

(\$ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds		
			2018	2020	2022
MSOP St. Peter Phase II	1	GO	\$ 16,196	\$ 0	\$ 0
St. Peter Dietary Building HVAC and Electrical Replacement	2	GO	\$ 2,200	\$ 0	\$ 0
Anoka Roof and HVAC Replacement	3	GO	\$ 6,750	\$ 0	\$ 0
Asset Preservation	4	GO	\$ 15,000	\$ 0	\$ 0
Anoka Admissions Redesign	5	GO	\$ 2,825	\$ 0	\$ 0
MSOP Secure Assisted Housing	6	GO	\$ 13,882	\$ 0	\$ 0
St. Peter Energy Upgrade	7	GO	\$ 3,619	\$ 0	\$ 0
Early Childhood Facilities	8	GO	\$ 5,000	\$ 5,000	\$ 5,000
		GF	\$ 5,000	\$ 5,000	\$ 5,000
<b>Total Project Requests</b>			<b>\$ 70,472</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>
<b>General Obligation Bonds (GO) Total</b>			<b>\$ 65,472</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>
<b>General Fund Cash (GF) Total</b>			<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>

**MSOP St. Peter Phase II****AT A GLANCE****2018 Request Amount:** \$16,196**Priority Ranking:** 1

**Project Summary:** \$16.196 million is requested for the second phase of a multi-phase project to design, remodel and construct, furnish and equip existing buildings on the lower campus of the St. Peter Regional Treatment Center to make them usable for program operations of the Minnesota Sex Offender Program (MSOP). This request increases the capacity of MSOP's Community Preparation Services to serve more clients who are in this later stage of treatment.

**Project Description**

Funds to complete design, renovation and construction, and to purchase furniture, fixtures and equipment for the North Wing of Green Acres, the West, South and North Wings of Sunrise, and the renovation /construction proposed for the Tomlinson Building are being requested with this revised second phase capital request for MSOP's St. Peter lower campus project.

Renovation work will include the replacement and/or upgrading of the building HVAC systems, plumbing and electrical, security, and life safety systems (fire sprinklers and new detection/alarm equipment). In addition, the building envelopes will be upgraded, including window and door replacement. Considerable interior reconfiguration and renovations are also part of the project for the three buildings being renovated in the Phase 2 request.

The MSOP Phase 2 project will remodel a total of 63,335 existing square feet. The Phase 2 project does not add any new square footage to the MSOP facilities on the St. Peter campus:

- Green Acres building existing square footage = 40,999. Of the total, the Phase 2 project will remodel 7,735 square feet.
- Sunrise building existing square footage = 40,060. Of the total, the Phase 2 project will remodel 32,325 square feet.
- Tomlinson building existing square footage = 23,295. The Phase 2 project will remodel all 23,295 square feet. A significant portion (5,456.95 sq. ft.) of the remodel requires repurposing a closed pool area into usable space for client program and staff support functions.

**Project Rationale**

Minnesota Sex Offender Program (MSOP) clients continue to progress through treatment and move to the St. Peter campus for the later stages of treatment. All reintegration programming takes place at MSOP's St. Peter campus. Clients begin their reintegration, focusing on deinstitutionalization, while living inside the secure facility and may petition the court to transfer to Community Preparation Services (CPS). For CPS clients, MSOP operates residential facilities on the grounds of the St. Peter campus located outside of the secure perimeter. When additional beds were added in the summer of 2017, they were immediately filled by clients who were on a waiting list to transfer to CPS by court order.

Courts are granting transfer for clients to move to CPS at an increased rate. In 2014, 12 transfer orders were granted for CPS. In 2015, 28 were granted; in 2016, 41 were granted. Because of the current trajectory of clients moving to later phases of treatment and court-ordered transfers to CPS, MSOP needs to increase the proportion/numbers of CPS beds and programming space on the St. Peter campus.

