment will also enable the state to begin reaping the savings that a low-pressure plant affords sooner, rather than later. These savings will eventually total, and then surpass, the actually cost of the total project. Failure to convert to a low-pressures system will eliminate any significant savings associated with the proposed design of this project, and the facility will have to continue operating the power plant under the 24 hour/7 day per week regulation long into the future.

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AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands ($137,500 = $138)

TOTAL PROJECT COSTS All Years and All Funding Sources	**Project Costs** All Prior Years	**Project Costs** FY 2002-03	**Project Costs** FY 2004-05	**Project Costs** FY 2006-07	**Project Costs** All Years	**Project Start** (Month/Year)	**Project Finish** (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	$0	$0	$0	$0	$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	45	0	0	45	06/2002	08/2002
Design Development	0	60	0	0	60	08/2002	10/2002
Contract Documents	0	120	0	0	120	10/2002	12/2002
Construction Administration	0	75	0	0	75	12/2002	11/2003
4. Project Management						02/2003	10/2003
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	100	0	0	100		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						02/2003	10/2003
Site & Building Preparation	0	250	0	0	250		
Demolition/Decommissioning	0	300	0	0	300		
Construction	0	1,425	0	0	1,425		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	750	0	0	750		
Construction Contingency	0	273	0	0	273		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	3,398	0	0	3,398		
9. Inflation							
Midpoint of Construction		02/2003					
Inflation Multiplier		6.50%	0.00%	0.00%			
Inflation Cost		221	0	0	221		
GRAND TOTAL	$0	$3,619	$0	$0	$3,619		

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

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,619	0	0	3,619
State Funds Subtotal	0	3,619	0	0	3,619
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**0**	**3,619**	**0**	**0**	**3,619**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	<200>	<400>	<400>
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	<14>	<29>	<29>
Building Repair and Replacement Expenses	0	8	15	15
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	<206>	<414>	<414>
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	<206>	<414>	<414>
Change in F.T.E. Personnel	0.0	<3.5>	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	**Amount**	**Percent of Total**
General Fund	3,619	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

The proposed conversion will provide considerable operating cost savings by reducing the 24-hour staff required to operate the boiler. The estimated savings in boiler plant staff will approach $200,000 annually. The power plant at St. Peter is approaching 40 years of age and all boilers are near the end of their useful service life and need replacement. New low-pressure boilers can be expected to reduce energy costs as much as 15%. Estimated energy cost savings can be anticipated between $50,000 - $100,000 per year.

Department of Finance Analysis:

This request demonstrates how the age of the buildings on the RTC campuses, and their mechanical components, contributes to high overhead costs for facility services.

Governor's Recommendation:

The Governor recommends general obligation bonding of $3.619 million for this request as part of his statewide asset preservation and facility repair initiative.

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	20
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	280

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2002 STATE APPROPRIATION REQUEST: $2,965,000

AGENCY PROJECT PRIORITY: 7 of 7

PROJECT LOCATION: Brainerd Regional Human Services Center

PROJECT DESCRIPTION AND RATIONALE:

This request is a two-phase project that will replace the two original boilers in Brainerd Regional Human Services Center's (BRHSC) power plant, and convert the facility's high-pressure steam distribution system to a low-pressure steam system.

Phase 1 - The first phase of this project will focus on the design and installation of new boilers and related equipment in the power plant. Phase 1 also includes design fees for the work proposed for Phase 2; the abatement of asbestos materials in the power plant; demolition of existing equipment associated with the replacement of the boilers; and, the replacement of the existing obsolete boiler plant master controls. The funds needed to complete Phase 1 are being requested in the 2002 legislative session.

Phase 2 - The second phase of this project will focus on the changes and improvements in the steam delivery system in the tunnels and individual buildings, which are necessary to provide an adequate volume of steam to heat the buildings with low-pressure boilers. This will include removing existing asbestos pipe insulation, undersized piping and other high-pressure equipment; installing additional condensate equipment, new traps, steam control valves, and non-hazardous insulation materials. Construction funds for Phase 2 will be requested in the 2004 session; however, as stated above, funds for the design fees for the work proposed/scheduled for Phase 2 are included in the Phase 1 request for 2002.

We believe that the redesign of the steam distribution system must be done in conjunction with the redesign of the boilers and related power plant equipment. Using the same engineering team to design both phases of this project should help guarantee a smooth transition between the two phases of work, and ensure that the new equipment and the new steam distribution systems are designed to function/operate effectively as one system, without problems for the life of the related equipment.

Boiler Replacement: Brainerd's power plant was constructed in 1958. Two of the three existing high-pressure boilers were built in-place during the plant's construction. The designed useful life of these built-in place boilers is between 30 and 40 years. That means that these boilers have served past their designed useful life. A smaller high-pressure boiler was installed about ten years ago as part of a third party energy savings project. This newer package boiler is in good condition.

Brainerd's two original boilers are in need of major repairs or replacement. Initial estimates indicate that the cost of repairing and upgrading these units would exceed the cost to install new factory manufactured "package" boilers. In addition, feed water and deaerator systems will also need to be upgraded, and the existing boiler plant master controls are old, obsolete and very hard to very hard to find replacement parts for. These controls will also be replaced as part of Phase 1.

Steam Distribution System: A ten-inch high pressure main splits into two eight-inch lines in the tunnel just north of the power plant. We have been informed that all of the main supply piping on the north side of the Power Plant is too small to provide the necessary volume of steam needed to heat the buildings served by these lines. In addition, the piping that connects individual buildings to the main line(s) are also too small to work with low-pressure. The main steam line supplying the laundry and dietary areas, and the main Administration Building have also been identified as being too small to provide an adequate volume of steam under low-pressure. All of these lines will require replacement if the system is to be converted to low-pressure.

Pressure reducing stations currently in place in the tunnels system will have to be removed if the system is converted to low-pressure. Condensate systems will have to be upgraded by adding additional pumps and condensate receivers throughout the facility's tunnels system and buildings.

Conversion to low-pressure will allow the boiler plant to reduce the number of hours per day staff need to be present to operate the boilers. Current boiler operating regulations enforced by the Department of Labor and Industry (Boiler Division), require large boilers such as those in Brainerd's power plant, that exceed 15 psi (pounds per inch), be attended by a licensed boiler operator at all times when in operation. Converting to low pressure (under 15 psi) will greatly reduce the number of hours the stationary steam engineers have to be physically present in the power plant during boiler operations.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

There will be considerable long-term operational efficiencies attributed to the difference in staffing requirements between high-pressures and low-pressure boiler plant operations.

Operating requirements for a high-pressure boiler plant requires staffing on a 24-hour 7-day per week basis. A low-pressure boiler plant does not require this high level of staffing. Accordingly, a low-pressure plant provides significant salary savings over the cost of operating a high-pressure plant. Converting the Brainerd power plant to a low-pressure system could save between 3 and 4 FTEs. This is savings that will go on for the life of the power plant under current operating regulations for low-pressure boiler operations.

Replacement of the old boilers and related power plant equipment with new equipment should produce a small increase in boiler efficiency. This increased efficiency should result in fuel savings of somewhere between 3 and 5% over the course of a year.

OTHER CONSIDERATIONS:

The boilers in the BRHSC's Power Plant need to be repaired or replaced. They have served beyond their projected useful life. This work needs to be done regardless of the decision to convert to low-pressure.

Although the second phase of this project may seem to be quite expensive, one must remember that it includes the replacement of almost all of the main supply piping in the system, and the removal/abatement of all of the very hazardous asbestos pipe insulation in the tunnels system and individual mechanical rooms. The steam and condensate piping is as old as the boilers (nearly 45 years old), and will also need to be replaced sometime in the future. The asbestos pipe insulation is becoming more of a problem all of the time, and will require considerable expenditure of funds just to maintain it in the future. The best way to address this hazardous material for the long term would be to remove it in conjunction with this project.

Failure to replace the facility's existing old and worn boilers within the next several years may jeopardize the facility's ability to adequately provide the steam needed for processing and heating. Replacement of one or both boilers under an emergency situation would add significant cost to the boiler replacement project. Being proactive with the replacement of the boilers, and the potentially hazardous asbestos pipe insulation should eliminate the need for any unnecessary emergency expenditure.

Proceeding with the piping upgrade in conjunction with the replacement of the boilers and related boiler equipment will also enable the state to begin reaping the savings that a low-pressure plant affords sooner, rather than later. These savings will eventually total, and then surpass, the actually cost of the total project. Failure to convert to a low-pressures system will eliminate any significant savings associated with the proposed design of this project, and the facility will have to continue operating the power plant under the 24 hour/7 day per week regulation long into the future.

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

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Human Services, Department of
BRHSC - Convert Power Plant to Low Pressure

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands ($137,500 = $138)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	$0	$0	$0	$0	$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	122	0	0	122	06/2002	08/2002
Design Development	0	162	0	0	162	08/2002	10/2002
Contract Documents	0	324	0	0	324	10/2002	12/2002
Construction Administration	0	203	0	0	203	02/2003	10/2003
4. Project Management						02/2003	10/2004
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	75	300	0	375		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						08/2002	10/2003
Site & Building Preparation	0	200	150	0	350		
Demolition/Decommissioning	0	75	150	0	225		
Construction	0	1,175	1,450	0	2,625		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	275	1,200	0	1,475		
Construction Contingency	0	173	730	0	903		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	2,784	3,980	0	6,764		
9. Inflation							
Midpoint of Construction		02/2003	02/2004				
Inflation Multiplier		6.50%	10.90%	0.00%			
Inflation Cost		181	434	0	615		
GRAND TOTAL	$0	$2,965	$4,414	$0	$7,379		

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

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,965	4,414	0	7,379
State Funds Subtotal	0	2,965	4,414	0	7,379
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**	**2,965**	**4,414**	**0**	**7,379**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	<200>	<400>	<400>
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	<12>	<24>	<24>
Building Repair and Replacement Expenses	0	0	12	12
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	<212>	<412>	<412>
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	<212>	<412>	<412>
Change in F.T.E. Personnel	0.0	<3.5>	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	**Amount**	**Percent of Total**
General Fund	2,965	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

The proposed conversion will provide considerable operating cost savings by reducing the 24-hour staff required to operate the boiler. The estimated savings in boiler plant staff will approach $200,000 annually. The power plant at Brainerd is approaching 40 years of age and all boilers are near the end of their useful service life and need replacement. New low-pressure boilers can be expected to reduce energy costs as much as 15%. Estimated energy cost savings can be anticipated between $50,000 - $100,000 per year.

Department of Finance Analysis:

This request demonstrates how the age of the buildings on the RTC campuses, and their mechanical components, contributes to high overhead costs for facility services.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. However, if the condition of the boiler system deteriorates, the agency may want to reprioritize and reallocate previous asset preservation funding from past or current bonding bills.

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	20
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	255

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

Project Title	2002 Agency Priority Ranking	Agency Project Requests for State Funds ($ by Session)				Statewide Strategic Score	Governor's Recommendations 2002	Governor's Planning Estimate	
		2002	2004	2006	Total			2004	2006
Hastings Building Preservation	1	$8,553	$0	$0	$8,553	470	$8,553	$0	$0
Silver Bay Roof Replacement	2	2,345	0	0	2,345	395	2,345	0	0
Silver Bay Master Plan Renovation	3	3,659	0	0	3,659	340	0	0	0
Minneapolis Dining/Kitchen Renovation	4	4,375	0	0	4,375	315	0	0	0
Asset Preservation	5	4,690	4,406	4,963	14,059	420	2,000	2,000	2,000
Luverne Dementia Unit/Wander Area	6	766	0	0	766	345	766	0	0
Minneapolis Adult Day Care	7	2,825	0	0	2,825	210	0	0	0
Minneapolis Assisted Living	8	2,710	0	0	2,710	210	0	0	0
Fergus Falls Wing-Dementia/Wander Additions		0	5,034	0	5,034		0	0	0
Total Project Requests		$29,923	$9,440	$4,963	$44,326		$13,664	$2,000	$2,000

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AGENCY MISSION STATEMENT:

M.S. 198.01 charges the Veterans Homes to "provide nursing care and related health and social services to veterans and their spouses who meet eligibility and admission requirements." Veteran's eligible for admission to our homes must have either "served in a Minnesota regiment or have been credited to the state of Minnesota, or have been a resident of the state preceding the date of application for admission." There are approximately 442,000 veterans in the state, so one of every nine Minnesotans meets this criterion. Spouses of eligible veterans are also eligible for admission if they are "at least 55 years of age, and have been residents of the state of Minnesota preceding the date of application for their admission." Veterans or spouses must be unable by reason of wounds, disease, old age, or infirmity to properly care for themselves.

The current Minnesota Veterans Homes Board (MVHB) of Directors was created in 1988 to lead the agency and bring the Minneapolis and Hastings Veterans Homes into compliance with local, state, and United States Department of Veterans Affairs (USDVA) regulations. This required writing new rules for the operation of the homes. The board has been responsible for the progressive improvement in the quality of services and care provided to Minnesota's heroes. They have also been diligent in the pursuit of funding for the renovation and improvements in the physical plants of the various facilities and have made marked progress.

The Board of Directors adopted the following mission statement as the standard for veteran's homes:

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

This mission is demonstrated by:

- providing a therapeutic environment that encourages resident independence, respects individuality, promotes self worth, well being, and promotes quality care;
- targeting services to veterans with special needs;
- managing the Minnesota Veterans Homes with honesty, integrity, and cost effectiveness;
- continuous evaluation of care and services to be responsive to changing needs;
- supporting research and education in geriatrics and long-term care;
- recognizing employees for their contributions; and
- coordinating services and working cooperatively with the medical communities.

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

There are 442,000 veterans in Minnesota and it is anticipated that this population will decrease by approximately 35% over the next 20 years. While the veteran population is expected to decrease over the next 20 years, the number of veterans 75 and older will grow nine percent from today's rates. The VA report, "Caring for the Older Veteran," also highlights the growth trends of veterans' care needs overall. This report states that the aging trend in the veteran population because of its unique composition is challenging the nation's health systems. Veterans tend to cluster in age groups related to service in major conflicts. At least 50% of the patients cared for in veteran's homes are between the ages of 75-84 and 21% over the age of 85. This is compared to private sector long-term care where approximately 31% are between the ages of 75-84 and 52% over 85.

In addition, the Department of Administration's 1989 Management Analysis Division report, titled "The Need for Additional Veterans Nursing Homes in Minnesota," complimented these aging and demand trends where they concluded that veterans who will be in need of our nursing care services will continue to grow. (See below)

Year	Minnesota Veterans	% Needing Care	# Needing Care
2000	428,632	1.6%	6,858
2010	337,366	2.6%	8,772
2020	263,186	3.1%	8,158

Our population is 86% male as compared to 26.7% in the private sector. Case mix in the state averages 2.51 while the veteran's homes ranges from 2.5 to 2.8.

The top five primary diagnosis for skilled care in the veterans homes system is dementia, alzheimer's, coronary vascular disease, diabetes, chronic obstructive pulmonary disease. The top five secondary diagnoses are dementia, alzheimer's, hypertension, diabetes, and osterarthrosis/osteoporosis.

For domiciliary care the top five primary diagnosis are alcohol dependence/abuse, chronic obstructive pulmonary disease, hypertension, diabetes, athropathy with the top five secondary diagnosis being depression, tobacco use disorder, hypertension, complications of alcohol abuse and chronic obstructive pulmonary disease.

As a result of factors such as age, gender, case mix, diagnosis, and demographic changes, this agency has developed programs to meet the needs of the aging veteran population and has developed a strategic plan for future health care demands. It has also considered existing services for veterans provided by the USDVA and others to limit duplication of services, conducted gap analysis to identify unmet need, and considered the strategic direction of the state's long-term care task force recommendations to develop future planning initiatives.

Collectively, the State Veterans Homes programs represent the largest provider of long-term care in the United States with 24,827 operating beds in 48 states. Over the next few years it is planned that there will be an additional 3,000 beds added to that total nationwide.

Currently, the Minnesota State Veteran's Homes are licensed for 600 skilled-care long-term and 354 domiciliary beds distributed as follows:

	Board & Care Beds	Skilled Care Beds
Minneapolis	154*	341
Hastings	200	0
Silver Bay	0	89
Luverne	0	85
Fergus Falls	0	85
Total beds	354	600
	*77 operational	

The mission statement of the Veterans Homes as well as the summary of diagnosis discussed above reflects the knowledge that we are focused on providing care for those "veterans with special needs" that often cannot or are not being met in other facilities. Our programs are specialized to our veterans' needs. We continue to evaluate our services on an ongoing basis to ensure that the care and services provided are appropriate to our mission and responsive to the changing special needs of the veterans' community. As of this writing, waiting lists collectively continue to grow at all our health care facilities with Minneapolis and Fergus Falls alone accounting for over 300 active veterans seeking care.

Over 75% of our current skilled-care residents come from other medical care facilities; 61% of these facilities were private long-term care facilities, and the other 39% were from acute care settings. The residents of our homes are veterans who served in World War II. Over the next few years we will see this population change to Korean Conflict veterans. This shift will bring additional challenges in caring for our residents' needs, such as increasing numbers of female veterans.

This Agency has initiated a number of activities to identify capital needs facing our homes over the next few years. A needs survey was conducted for veterans health care in Minnesota. A grass roots strategic planning process was implemented to identify capital and programming needs. This information was consolidated by the agency's leadership team, prioritized and presented to the Board of Directors for their approval. The Board has approved the strategic plan and the bonding initiatives. Their most recent challenge has been to bring our two older homes (Minneapolis and Hastings) up to current health care, life safety, and fire code standards and into compliance with Americans with Disabilities Act (ADA) standards.

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

The Minneapolis home has recently completed a major renovation project that reconstructed seven buildings, reconstructed the connecting bridge that is the primary access to the campus, and significantly improved the campus infrastructure. This campus is still in need of some key repair and replacement projects to address safety concerns and to maintain the renovations that have taken place. Since the home is an historic site, repairs are costly and beyond the scope of current operating budgets.

The Hastings home is seeking funding for the last phase (phase 3) of a major campus renovation. This last phase will continue to repair the infrastructure and correct structural, fire, safety and health concerns, which have plagued the facility for years.