If the court finds that the Commissioner has not made a good faith effort to comply with a court order transferring a MSOP client to CPS, then the court may find the Commissioner in contempt of court. Upon finding the Commissioner in contempt of court, the court may impose various penalties designed to compel the Commissioner to comply with the court order. MSOP clients may argue that these penalties should include things like substantial fines and the creation of new, temporary facilities to house them prior to their transfer to CPS.

For these reasons, the Department has reconfigured the elements of the MSOP Phase 2 project on the St. Peter campus to:

- renovate the remaining (North) wing of the Green Acres building to add CPS beds and related services;
- renovate the West wing of the Sunrise building for additional CPS beds that are outside of the secure perimeter;
- renovate and update the North wing of Sunrise for clinical/medical and other support functions; and
- renovate the Tomlinson building for program activities for MSOP client activities and staff facilities.

## **Project Timeline**

### **Other Considerations**

In the 2015 Special Session the Legislature amended the 2014 bonding bill appropriation language to permit the Department to defer the design of Bartlett Hall to Phase 3, and to instead use the balance of the 2014 Phase 1 funds to proceed with developing design documents for the work outlined for Green Acres, Sunrise and Tomlinson. The action by the 2015 Legislature allows the Department to stay on track with our planned renovations and be positioned to create more MSOP bed capacity on the St. Peter campus. This 2018 request is for funds to complete the renovations outlined for these three buildings.

A Community Preparation Services (CPS) facility includes shared kitchen, bath and living areas, and clinical and unit staff offices. Security staff are present whenever clients are in the building and the common areas are monitored via security cameras. While in CPS, clients expand their off-campus activities — type and geographic range— to further their deinstitutionalization and prepare them for a safe and successful move back into the community. Programming includes continued treatment, building pro-social support networks, participation in support groups, vocational training, budgeting and financial management, volunteering, and demonstrating healthy, pro-social lifestyle choices. Clients in CPS wear GPS monitoring devices and are escorted by staff at all times when in the community. While on the St. Peter campus, CPS clients participate in facility counts and are subject to room searches and drug testing.

### **Impact on Agency Operating Budgets**

The renovated and new units associated with this request will increase the overall cost of the future operating budget for the Minnesota Sex Offender Program (MSOP). Costs are directly associated with the addition of living units that will require new staff and support costs.

**Description of Previous Appropriations**

2014: \$7.405 million to design, construct, renovate, furnish and equip the first phase of a three phase project to develop additional residential, program, activity and ancillary facilities for MSOP on the lower campus of the St. Peter Regional Treatment Center. This appropriation also included funding to design the second phase of the project.

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**St. Peter Dietary Building HVAC and Electrical Replacement****AT A GLANCE****2018 Request Amount:** \$2,200**Priority Ranking:** 2**Project Summary:** \$2.2 million is requested to replace the Heating, Ventilation and Air Conditioning (HVAC) and electrical services to the Dietary Building on the St. Peter Regional Treatment campus. The Dietary Building supplies daily food service for all individuals committed to the Minnesota Security Hospital (MSH) and the Minnesota Sex Offender Program (MSOP).**Project Description**

This \$2.2 million request is the Department's #2 priority for the 2018 Capital Budget. The project will improve the working conditions for staff who prepare meals for an average of 650 clients and patients daily, while also bringing all of the associated equipment and systems up to code and energy efficient.

A study was conducted during the winter of 2017 and determined the following project scope:

- Installation of a new make-up air unit and a chiller to provide air conditioning, demolition of existing air handling units and ductwork
- Installation of variable volume controls to exhaust fans to reduce the amount of air exhaust from equipment hoods
- Install a new capture hood, fan and VAV controls above the dish wash machine where majority of the excess steam is generated
- Replacement of pneumatic controls with electronic digital controls. This will allow the building HVAC systems to be monitored and controlled by the central building automation system.
- Replacement of the main switchboard that has surpassed its operational life
- Replacement of the building transformer that has surpassed its operational life
- Temporary, portable, kitchen during construction

Project consultants are currently working on construction documents which are scheduled to be complete and ready for bidding by July 2018. Assuming this request is funded in the 2018 session, construction will begin in October 2018 and be complete by December 2018.

**Project Rationale**

The Dietary Building was originally constructed in the late 1960s. Air conditioning was not included and was not very common for kitchen facilities at the time. Various exhaust fans were installed, along with heating & ventilation units. Temperature controls, including thermostats, heating valves, and damper actuators, were pneumatic type, which was also common at the time. There has been minimal upgrades in the past 50+ years. The Dietary Building has been operating under some challenging environmental conditions which are related to the building HVAC systems. Conditions can become nearly unbearable at times during the summer and create a safety and health issue for staff. Steam from the dishwasher and from steam kettles escapes and fills the space with water vapor, adding to the humidity level. Exhaust fans and make-up air equipment run at full speed during the day, consuming a large amount of energy.

This request will address these issues by adding air conditioning, capturing exhaust most effectively, and reducing the amount of exhaust according to need at any time. The electrical service upgrade and system replacement will also be a part of this request. Since the project is installing new systems/equipment and upgrading some old systems/equipment, the existing electrical service is not large enough or new enough to handle the mechanical upgrades.

### **Project Timeline**

Assuming this request is funded in the 2018 session, construction will begin in October 2018 and be complete by December 2018.

### **Other Considerations**

The Dietary Building supplies daily food service for all individuals committed to the Minnesota Security Hospital (MSH) and the Minnesota Sex Offender Program (MSOP) averaging 2,000 meals per day.

The building normally operates each day from 8 AM until 6:30 PM, with lighter activity during the first two hours. From 10 AM to 6:30 PM, the level of cooking is not constant but varies according to the serving schedule.

### **Impact on Agency Operating Budgets**

The replacement of the HVAC and electrical systems in this request is anticipated to reduce the overall cost of the future operating budget for the dietary program. Cost reductions will be directly associated with energy efficient equipment and system replacement.

### **Description of Previous Appropriations**

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**Anoka Roof and HVAC Replacement****AT A GLANCE****2018 Request Amount:** \$6,750**Priority Ranking:** 3

**Project Summary:** \$6.750 million is requested for the Anoka Metro Regional Treatment Center (AMRTC) to address three improvements for the facility: 1) Replace roofs on B/C, D/E and G/H residential units; 2) Install metal wall cladding on the mechanical penthouses on B/C, D/E and G/H Units, and 3) Install new HVAC, fire sprinkler, electric and lighting systems in the Miller Building; and, install a new heating system in the old dietary/warehouse building (Warehouse)

**Project Description**Roof replacement

The roof replacement project will replace the original EPDM (Ethylene Propylene Diene Monomer) sheet roof membrane on living Units B/C, D/E and G/H. There has been some ongoing leakage in these three areas for several years. These leaks are hard to locate and expensive to repair in this seamed and ballasted roofing system. The administration "A" unit's roof was replaced in the summer of 2015. It is now time to focus on replacing the roof membrane on the remaining portions of the 1998 Anoka complex; units B/C, D/E and G/H. Additional insulation will also be added to the roof system during the replacement project to increase energy efficiency and produce future energy savings.

The roofs on the Miller Building and the old dietary building were replaced in 1992, and as stated above the A Unit roof was replaced in 2015. Replacement of the roofs on B/C, D/E and G/H should address the Anoka campus roofs for another 25 years with a proper roof maintenance program.

Penthouse Wall Cladding Replacement

This project will also replace the existing EIFS (Exterior insulation finish system) wall system on the three penthouses on Units B/C, D/E and G/H of the AMRTC Main Building. The original Penthouse walls utilized an EIFS cladding system. The EIFS system did not perform as well as proposed, and the facility has experienced water penetration through this wall cladding system for many years. The original EIFS walls were replaced on Unit A with a new metal wall cladding system as part of the Unit A roof replacement project. This was initiated as a test to determine if the metal cladding would solve the leakage problem the facility was experiencing with the EIFS system.