The Silver Bay home was converted from an elementary school into a skilled-care nursing home. The home, located in northeast Minnesota, has just completed a full evaluation of clinical space deficiencies and developed a master plan approach to correcting these issues in an effort to bring the facility up to current standards and improve the quality of patient services.

The Luverne home opened for residents in January 1994, and the Fergus Falls home opened in January 1998. Both of these homes are new construction. Luverne has completed a mold abatement project and has returned to full functioning.

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

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

In order to meet these goals, we must ensure that each 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 bonding and 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 with our requests. These requests have been reviewed, prioritized, and approved by the Agency's Board of Directors.

In addition, in order to accomplish these goals, the MVHB recently purchased a facility preventive maintenance program (Archibus) to record, track, and identify inefficient, deteriorated, or worn out equipment prior to failure. This system will assist each facility with better management of their preventive maintenance requirements and provide valuable information for determining future building service maintenance needs.

The 2002 Bonding requests are as follows:

The Minnesota Veterans Home at **Hastings** requests $8.158 million for the final phase of a **three phase campus renovation.** This phase would correct some or all deficiencies within buildings 20, 23, 24, and 25. Specifically, this phase would address:

Building 20
- construct chases/soffits, cut and patch walls and floors, and replace ceilings
- upgrade plumbing, HVAC, and fire protection systems
- upgrade lighting and power distribution, and add UPS system
- miscellaneous roof repairs

Building 24
- masonry work, tuckpointing, and replacement of structural retaining wall
- replace doors/windows, remodel lobby, cut and patch walls and floors, and replace ceilings
- upgrade plumbing, HVAC, and fire protection systems
- upgrade lighting and power distribution, and add UPS system

Building 25
- architectural remodeling of chapel, 1st floor commons, 2nd floor commons, 2nd floor center corridor, shop area, etc. (this includes replacement of ceiling and floor tiles, and new wall finishes)

Building 23
- masonry work, tuckpointing, and replacement of lintels above doors, windows, and louvers
- replace doors/windows, cut and patch walls and floors, and replace ceilings
- upgrade plumbing, HVAC, and fire protection systems
- upgrade lighting and power distribution, and add UPS system
- miscellaneous roof repairs

This project was divided into three phases to limit disruption of services on the campus and to maintain as many operating beds as possible. Phase 3 would also address the following areas: campus site work; electrical site upgrades; repairs to underground utility tunnels; tuckpointing; energy efficiency measures; and improvements to existing campus utilities.

Silver Bay – Roof Replacement: Veterans Home requests a new roof at an estimated cost of $1.994 million. The current roof is approximately 13 years and is a flat roof with a rubberized membrane. The membrane has shrunk over time and has pulled away at the seams and the edges of the roof causing a significant leaking problem. The leaking roof continues to damage the integrity of the ceilings and poses a threat to patients. A recent snow and ice storm resulted in 42 leaks in the roof membrane that needed to be repaired. Also during this storm, leaking was so bad that ceiling tiles actually fell into patients rooms. This is a serious and ongoing problem. The proposed new roof is a metal-pitched roof that is more appropriate for northern Minnesota weather and will allow for proper drainage.

Silver Bay – Master Plan: The Silver Bay Veterans Home is requesting $3.488 million to add on to the facility and renovate existing space to comply with the Federal Veterans Administration and Minnesota Department of Health rules and regulations. This request would renovate several areas to create space for an in-house pharmacy, chapel, resident/patient exam room, and medical record storage. This request would also incorporate an addition to the rear of the building to enlarge the dining room, increase the size of the resident recreation area, and offer a resident family room. This also includes developing intergenerational programming with adult day care and child day care programs.

Minneapolis - Kitchen/Dining Renovation: The historic Minneapolis Veterans Home is requesting funding of $4.088 million to renovate the food services kitchen and dining room. This project will address the need to provide food service to an additional 200 residents with an inefficient, aged, and outdated kitchen. In addition, it will expand storage areas, provide various dining accommodations, and improve the tray service system. The original kitchen and dining room was constructed in 1978 and has not changed significantly since that time, although the services on campus have grown and become more diverse.

Asset Preservation: The agency is also requesting $4.596 million for agency-wide asset preservation projects. This request would upgrade deteriorated structural, and mechanical items at all facilities.

Luverne - Alzheimer/Dementia Addition: The increase in the number of residents with the diagnosis of alzheimer's/dementia has prompted the Luverne facility to develop a separate special care unit for these patients. This addition would be similar to the Silver Bay alzheimer's/dementia addition and would provide additional programming space for these residents. Currently, the dementia wing does not have an interior wander area other than a large central corridor that is also being used for dining and all programming activities. The lack of space for wandering as well as the proximity of the activity areas to sleeping rooms adversely impacts on the quality of life for residents in that unit. The cost of this addition is $742,000.

Minneapolis – Adult Day Care: The Minneapolis Home is also asking for renovation funds to complete the interior of Building 4 at a cost of $2.644 million. This building would be renovated to provide adult day care programming for veteran residents. A federal grant application, with 65% construction cost sharing participation, waits in the wings for approval from the state.

Minneapolis - Assisted Living: There continues to be a heavy demand for assisted living services at the Minneapolis campus. This project renovates building 16 into assisted living apartments at a cost of $2.306 million. Building 16 had previously been used as a skilled nursing building during the major renovation. Due to the demand for assisted living services, the strategic planning efforts at the Minneapolis campus have identified this as a priority. It also fit well within the long-term care task force direction of converting skilled nursing beds to other levels of care.

AGENCY PROCESS USED TO ARRIVE AT THESE CAPITAL REQUESTS:

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

- **Quality patient care.** This includes both the services available to the residents and the environment 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 veteran's 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 veteran's homes' renovations, remodeling, and new constructions. 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.

These plans have not been developed in a vacuum. There has been a study of the long-term care needs of veterans in Minnesota that has helped to shape these requests. As part of this process, these strategic initiatives have also have had input from our constituents at the grass roots level. 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.

AGENCY CAPITAL BUDGET PROJECTS DURING THE LAST SIX YEARS (1994-2001):

The Minneapolis renovation project was completed in December 1999. The project included the complete renovation of buildings 6,9,1,2, and 4, portions of buildings 16 and 17, as well as the Minnehaha steel arch bridge.

Minneapolis received $6.341 million in 1998 to address critical infrastructure needs on the campus. The majority of this work consisted of building new mechanical distribution tunnels providing new heat and air conditioning to several buildings on this campus. This project was substantially completed in October 2001.

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

Replacement of the electric generator at Hastings was completed in December 1997, with $500,000 of asset preservation funding.

Hastings received $5.713 million in 1998 for boiler replacement, asbestos replacement, a new condensation/feed water system, lead paint abatement, building refinishing, and heating and plumbing improvements. This project was completed August 2001.

The Silver Bay dementia unit wander area project ($240,000) was completed in 1998.

The $6 million mold abatement, HVAC improvements to increase air-handling capacity, and replace windows at the Luverne Veterans Home was completed in July of 2001. The VHB's repair and betterment account made up $2.0 million of this amount, with the balance coming from statewide CAPRA funding.

The Hastings Veterans Home received $7 million for phase 2 campus infrastructure improvements from the 2000 Bonding session. Design development has been completed with three bid packages going out summer of 2001. The remaining campus renovation projects (phase 3) are being requested in Legislative Bonding Session 2002.

The Minneapolis campus received $1.7 million to complete a new water main, replace the roof on building 10, build a freight elevator in building 17, exterior cleaning for buildings 16 and 17, and remodel nursing stations in building 17. These projects are under design and construction with completion projected for July 2002.

The $3 million Asset Preservation funding received in the 2000 bonding session provided for 42 projects including replacing air handling equipment, roof replacements, and duct cleaning, to name a few. Most of these projects either have been completed or are under design and construction. These funds will be expended by mid January 2002.

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2002 STATE APPROPRIATION REQUEST: $8,553,000

AGENCY PROJECT PRIORITY: 1 of 8

PROJECT LOCATION: 1200 East 18TH Street, Hastings

PROJECT DESCRIPTION AND RATIONALE:

The Veterans Homes Board is requesting $8.553 million for the facility in Hastings to repair and replace utility infrastructure, and structural and mechanical building components.

The Minnesota Veterans Home in Hastings is located on 128 acres in the southeast corner of the city. The site contains 16 buildings and was built originally as a state hospital in the early 1900s. This facility became a veterans home in 1978 and has since housed veterans, many of whom were previously homeless and who often suffer from mental illness, substance abuse or both. Several of the buildings on this campus are connected by an infrastructure tunnel system that serves heating and cooling distribution. The Hastings facility also leases three buildings to Dakota County, which offers Detox services to county residents and to Minnesota Department of Transportation (MnDOT).

In 1998, a design consultant identified and established priority-driven infrastructure deficiencies at the Hastings facility. Project priority was given to urgent structural and mechanical repairs to maintain reliability for the campus in addition to safety and health. The consultant completed a campus-wide predesign as part of this assessment. The campus-wide renovation project was divided into three phases to cause the least disruption on campus while maintaining the maximum number of operating beds. Phase 1, therefore, addressed urgent repairs to the mechanical components within the power plant and the related support services delivery systems. Phase 2 addressed less urgent improvements to the power plant, as well as repairs to the tunnel system, and resident building 23. Phase 3 includes the remaining architectural, mechanical, and structural improvements to the campus.

This project has a number of goals. First, it updates the mechanical systems so that they are energy efficient and meet the needs of our patients. Second, we are stabilizing building exteriors so they are also energy efficient. Thirdly, many of our patients have chronic diseases that require that we have an environment that contributes to their healthiness. At the present time, we have been cited by the Minnesota Department of Health for mold growth in some resident areas and are following through with a temporary fix. This project will provide a permanent fix to the problem of mold growth that can cause a patient to be compromised who has respiratory problems. And finally, we hope to have future requests at this campus be preventative in nature.

In particular, **Phase 1** replaced the main utility tunnel A, which brought utilities from the powerhouse to the main campus buildings, the powerhouse was renovated with new boilers, chillers, and electrical upgrades, a campus wide storm sewer replacement and repair, and a new campus electrical service. This phase created a foundation upon which all other phases are made possible.

Phase 2, currently under construction, will replace mechanical tunnels D, F, G, and H, and provide new heating and air conditioning (HVAC) for the interior of residence building 23. There will be some structural stabilization in buildings 20 and the powerplant. Also installed has been a campus wide nurse call system.

Phase 3 will address the remaining portion of the projects identified in a predesign completed in February of 1999. Kargus Faulconbridge Inc. (KFI) has recently completed an updated predesign. This firm reviewed the work currently under design and construction and compiled this campus phase 3 bonding request:

Campus Site Work

- Repair sidewalks, curbs, gutters, asphalt, and retaining walls.
- Replace underground direct buried domestic water mains.
- Repair/replace mechanical and electrical utilities within existing utility tunnels C, C1, E, and N.
- Demolish several tunnels on the campus that have been abandoned. Tunnel B, containing high voltage electrical distribution to Building 23, will be rebuilt and a new tunnel from the power plant to the transportation garage will complete the tunnel repairs/ replacement to this campus.
- Replace and relocate an electrical transformer, and upgrade street lighting and pedestrian lighting to provide safety for residents, personnel, and vehicle traffic.

Building 33 - Powerplant

Complete structural stabilization, remove lead paint and repaint interior, upgrade environment within powerhouse. Install new window lintels and windows. Connect the power plant to the new heating and cooling system.

Building 20
Occupational Therapy/ Recreational Therapy/ Work Therapy/Group Rooms/ Arts and Crafts Shop/Wood Working Shop/Resident Exercise Room

The mechanical and electrical systems are in poor condition. Miscellaneous architectural work will be required to accommodate the mechanical and electrical upgrades. The mechanical system which includes a plumbing system, a central HVAC system, and a wet pipe fire sprinkler system are outdated, unreliable, in poor condition, and out of compliance with building and energy codes. This system will be replaced with an energy efficient mechanical system. The electrical system is outdated with respect to today's codes and standards and needs to be upgraded. The existing fused block style electrical panels will be replaced with circuit breaker panels. Many of the lighting fixtures in the building will be replaced to improve lighting levels. The windows and doors of Building 20 will be replaced to complete the upgrade to this building and to improve energy conservation. Miscellaneous roof repairs will also be accomplished.

Building 24
Administration/Lobby/Agent Cashier/Admissions

Building 24 is in need of architectural, mechanical, and electrical upgrades including a new energy efficient heating and cooling system, a new electrical service, and new doors and windows, The new steam heat and chilled water system from the powerhouse will provide energy efficient temperature stability through new fan coil units, and remodeling in the main lobby will upgrade this building to provide environmental and maintenance efficiencies.

Building 25 – Resident Rooms (54 patients)

Resident building 25 will receive an upgrade to the architectural, mechanical, and electrical components of the building. This building will receive masonry work; tuckpointing; new door and window lintels and louvers; new doors, windows, and ceilings; repairs to floors and walls; and upgrades to plumbing, lighting, HVAC, and fire protections systems.

Building 23

Architectural repairs will be needed to resident building 23. Several interior areas will be remodeled, including suspended ceiling and floor tiles, removal of asbestòs under carpet and floor tiles, and wall plaster repairs. Building 23 will also receive repairs to roofs.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):

Repairs and upgrades to the exteriors of these buildings would result in facility mechanical and structural stability, and aid in heating and cooling efficiency. Stabilizing the exteriors of these buildings would create longevity and lower fuel and maintenance costs.

The nature of these infrastructure and site improvements should not have any significant impact on the ongoing operating costs of the facility. The improvements will, however, significantly reduce future demands on repair and replacement budgets.

OTHER CONSIDERATIONS:

Replacement of the HVAC system in Building 24 will allow the facility to maintain heating and cooling requirements set forth by Minnesota Department of Health. Residents congregate in this building on a daily basis and have consultation with staff for daily needs.

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

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Veterans Homes Board
Hastings Building Preservation

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands ($137,500 = $138)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	$0	$0	$0	$0	$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	170	120	0	0	290	10/2002	01/2003
Design Development	227	120	0	0	347	01/2003	04/2003
Contract Documents	471	245	0	0	716	01/2003	10/2003
Construction Administration	263	120	0	0	383	04/2003	12/2004
4. Project Management						10/2002	12/2004
State Staff Project Management	1	0	0	0	1		
Non-State Project Management	399	200	0	0	599		
Commissioning	0	172	0	0	172		
Other Costs	0	0	0	0	0		
5. Construction Costs						04/2003	12/2004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	116	0	0	0	116		
Construction	6,626	5,730	0	0	12,356		
Infrastructure/Roads/Utilities	2,716	0	0	0	2,716		
Hazardous Material Abatement	715	285	0	0	1,000		
Construction Contingency	1,011	720	0	0	1,731		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	12,715	7,712	0	0	20,427		
9. Inflation							
Midpoint of Construction		02/2004					
Inflation Multiplier		10.90%	0.00%	0.00%			
Inflation Cost		841	0	0	841		
GRAND TOTAL	$12,715	$8,553	$0	$0	$21,268		

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

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	12,715	8,553	0	0	21,268
State Funds Subtotal	12,715	8,553	0	0	21,268
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	**12,715**	**8,553**	**0**	**0**	**21,268**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
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 CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations) Laws of Minnesota (year), Chapter, Section, Subdivision	Amount
Laws of 2000, Chapter 492, Art. 1, Section 19, Subd. 2	7,000
Laws of 1998, Chapter 404, Section 19, Subd. 3	5,715
TOTAL	**12,715**

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	8,553	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)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

This request completes the infrastructure required on this campus to bring it into compliance and deliver service to cool Minnesota veterans.

Department of Finance Analysis:

This request is the third and final phase of a multi-phased renovation of the campus. The first two phases included significant structural improvements to the campus. This phase includes the mechanical, electrical, and architectural improvements to bring the campus into compliance with health and safety codes.

The strategic score reflects the importance of this campus to the metro and southern regions of the state, as well as the commitment the state and the Veterans Homes Board has made to improving the structural and environmental integrity of the campus, which ultimately improves the quality of care provided.

Governor's Recommendation:

The Governor recommends general obligation bonding of $8.533 million for this request as part of his statewide asset preservation and facility repair initiative.

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	60
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
Total	700 Maximum	470

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2002 STATE APPROPRIATION REQUEST: $2,345,000

AGENCY PROJECT PRIORITY: 2 of 8

PROJECT LOCATION: 45 Banks Blvd., Silver Bay

PROJECT DESCRIPTION AND RATIONALE:

The Minnesota Veterans Home in Silver Bay is located on Minnesota's north shore just north of Two Harbors in Lake County. This nursing care facility was originally built as a grade school in 1953. Upon receipt of a federal grant, legislation in 1989 authorized the retrofit of this facility into an 89-bed nursing care facility.

The Silver Bay Veterans Home is requesting $2.345 million to replace the existing flat roof with a new metal, pitched roof. This project has been included on our asset preservation list for a number of years but problems with the integrity of the roof have been increasing quickly over the past year. Due to these problems, this project has risen to be a significant concern for this agency. This project includes replacement of the existing flat roof system with a pitched steel roof structure, which will require additional structural support.

This building was re-roofed in 1989 with a rubberized roofing system. This roof has since gone past warranty. The rubberized membrane has shrunk and shifted causing leaks around the perimeter and into the interior of the building. Soiled ceiling tiles have to be frequently replaced in several areas of the facility after nearly every rain. We are also concerned about the potential of mold growth should this problem not be resolved. This poses an ever-increasing concern with a patient population that is often compromised medically with respiratory diagnosis. This also poses a safety issue since ceiling tiles have fallen into occupied patient rooms and offices.

The roof has been frequently repaired and is currently being temporarily repaired once more. But this is meant to be only a temporary repair to give sufficient time to work towards a permanent solution.

This facility currently has a 45,000 square foot, flat, bar joist-structured roof. This request is to replace this roof with a raised, pitched, standing seam metal roof. This design would provide a slope to channel all moisture off the roof. The life span of this roof system would be approximately 50 years.

The existing roof was built with no slope to the drains. Code requirements when it was reroofed in the late 1980s required a slope to drain on membrane roofing systems of one-eighth per foot minimum. Current code requirements are one-fourth per foot minimum. The result of the roof not sloping is that water ponds on the roof and takes a long time to drain off or evaporate. Some areas of the roof have ponded water that never drains. This creates a condition where the chance of roof leaks greatly increases, especially in the winter when snow and ice are on the roof.