The metal cladding system installed on the A unit penthouse has worked very well, requires little maintenance, and is more energy efficient than the original EIFS cladding system. It is time to replace the EIFS systems on the remaining penthouses with the metal wall cladding system to stop the water infiltration that the original EIFS system has experienced and to prevent any future deterioration to the main complex's structural integrity.

HVAC, Electrical, and Fire Sprinkler Systems – Miller and Old Dietary Building

This project focuses on upgrading mechanical, electrical/lighting, and fire/life safety systems in the Miller Building; and, a new heating system for the Warehouse. Although most of the original Anoka Metro Regional Treatment center campus buildings were transferred to Anoka County after the State occupied the new Anoka complex in 1998, these two buildings, along with the Cronin Building were retained by the State for AMRTC program operations. The Cronin Building was transferred to the County in 2012.

Currently, the heating systems in Miller and the Warehouse utilize steam from the County's power plant on the old Anoka campus. The steam is transferred from the old power plant to these two buildings through the original tunnel system. Anoka County has informed the State that they plan to shut-down the old campus power plant, and install new independent HVAC systems in each of the utilized buildings on their campus. Accordingly, to continue to utilize these two structures the State will have to install new HVAC equipment in the Miller Building and the Old Dietary Building.

For the **Miller Building** this will include new hot water boilers, pumping systems, air handlers, ductwork, and, roof top cooling units. This work will also require the construction of a new boiler room, hydronic circulation piping, the demolition and replacement of ceilings, the installation of a fire sprinkler system, upgrade to the building's electrical distribution system, light fixture replacement, and the upgrade of the fire detection alarm system and the buildings outdated security system.

Plans for the **Warehouse** heating system replacement focus on installation of hanging hydronic ceiling units in strategic locations. If the facility continues to utilize space in the Warehouse for the outpatient chemical dependency program a separate HVAC system will be used to heat and cool this space. Continued use of the Warehouse for programming will also require some other updates, including improvements to lighting, fire safety and an upgrade to public restroom facilities.

### **Project Rationale**

The Anoka Metro Regional Treatment Center is a State operated psychiatric hospital which serves the major twin cities metropolitan area. The main campus structure was occupied in late 1998, and the facility operates six residential treatment units in this building. The facility also utilizes two buildings that were part of the original campus, the Miller Building and the Warehouse.

The Miller Building was built in 1951. It houses a chemical dependency residential treatment unit; the state-wide mental health program admissions program; and, other support functions necessary for operating the campus residential programs. The Warehouse was constructed in 1959 as a warehouse and the facility's dietary services facility (kitchen, dining room, and small canteen area). It is currently used for warehousing, maintenance support functions, and the operation of a small chemical dependency outpatient program. All of Anoka's structures need some maintenance or system upgrades to prevent building deterioration and to maximize their use for the future, most of which can be addressed with operating funds and/or the use of asset preservation; however, the scope of the work and total cost of the work proposed in this project request exceeds the agency's ability to use either operating funds or asset preservation appropriation funding, and therefore requires a special capital request dedicated specifically for addressing the improvements outlined for the Anoka campus.

### **Project Timeline**

### **Other Considerations**

The department has considered the option of not completing the improvements needed to retain use

of the Miller and Warehouse buildings and closing these buildings when the County shuts-down the power plant operation that serves these two State structures. Losing the valuable space in the Miller Building at this point in time would prove to be very difficult for the Anoka facility and put a significant strain on the facility that could prove to be catastrophic for Anoka's program operations. Losing the Warehouse space, although difficult, could be managed by the facility; however, the cost to demolish the Warehouse would likely exceed the cost to upgrade the building's heating system, and result in the loss of this space for warehousing goods, records and equipment.

The department also requests mechanical and electrical upgrades to the Miller Building in a separate bonding request titled "Anoka Admissions Redesign" (priority #5). The system upgrades in that proposal are separate and distinct from the upgrades to the HVAC and electrical distribution system contained within the scope of this project.

### **Impact on Agency Operating Budgets**

The replacement of the main roof and HVAC systems in this request is anticipated to reduce the overall cost of the future operating budget for the Anoka Metro Regional Treatment Center. Cost reductions will be directly associated with energy efficient equipment, system replacement and added insulation.

### **Description of Previous Appropriations**

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## Asset Preservation

**AT A GLANCE****2018 Request Amount:** \$15,000**Priority Ranking:** 4**Project Summary:** \$15 million to maintain and preserve the Department's capital assets around the state. This will ensure that the facilities used for Direct Care and Treatment (DCT) are functional, safe and in good repair.**Project Description**

Each of the Department's facilities is responsible for maintaining a list of projects required to preserve its physical plant/facilities assets. This includes campus-based facilities and state owned community-based facilities. These perpetual and ever changing project lists are comprised of projects directly related to maintaining existing assets, and for ensuring the continued safe, effective, and efficient use of the facility. Facility asset preservation plans must support the projected needs 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 life cycle characteristics and program suitability are in balance.

Asset Preservation funds are used throughout the Department's state-owned facilities system and are allocated for projects on a prioritized basis based on need and level of deficiency, i.e., 1) critical projects that require immediate action to return a facility to normal operation, stop accelerated deterioration, or to correct a cited safety hazard; 2) projects that will become critical within a short period of time if not corrected expeditiously; 3) projects that require reasonably prompt attention to preclude predictable deterioration or potential downtime and the associated damage or increased costs if deferred further.

This project request involves the repair, replacement, and renewal needs specific to the operations of the Department of Human Services state-owned Direct Care and Treatment facilities. These needs developed over time, and were identified through a system-wide assessment of known facility deficiencies, including, but not limited to:

- Security, safety and code compliance issues
- Life/fire safety deficiencies (fire sprinkling, detection/alarm systems)
- Emergency power/egress lighting upgrades
- Major mechanical and electrical utility system repairs, replacements, upgrades, and/or improvements, including the replacement of boilers and upgrade of heating and cooling systems
- Sewer and water infrastructure repairs/replacements
- Abatement of hazardous materials (asbestos, lead paint, etc.)
- Elevator repairs/upgrade
- ADA requirements/reasonable accommodation
- Roof repair/replacement and structural deficiencies
- Tuck pointing and other building envelope work (window and door replacement, fascia and soffit work, re-grading around building foundations, etc.
- Road, walk, and parking lot repair/replacement/maintenance

Submitted with this request is a preliminary list of the projects, with estimated costs, that the Department would plan to address with this request.

### **Project Rationale**

Asset preservation funding is essential to support the operations of the Department of Human Services residential treatment facilities and community-based program operations. Because of the system-wide magnitude of projects related to deferred maintenance or renewal at the department's facilities, these projects cannot be addressed with the current level of repair and replacement funding appropriated in the agency's operating budgets.

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

In addition, if adequate asset preservation funding is not appropriated the Department will not be able to maintain its facilities in a safe, secure, effective and efficient manner. Deteriorating conditions will worsen, and some facility components that are critical to the well-being of the facility's patients and staff may fail, posing significant health/safety risks to the individuals entrusted to the Department's care.

### **Project Timeline**

### **Other Considerations**

If this request is not funded, the Department would be required to use a large percentage of limited repair/ replacement operating funds to address critical and expensive asset preservation projects. This action would limit the Department's ability to address routine preventative, predictive and corrective facility maintenance and would actually compound the existing deferred maintenance problem and result in a substantial increase in the long-range deferred maintenance/renewal at the Department's facilities.