The existing roof EDPM membrane has failed. In the last two years there have been over 70 separate roof leaks in this membrane. The EDPM membrane has also shrunk and pulled away from the roof edges, expansion joints, and roof penetrations. Tears and holes in the membrane are caused by the shrinkage of the membrane. Many other EPDM membranes of this era have experienced similar problems. The warranty on this roof expired in 1999.

The existing roof structure around the high roof of the old gym was not sized to accommodate snow drifting (a current building code requirement). This deficiency would be fixed with a new pitched roof.

As a practical matter, we reviewed other options. One of these options would be to replace the roof with like material. The estimated cost of this would be $1.1 million with a life span of 15 years. The second option would be to install a reinforced flat roof at a cost of $1.424 million with a life span of 25-30 years. The third option, the one being recommended by our design consultant, the Department of Administration, and this agency, is for a sloped steel roof at a cost of $1.994 million with a life span of 50 years. We believe that the best value for the following reasons:

- A sloped metal roof will last twice as long and only cost 30% more that a good quality membrane flat roof. Long-term, the sloped metal roof is a much better investment.
- A sloped metal roof is more appropriate and will perform better than a flat roof along the north shore of Lake Superior where there is a high amount of snowfall each winter.
- A sloped roof on the building will have an insulation "R" value double that of a new roof, thereby saving energy and lowering long-term operating costs.
- A metal roof will require little if any maintenance over its 50-year life span. A flat roof requires frequent monitoring of the roof membrane for damage or deterioration and roof drains to insure they are not clogged and water can flow.
- A sloped roof will make the building look more like a residence where people live and less like the institutional school it formally was.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):

Replacement of this roof would secure a stable program environment for the veteran residents in this nursing care facility. The periodic leaking and damage causes disruption to staff and residents. The replacement costs to repair the interior after a leak has occurred currently comes out of the operations budget. This fund can be better utilized in serving our residents.

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Veterans Homes Board
Silver Bay Roof Replacement

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands ($137,500 = $138)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	$0	$0	$0	$0	$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	18	0	0	0	18		
3. Design Fees							
Schematic	0	22	0	0	22	10/2002	11/2002
Design Development	0	30	0	0	30	11/2002	12/2002
Contract Documents	0	68	0	0	68	12/2002	03/2003
Construction Administration	0	30	0	0	30	06/2003	09/2003
4. Project Management						06/2003	09/2003
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	53	0	0	53		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						06/2003	09/2003
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	1,776	0	0	1,776		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	178	0	0	178		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	18	2,157	0	0	2,175		
9. Inflation							
Midpoint of Construction		08/2003					
Inflation Multiplier		8.70%	0.00%	0.00%			
Inflation Cost		188	0	0	188		
GRAND TOTAL	$18	$2,345	$0	$0	$2,363		

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

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,345	0	0	2,345
State Funds Subtotal	0	2,345	0	0	2,345
Agency Operating Budget Funds	18	0	0	0	18
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	**18**	**2,345**	**0**	**0**	**2,363**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
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 CHANGES	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 only)	Amount	Percent of Total
General Fund	2,345	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)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

The existing roof requires continuous patching and is flat and drains poorly. This new design will be "pitched" and will drain properly and will eliminate ice dams.

Department of Finance Analysis:

The existing roof has far exceeded its useful life, and the roof design has proven to be unsuitable. The board has completed a thoughtful process of considering alternative options and demonstrated the cost efficiency of a sloped, metal roof.

While this request has not been included in the agency's previous strategic plans, it will provide significant improvement in customer service and resident safety for a home that serves Northeastern Minnesota.

Governor's Recommendation:

The Governor recommends general obligation bonding of $2.345 million for this request as part of his statewide asset preservation and facility repair initiative.

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	105
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	395

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2002 STATE APPROPRIATION REQUEST: $3,659,000

AGENCY PROJECT PRIORITY: 3 of 8

PROJECT LOCATION: 45 Banks Blvd., Silver Bay

PROJECT DESCRIPTION AND RATIONALE:

The Minnesota Veterans Home in Silver Bay is located on Minnesota's north shore just north of Two Harbors in Lake County. This nursing care facility was originally built as a grade school in 1953. Upon receipt of a federal grant, legislation in 1989 authorized the retrofit of this facility into an 89-bed nursing care facility.

The Silver Bay Veterans Home is requesting $3.659 million for renovation of existing space and a structural building addition to the nursing care facility. This funding initiative would renovate select space within the facility to provide additional clinical space, enhance resident programming space, and provide additional space for resident support and administration offices. The first level building renovations and additions would allow dedicated space for a pharmacy, exam room, chapel, resident day room, private family meeting space, hospice rooms, freezer and dish room space, resident library, and a dining hall expansion. A lower level vehicle, cold storage, and maintenance shop would also serve as a shipping and receiving collection point. The expansion would include an elevator to facilitate the distribution of storage items to the first level and access to the lower level for residents to be loaded inside heated space for transportation on inclement weather days.

This project request is a result of a grass roots strategic planning process begun at the facility level, reviewed by the agency's Leadership Council, and approved and prioritized by the Board of Directors. Our previous request for a maintenance facility and storage has been incorporated into this request.

A study of the interior of this facility was conducted to primarily identify clinical space deficiencies. The Minnesota Department of Health Nursing Home Rules, and Federal Veterans Administration environmental space requirements were reviewed as part of this study. Space deficiencies were identified when a comparison was made between these current program design standards and existing space. A goal of the study was to improve resident programming needs, provide workflow efficiencies, improve services provided, and ultimately enhance the quality of life for the residents by reducing the institutional qualities of these spaces.

Incorporating the results of this study into a predesign was the next challenge for this campus. Developing unused space under the facility in the lower level of this facility during this renovation will lower the over all cost of this construction. The proposed addition would improve staff support to residents, and improve administrative areas increasing staff efficiency and empower employees to better support the residents they serve.

The lower level of the proposed addition would contain the transportation vehicles, storage, intergenerational care program area, loading dock for deliveries, and staff and volunteer locker rooms. The transportation vehicle garage space would also be used to load residents in the warmth of a garage in the winter, adding resident comfort and enhance mobility to outpatient clinic appointments. Housing these vehicles inside during the winter will reduce accelerated wear and tear due to road salt, paint deterioration, and rusting parts. The accelerated deterioration of these vehicles causes undue hardship to the facility budget. One of the stalls in the new maintenance facility would have floor drains for use as a wash bay for the transportation vehicles.

An undersized maintenance shop office currently doubles as a repair shop, creating unsafe, cramped working conditions. The existing maintenance shop has been cited for safety code violations because of space restrictions. The space offered for maintenance shop in the lower level of the expansion would offer an ergonomically safe maintenance shop for staff.

The space study was conducted because this long-term nursing care facility was extremely short of space in general. The lower level storage space in the predesign plans would free up space within the main level of the nursing home and allow space for programming such as pharmacy, accessible resident lounge space, library, and exam room. The United States Department of Veterans Affairs (USDVA), adopted legislation that would reimburse the Silver Bay Veterans Home for medication purchased for residents if space was provided establishing an in-house pharmacy. Continuation of the present situation will result in a lost of state operational budget revenue.

The facility has been encountering storage space problems causing daily operational difficulties. Safety issues have arisen attracting the attention of regulatory agencies such as the State Fire Marshal. Code violations have also been cited. Current storage space is inadequate, which causes the home to lose significant volume discounts in purchasing, as well as jeopardize the safety of residents and staff due to congestion.

Finally, included in the addition is space for intergenerational programming. This includes the initiation of adult day care and child day care programs. There is an expressed demand for adult day care services by veterans in the area. Child day care would assist in the recruitment and retention of staff in an area where recruitment is extremely difficult and retention is the key to continuity and quality.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The project will increase the useful life of the home's vehicles, snow removal and lawn equipment, lower routine maintenance costs, 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 resident quality benefit because of the inconvenience of residents sharing programming space. There will be a marginal increase in building operations costs estimated to be $41,000 annually.

OTHER CONSIDERATIONS:

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.

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

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Veterans Homes Board
Silver Bay Master Plan Renovation

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands ($137,500 = $138)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	**Project Costs** All Prior Years	**Project Costs** FY 2002-03	**Project Costs** FY 2004-05	**Project Costs** FY 2006-07	**Project Costs** All Years	**Project Start** (Month/Year)	**Project Finish** (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	$0	$0	$0	$0	$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	31	0	0	0	31		
3. Design Fees							
Schematic	0	42	0	0	42	08/2002	10/2002
Design Development	0	42	0	0	42	11/2002	01/2003
Contract Documents	0	125	0	0	125	02/2003	05/2003
Construction Administration	0	69	0	0	69	07/2003	07/2004
4. Project Management						06/2002	06/2003
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	62	0	0	62		
Commissioning	0	62	0	0	62		
Other Costs	0	0	0	0	0		
5. Construction Costs						07/2003	07/2004
Site & Building Preparation	0	96	0	0	96		
Demolition/Decommissioning	0	28	0	0	28		
Construction	0	2,075	0	0	2,075		
Infrastructure/Roads/Utilities	0	161	0	0	161		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	311	0	0	311		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	21	0	0	21		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy						02/2004	08/2004
Furniture, Fixtures and Equipment	0	192	0	0	192		
Telecommunications (voice & data)	0	25	0	0	25		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	31	3,311	0	0	3,342		
9. Inflation							
Midpoint of Construction		01/2004					
Inflation Multiplier		10.50%	0.00%	0.00%			
Inflation Cost		348	0	0	348		
GRAND TOTAL	$31	$3,659	$0	$0	$3,690		

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

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,659	0	0	3,659
State Funds Subtotal	0	3,659	0	0	3,659
Agency Operating Budget Funds	31	0	0	0	31
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	**31**	**3,659**	**0**	**0**	**3,690**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	140	140	140
Other Program Related Expenses	0	18	18	18
Building Operating Expenses	0	75	75	75
Building Repair and Replacement Expenses	0	7	7	7
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	240	240	240
Revenue Offsets	0	<158>	<158>	<158>
TOTAL CHANGES	0	82	82	82
Change in F.T.E. Personnel	0.0	1.5	1.5	1.5

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	3,659	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

Administration supports this initiative because the existing has limited storage space and program deficiencies and utilization of the current building. The reallocation of program space coupled with the new addition will meet program space requirements.

Department of Finance Analysis:

The Veterans Homes Board has requested funding for the vehicle storage and maintenance shop expansions in earlier capital budget requests. The request was included in the Governor's recommendations for the 2000-2005 capital budget.

The scope of this request reflects the difficulty the Board has in adapting the physical constraints of an elementary school to meet the needs of nursing care services. The importance of this project to the quality of care at the Silver Bay home, and the strategic plan for the agency is reflected in the strategic score.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	25
Total	700 Maximum	340

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2002 STATE APPROPRIATION REQUEST: $4,375,000

AGENCY PROJECT PRIORITY: 4 of 8

PROJECT LOCATION: 5101 Minnehaha Ave. So., Minneapolis

PROJECT DESCRIPTION AND RATIONALE:

The Minneapolis Veterans Home is requesting $4.375 million for remodeling and expansion of the main dining room and food preparation and kitchen space in Building 17.

The Minnesota Veterans Home in Minneapolis is located near Minnehaha Creek and overlooks the Mississippi River. The location of this campus is extremely accessible for all metro area veterans and their families. This campus rests on 53 acres and was first established in 1887 by Legislative Act establishing the Minnesota Old Soldiers Home.

This project request is a result of a grass roots strategic planning process begun at the facility level, reviewed by the agency's Leadership Council, and approved and prioritized by the Board of Directors.

Building 17 was built in 1980 as a 250-bed nursing care facility. The kitchen and dining area were designed to accommodate the 250 beds only. This building is home to the largest number of residents on this campus. The dining/kitchen also serves an additional 91 patients in the Alzheimer dementia building and the 61 patients in the Board and Care facility. In addition, meals are prepared for 74 substance abuse patients in building 16 and 16 patients from the homeless dual diagnosis program. This additional growth has been the result of the campus-wide renovation that has activated almost all of the available beds on campus. It is anticipated through increased site programming, that this facility could service an additional 95 residents as well as an adult day care population for their noontime meal. The dining area and kitchen are currently significantly undersized for the current population and future program additions places greater pressure to develop better dining and food preparation space.

It is the goal of the facility to serve as many residents as possible in the main dining room. The daily dining experience is often a highlight of a resident's day and serves as a significant social event. While some residents are not able to attend meals in the dining room and are served in their rooms, every effort is made to have residents participate in the dining room experience. We have also developed a more diverse patient population with greater dietary requirements thus making food preparation a challenge in the existing kitchen areas.

In addition, the serving line needs to be redesigned for accommodating a greater patient population in wheelchairs, walkers, and other assistive devices. The renovation would reorganize the kitchen and provide a better access for residents and offer an efficient food preparation work area for staff.

The dining room expansion is designed to accommodate future needs, increasing seating from 110 to 250 seats. Included in the dining room expansion is space for private family dining for special occasions. At the present time, there is no space for this to occur. We also serve meals to employees and there is not a defined area for them to eat. This is a significant recruiting and retention issue for the facility.

Other improvements made by this renovation would include the enlargement and relocation of manager and supervisor offices near the dining room to provide better supervision and accommodate increased staff. The dietary office would be located near the tray line to make it more efficient to make menu or tray changes.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The Building 17 improvements will not significantly impact current operating budgets.

OTHER CONSIDERATIONS:

The dining room expansion will also assist in the feeding of staff who wish to purchase a lunchtime meal. This is a significant recruiting and retention issue for the facility.

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

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	$0	$0	$0	$0	$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	15	0	0	0	15		
3. Design Fees							
Schematic	0	45	0	0	45	09/2002	12/2002
Design Development	0	60	0	0	60	12/2002	02/2003
Contract Documents	0	121	0	0	121	02/2003	03/2003
Construction Administration	0	82	0	0	82	03/2003	03/2004
4. Project Management						04/2003	05/2003
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	91	0	0	91		
Commissioning	0	91	0	0	91		
Other Costs	0	0	0	0	0		
5. Construction Costs						08/2003	06/2004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	3,021	0	0	3,021		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	9	0	0	9		
Construction Contingency	0	302	0	0	302		
Other Costs	0	15	0	0	15		
6. One Percent for Art	0	30	0	0	30		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy						04/2004	06/2004
Furniture, Fixtures and Equipment	0	52	0	0	52		
Telecommunications (voice & data)	0	20	0	0	20		
Security Equipment	0	0	0	0	0		
Other Costs	0	20	0	0	20		
SUBTOTAL: (items 1 – 8)	15	3,959	0	0	3,974		
9. Inflation							
Midpoint of Construction		01/2004					
Inflation Multiplier		10.50%	0.00%	0.00%			
Inflation Cost		416	0	0	416		
GRAND TOTAL	$15	$4,375	$0	$0	$4,390		

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

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	4,375	0	0	4,375
State Funds Subtotal	0	4,375	0	0	4,375
Agency Operating Budget Funds	15	0	0	0	15
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**15**	**4,375**	**0**	**0**	**4,390**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
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 CHANGES	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 only)	Amount	Percent of Total
General Fund	4,375	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)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	315

Department of Administration Analysis:

The major upgrade of the campus in 1999 added residents to the campus and this renovation will fulfill the dining needs of an increasing resident population. Employees will also be served by this facility.

Department of Finance Analysis:

This project is new to the agency's six-year plan. The need for improvements in the budget cycle is being driven by recent campus renovations which brought previously deactivated beds back into use, and by program additions anticipated by the board in the agency's planning process.

In addition, the inclusion of this project in the agency's request is being driven by the importance of the dining experience to the residents and the quality of care.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

2002 STATE APPROPRIATION REQUEST: $4,690,000

AGENCY PROJECT PRIORITY: 5 of 8

PROJECT LOCATION: FERGUS FALLS, HASTINGS, LUVERNE, MINNEAPOLIS, SILVER BAY CAMPUSES

PROJECT DESCRIPTION AND RATIONALE:

The Minnesota Veterans Homes Board (MVHB) is requesting $4.690 million for Agency wide asset preservation.

The MVHB manages 50 buildings at five facility locations while providing care for over 900 residents. This asset preservation request will assist the agency in addressing building repair items that go beyond the day-to-day maintenance needs of the facilities.

These project requests are the result of a grass roots strategic planning process begun at the facility level, reviewed by the agency's Leadership Council, and approved and prioritized by the Board of Directors. They also include information that we have begun to obtain from our new Preventive Maintenance software program called Archibus. This program includes a work order tracking program, and the ability to develop histories on all equipment within a facility, to review its useful life, and to use this data to prepare better project budget requirements for maintenance and repair items.

The 1998 bonding bill contained a provision requiring state agencies to include in their operating budgets amounts necessary to adequately maintain their facilities. Based on this directive, the Statewide Facilities Management group, with assistance from the Department of Administration's Building Construction Division, and in consultation with the Department of Finance, developed a set of funding guidelines. These guidelines indicated that the annual maintenance funding for the Veteran's Homes agency facilities would be $2.9 million each year; almost two million more than our current operating budget for repair and restoration. This asset preservation request reflects the shortfall created as a result of previous underfunding of building repair and replacement requests.

This request addresses the structural deterioration with tuckpointing; roof replacements, safety concerns with the replacement of old lead piping, Americans with Disabilities Act upgrades for parking lots; signage; life safety issues with upgrades of generators; and air handler upgrades to ensure sufficient air movement and air quality within the patient care areas. These projects serve to maintain a safe, efficient, and manageable environment at the Homes.

Specifically, although not all inclusive, these projects include the rebuilding of air distribution systems, foundation drainage, and tuck pointing of historic buildings at the Minneapolis campus. The request at the Hastings campus would include electrical upgrades for building 34, reconstructing parking lots and retaining walls. In Silver Bay, the funding would upgrade the air handlers, nurse call system, and floor restoration in select resident areas through out the building.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):

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

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

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	$0	$0	$0	$0	$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	50	69	60	62	241	07/2002	11/2002
Design Development	79	92	80	83	334	11/2002	02/2003
Contract Documents	132	183	159	165	639	02/2003	04/2003
Construction Administration	83	103	89	93	368	05/2003	02/2004
4. Project Management						05/2003	02/2004
State Staff Project Management	38	0	0	0	38		
Non-State Project Management	86	149	130	135	500		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						05/2003	02/2004
Site & Building Preparation	86	102	88	92	368		
Demolition/Decommissioning	0	0	0	0	0		
Construction	2,633	3,200	2,774	2,887	11,494		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	50	69	60	62	241		
Construction Contingency	263	320	278	289	1,150		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	3,500	4,287	3,718	3,868	15,373		
9. Inflation							
Midpoint of Construction		10/2003	10/2005	10/2007			
Inflation Multiplier		9.40%	18.50%	28.30%			
Inflation Cost		403	688	1,095	2,186		
GRAND TOTAL	$3,500	$4,690	$4,406	$4,963	$17,559		

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

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	3,500	4,690	4,406	4,963	17,559
State Funds Subtotal	3,500	4,690	4,406	4,963	17,559
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**3,500**	**4,690**	**4,406**	**4,963**	**17,559**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
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 CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations) Laws of Minnesota (year), Chapter, Section, Subdivision	Amount
Laws of 2000, Chapter 492, Art. 1, Section 19, Subd. 4	3,000
Laws of 1996, Chapter 463, Section 18, Subd. 2	500
TOTAL	**3,500**

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	4,690	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)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

This asset preservation request provides funds for smaller code compliance work as well as repairing items which are critical to the preservation of state assets: tuck pointing brick structures and replacement of roofs, etc.

Admin policy is to support the appropriation of funds for asset preservation as a means of ensuring appropriate stewardship of current state owned facilities.

Department of Finance Analysis:

Asset Preservation has been an ongoing critical need of the Veterans Homes Board, given the age of its facilities and the lack of operating funds for repair and restorations (R&R) in earlier operating budgets. While the Governor and Legislature provided additional operating funds for R&R in recent biennial budgets, the agency continues to rely on the capital budget (through asset preservation requests, CAPRA funding, and other capital requests) to fund the maintenance of its facilities.

Governor's Recommendation:

The Governor recommends general obligation bonding of $2 million for this request as part of his statewide asset preservation and facility repair initiative. Also included are budget planning estimates of $2 million in 2004 and $2 million in 2006.

To encourage rapid expenditure of these capital funds for immediate economic stimulus, the Governor recommends a sunset date of 6-30-2004 for the 2002 appropriation. Any portion of these funds not spent or encumbered by that date should be cancelled.

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	60
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
Total	700 Maximum	420

2002 STATE APPROPRIATION REQUEST: $766,000

AGENCY PROJECT PRIORITY: 6 of 8

PROJECT LOCATION: Luverne

PROJECT DESCRIPTION AND RATIONALE:

The Luverne Veterans Home is requesting $766,000 for a structural building addition to the nursing care facility. This structure would contain an Alzheimer's/Dementia (A/D) day programming space attached to the existing A/D patient care wing similar to our Silver Bay facility.

The Minnesota Veterans Home in Luverne is located in southwestern Minnesota. This 85-bed nursing care facility was completed in 1993 on 13.5 acres in the north end of the city. This nursing care facility has maintained full occupancy from soon after opening to present day.

This nursing care facility has dedicated one wing of this facility (17 beds) to caring for veterans with A/D diagnosis. The day activities for these residents are currently conducted in the center corridor of this wing. Feeding, therapeutic activities, wandering, visiting and other social functions are conducted in this limited space. The limited space in this corridor restricts the programming of activities and becomes a quality of care issue. Congestion in this corridor for residents with this diagnosis contributes to frustration, agitation, and anger. Increased agitation causes greater acting out, physical aggression, and a greater safety concern for residents and staff.

The proposed open air, one room, cathedral-ceiling structure would provide day activity space for residents and a special programming area for the residents, with walking paths for patients to wander, all of which significantly improving their quality of life. This space will also be used for special dining and programs that are specifically focused on the needs of patients (e.g. aroma therapy) with Alzheimers or dementia. This type of space assists with improving behaviors and has the potential of reducing reliance on medication management thus reducing medication costs.

Wandering is a natural behavior and characteristic of many people with dementia and can be a means of both physical and emotional release. For some, it is a coping mechanism to relieve stress and tension. It may be an expression of restlessness, boredom, or the need for exercise. And for some, it may be searching for a part of life lost to the disease or for a person, place, or object from the past.

There is also an agitated kind of pacing that occurs with some individuals. Since trying to stop the activity may increase agitation, and cause anger and frustration, a better alternative is to encourage walking by providing safe, secure, and interesting paths to walk.

This 1,500 square foot room would allow the resident room to wander and/or participate in activities within this day room. The quality of life for these residents would increase and a more therapeutic and safe environment would be created.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):

There will be a marginal increase in building operations costs estimated to be $7,000 annually.

OTHER CONSIDERATIONS:

The grounds of the home are adequate to accommodate the addition without impacting the integrity or character of the current structure. This A/D addition will be attached at the end of the wing with minimal remodeling of the existing entrance. The proposed addition would be built on a loose back fill and would require, per verified soil borings, an extended depth footing for support of the building. In an effort to utilize the space under this structure and eliminate costly engineered fill the lower level would be used for heating and air conditioning, nursing home equipment, material stock, and vehicle storage. The total usable space of the entire proposed addition would be 3,000 square feet.

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

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AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands ($137,500 = $138)

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	$0	$0	$0	$0	$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	9	0	0	0	9	05/2000	06/2000
3. Design Fees							
Schematic	0	4	0	0	4	10/2002	11/2002
Design Development	0	5	0	0	5	11/2002	12/2002
Contract Documents	0	36	0	0	36	12/2002	03/2003
Construction Administration	0	6	0	0	6	06/2003	12/2003
4. Project Management						06/2003	12/2003
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	50	0	0	50		
Commissioning	0	14	0	0	14		
Other Costs	0	0	0	0	0		
5. Construction Costs						06/2003	12/2003
Site & Building Preparation	0	25	0	0	25		
Demolition/Decommissioning	0	1	0	0	1		
Construction	0	474	0	0	474		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	83	0	0	83		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	5	0	0	5		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	9	703	0	0	712		
9. Inflation							
Midpoint of Construction		09/2003					
Inflation Multiplier		9.00%	0.00%	0.00%			
Inflation Cost		63	0	0	63		
GRAND TOTAL	$9	$766	$0	$0	$775		

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

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	766	0	0	766
State Funds Subtotal	0	766	0	0	766
Agency Operating Budget Funds	9	0	0	0	9
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	**9**	**766**	**0**	**0**	**775**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	14	14	14
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	14	14	14
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	14	14	14
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 only)	Amount	Percent of Total
General Fund	766	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)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

This request is supported by Administration because it adds much needed programming space for the residents. This Alzheimer's/Dementia "wander" area is a specialized space, therefore the cost per unit is justified.

Department of Finance Analysis:

This request is new to the agency's six-year plan. The addition proposed is modeled after the Alzheimer/Dementia (A/D) wandering space recently added to the Silver Bay facility. The addition to Silver Bay offered significant improvements in the quality of care provided for residents with A/D. If funded, the same improvements would be seen at Luverne.

Governor's Recommendation:

The Governor recommends general obligation bonding of $766,000 for this project.

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	345

2002 STATE APPROPRIATION REQUEST: $2,825,000

AGENCY PROJECT PRIORITY: 7 of 8

PROJECT LOCATION: 5101 Minnehaha Ave. So., Minneapolis

PROJECT DESCRIPTION AND RATIONALE:

The Minneapolis Veterans Home is located near Minnehaha Creek and overlooks the Mississippi River. This location is extremely accessible for all metro area veteran residents and families. This campus rests on 53 acres and was first established in 1887 by Legislative Act establishing the Minnesota Old Soldiers home.

The Minneapolis Veterans Home is requesting $2.825 million to remodel building 4 to provide adult day care services to veterans in the surrounding communities. This "home like" cottage style Richardsonian Romanesque design building was built in 1889. The exterior of this building has been refurbished recently to include tuckpointing and a new roof and windows. However, the interior of this building does not meet occupancy code; the building is currently unoccupied.

This project request is a result of a grass roof strategic planning process begun at the facility level, reviewed by the agency's Leadership Council, and approved and prioritized by the Board of Directors.

Building 4 has approximately 11,200 square feet distributed on four levels. The building exterior has been refurbished but the interior requires renovation to bring it up to code as well as redesigned for patient activities. Site amenities would include Americans with Disabilities Act accessibility, a private vehicle and van access drive, security-fencing surrounding a walking path, garden, and sitting area. On-grade and raised gardening beds would accent this secured outdoor wandering area environment. The interior renovation will include an elevator for egress to all four floors of this building.

The proposed adult day care program will provide services to veterans 8 to 10 hours a day and can accommodate 30 to 35 residents per day. A transportation network sponsored by veterans organizations would be accessible to provide service to veterans in need of adult day care on this site.

This structure will require a complete wall to wall interior remodel package. The interior of this structure will be upgraded to meet "I" (Institutional) occupancy by replacing the wood floor with a steel/concrete system. The interior will be remodeled to accommodate/meet adult day care program use and building code compliance. This construction would include a new energy efficient mechanical system tied into the campus infrastructure.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The United States Department of Veterans Affairs has legislation in support of state veterans homes programs for adult day care. The legislation would pay a daily per diem to the veterans home for eligible veterans receiving care in this program. The current per diem is 50% of the daily rate up to a maximum of $64.00. The remaining portion of costs would be a patient pay amount. Due to the federal participation, adult day care on campus would be affordable to a greater portion of veterans who would not otherwise be able to avail themselves of this service.

The adult day care program implementation would meet Minnesota statutory requirements, associated Minnesota Department of Human Services Rules, and Federal Veterans Administration Standards pertaining to environmental operations.

OTHER CONSIDERATIONS:

The Minneapolis facility receives numerous requests for adult day care services service's throughout the year and is not able to accommodate this need. The Veterans Homes Board recently conducted a study of veterans health care needs in the state, which identified adult day care as a priority. The Minneapolis facility leadership conducted an in depth strategic planning process, which identified adult day care as one of their priority initiatives. Our mission to provide high quality health care services to veterans and adult day care fits well within that mission as well as providing alternatives to a higher cost skilled care service. We will also be able to provide additional services on campus without significant increased costs since the services are already available and can be provided at a marginal additional cost.

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

Ongoing operating funds for an adult day care program at the Minneapolis veterans home would come from daily per diems and patient pay amounts.

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AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands ($137,500 = $138)

TOTAL PROJECT COSTS All Years and All Funding Sources	**Project Costs** All Prior Years	**Project Costs** FY 2002-03	**Project Costs** FY 2004-05	**Project Costs** FY 2006-07	**Project Costs** All Years	**Project Start** (Month/Year)	**Project Finish** (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	$0	$0	$0	$0	$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	10	0	0	0	10		
3. Design Fees							
Schematic	0	26	0	0	26	09/2002	11/2002
Design Development	0	35	0	0	35	11/2002	01/2003
Contract Documents	0	71	0	0	71	01/2003	04/2003
Construction Administration	0	47	0	0	47	04/2003	04/2004
4. Project Management						03/2003	04/2003
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	53	0	0	53		
Commissioning	0	53	0	0	53		
Other Costs	0	0	0	0	0		
5. Construction Costs						04/2003	03/2004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	1,765	0	0	1,765		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	20	0	0	20		
Construction Contingency	0	176	0	0	176		
Other Costs	0	10	0	0	10		
6. One Percent for Art	0	18	0	0	18		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy						01/2004	04/2004
Furniture, Fixtures and Equipment	0	161	0	0	161		
Telecommunications (voice & data)	0	30	0	0	30		
Security Equipment	0	0	0	0	0		
Other Costs	0	15	0	0	15		
SUBTOTAL: (items 1 – 8)	10	2,480	0	0	2,490		
9. Inflation							
Midpoint of Construction		10/2004					
Inflation Multiplier		13.90%	0.00%	0.00%			
Inflation Cost		345	0	0	345		
GRAND TOTAL	$10	$2,825	$0	$0	$2,835		

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

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,825	0	0	2,825
State Funds Subtotal	0	2,825	0	0	2,825
Agency Operating Budget Funds	10	0	0	0	10
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	**10**	**2,825**	**0**	**0**	**2,835**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	555	1,110	1,110
Other Program Related Expenses	0	85	50	50
Building Operating Expenses	0	36	72	72
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	676	1,232	1,232
Revenue Offsets	0	<676>	<1,232>	<1,232>
TOTAL CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	11.1	11.1	11.1

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	2,825	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)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

This request fulfills the mission of the Home to provide a service which is not available to the metro area veteran population.

This building has received a new roof and has been retuckpointed. This request will maximize the state's assets.

Department of Finance Analysis:

This request is new to the agency's six-year plan. Adult day care would be a new service component for the Veterans Homes Board. Its proposed addition reflects a growing trend in the long-term care industry to provide services along a broader spectrum of aging needs.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	210

2002 STATE APPROPRIATION REQUEST: $2,710,000

AGENCY PROJECT PRIORITY: 8 of 8

PROJECT LOCATION: 5101 Minnehaha Ave. So., Minneapolis

PROJECT DESCRIPTION AND RATIONALE:

The Minneapolis Veterans Home (MVH) is requesting $2.710 million for major renovation of Building 16. This building would be converted into an assisted living residence building. Building 16 was built in 1978 as a 93-bed nursing care facility. This structure is in need of major renovation including new windows, asbestos abatement, and exterior stucco dashing and painting.

The MVH is located near Minnehaha Creek and overlooks the Mississippi River. This location is easily accessible for metro area veterans and their families. The Minnesota Old Soldiers Home campus contains 53 acres and was first established in 1887 by Minnesota Legislative Action.

This project request is a result of a grass roof strategic planning process begun at the facility level, reviewed by the agency's Leadership Council, and approved and prioritized by the Board of Directors. Demand for these services has been increasing over the past years and has been determined to be a priority at the Minneapolis facility. In addition, one of the strategies of the Long Term Care Task Force has been to look for alternatives to skilled care and we believe that this helps to address that strategy and growing need.

The Minneapolis facility receives numerous requests for assisted living services throughout the year and has been unable to accommodate this need. The Veterans Homes Board recently conducted a study of veterans health care needs in the state and assisted living services was identified as a priority. The Minneapolis facility leadership conducted an in depth strategic planning process, which identified assisted living as one of their priority initiatives. Our mission is to provide high quality health care services to veterans. This fits well within that mission as well as providing alternatives to a higher cost skilled care service. We also believe that his initiate fits well with our aging in place concept which will allow the facility to provide appropriate services to veterans as they age on campus. We will also be able to provide additional services on campus without significant increased costs since the services are already available and can be provided at a marginal additional cost.

This building would be renovated and remodeled into assisted living apartments to meet the more mobile need of aging independent veterans. Veterans requesting minimum assistance with daily living may be housed in this facility. Assisted living on this campus would provide housing for veterans who seek this level of care. This would provide veterans a natural transgression to other levels of care when the need is identified.

The veteran's hospital is within blocks of this campus offering veterans easy access to medical care via the bus lines serving the Minnesota Veterans Homes campus. Transportation may also be provided to medical appointments by MVH staff.

A new elevator with Americans with Disabilities Act accessible ramp was added to this structure in 1997 for easier egress to the rest of the campus.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The United States Department of Veterans Affairs currently has a pilot study underway to determine how best to implement and fund assisted living provisions as a result of the Millennium Health Care Bill. This program would be funded from patient revenues. It is believed that we will be able to offer an affordable product that will be accessible to a greater veteran population who would otherwise not be able to avail themselves of these services.

OTHER CONSIDERATIONS:

The Minnesota Veterans Homes Board currently does not provide these services to veterans and their families in Minnesota. Assisted living at this site would increase the quality of life for veterans and provide excellent accessibility to the metro area for shopping and/or entertainment.

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AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands ($137,500 = $138)

TOTAL PROJECT COSTS All Years and All Funding Sources	**Project Costs** All Prior Years	**Project Costs** FY 2002-03	**Project Costs** FY 2004-05	**Project Costs** FY 2006-07	**Project Costs** All Years	**Project Start** (Month/Year)	**Project Finish** (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	$0	$0	$0	$0	$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	5	0	0	0	5		
3. Design Fees							
Schematic	0	28	0	0	28	09/2002	11/2002
Design Development	0	37	0	0	37	11/2002	01/2003
Contract Documents	0	75	0	0	75	01/2003	04/2003
Construction Administration	0	51	0	0	51	04/2003	04/2004
4. Project Management						03/2003	04/2003
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	49	0	0	49		
Commissioning	0	49	0	0	49		
Other Costs	0	0	0	0	0		
5. Construction Costs						04/2003	04/2004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	1,625	0	0	1,625		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	233	0	0	233		
Construction Contingency	0	244	0	0	244		
Other Costs	0	10	0	0	10		
6. One Percent for Art	0	16	0	0	16		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy						01/2004	04/2004
Furniture, Fixtures and Equipment	0	30	0	0	30		
Telecommunications (voice & data)	0	10	0	0	10		
Security Equipment	0	0	0	0	0		
Other Costs	0	20	0	0	20		
SUBTOTAL: (items 1 – 8)	5	2,477	0	0	2,482		
9. Inflation							
Midpoint of Construction		10/2003					
Inflation Multiplier		9.40%	0.00%	0.00%			
Inflation Cost		233	0	0	233		
GRAND TOTAL	$5	$2,710	$0	$0	$2,715		

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

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,710	0	0	2,710
State Funds Subtotal	0	2,710	0	0	2,710
Agency Operating Budget Funds	5	0	0	0	5
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**5**	**2,710**	**0**	**0**	**2,715**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
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 CHANGES	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 only)	Amount	Percent of Total
General Fund	2,710	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)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

This request restores an existing building exterior envelope to weather tightness as well as updating building fire and life safety codes. It will increase the building standards to a nursing care facility, which responds to the veteran population needs.

Department of Finance Analysis:

This request is new to the agency's six-year plan. Assisted Living would be a new service component for the Veterans Homes Board. Its proposed addition reflects a growing trend in the long-term care industry to provide services along a broader spectrum of aging needs.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

STATEWIDE STRATEGIC SCORE		
Criteria	**Values**	**Points**
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	210