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

### **Impact on Agency Operating Budgets**

If this asset preservation request is funded, we do not expect the result to be either an increase or a decrease to the Department's operating budget.

### **Description of Previous Appropriations**

2014 Legislature appropriated \$3 million  
2012 Legislature appropriated \$2 million  
2011 Legislature appropriated \$4.7 million  
2010 Legislature appropriated \$2 million  
2009 Legislature appropriated \$2 million  
2008 Legislature appropriated \$3 million  
2006 Legislature appropriated \$3 million  
2005 Legislature appropriated \$3 million  
2002 Legislature appropriated \$4 million

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**Anoka Admissions Redesign****AT A GLANCE****2018 Request Amount:** \$2,825**Priority Ranking:** 5**Project Summary:** \$2.825 million is requested to design and remodel part of the Miller Building at the Anoka Metro Regional Treatment Center (AMRTC) for a new, specialized living/treatment unit which will be utilized to evaluate new patients upon their admission.**Project Description**

The Anoka Metro Regional Treatment Center is a State operated psychiatric hospital which serves the major twin cities metropolitan area. The main campus structure was occupied in late 1998, and the facility operates six residential treatment units in this building. The facility also utilizes two buildings that were part of the original campus, the Miller Building and the Warehouse.

The Miller Building is connected to the main AMRTC campus via an above ground secure connecting link. This new admissions/evaluation unit will provide a separate unit for newly admitted mentally ill patients. This unit will be much smaller in scale than the 25-bed residential treatment units in the Main Building (1998 complex), and will allow clinical staff to observe, evaluate and better understand the new patient's illness. This will enable clinical staff to recommend placement of the new patients in the most appropriate unit of the six residential treatment units the facility currently operates, rather than placing new admissions in the unit that has an open bed.

**Project Rationale**

The Miller Building was built in 1951 to provide additional bed capacity and updated facilities for mentally ill patients. It also provided additional support space for the facility, including a large swimming pool, gymnasium and office space for the campus clinical and recreational programs. It currently houses a chemical dependency residential treatment unit; the state-wide mental health program admissions program; and other support functions necessary for operating the campus residential programs.

The swimming pool was abandoned and removed in the mid 1990's. The pool space is currently used for storage and a portion of the pool space is proposed to be used for the development a new boiler/mechanical room in a separate project request in the department's 2018 capital budget.

The Miller building is in very good structural condition; however, its mechanical and electrical systems are in need of upgrading. Replacement and or upgrading of these systems in the area that is used for the admission/evaluation unit will be addressed with this request.

**Project Timeline****Other Considerations**

The agency is also considering development of a small crisis unit in conjunction with the proposed

admissions/evaluation unit. This small unit would be used to provide specialized accommodations for patients that act out in such a manner that their behavior impacts the progress of other patients on the unit.

This will be studied as part of the predesign that will be conducted for the admissions/evaluation unit during the summer of 2017. The decision to include a small crisis unit with the project request for the admissions/evaluation unit could add additional cost to this request as the project programming is refined this summer.

The agency also requests upgrades to the Miller Building's HVAC and electrical distribution system in "Anoka Roof and HCAC Replacement" (priority #3). These system upgrades replace steam heating currently supplied by a power-plant owned by Anoka County and scheduled to be decommissioned in the future. It is separate and distinct from mechanical and electrical system upgrades identified in this request.

### **Impact on Agency Operating Budgets**

This project will impact the agency's operating budget. That impact will developed over the summer of 2017 and will be included in the final narrative of this project request.

### **Description of Previous Appropriations**

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**MSOP Secure Assisted Housing****AT A GLANCE****2018 Request Amount:** \$13,882**Priority Ranking:** 6**Project Summary:** \$13.882 million is requested to design and construct community-based residential treatment facilities for the Minnesota Sex Offender Program (MSOP) as a secure, assisted living housing alternative to current highly secure MSOP facilities. The request includes funding for predesign and design fees, project management and construction for two facilities to be located on the St. Peter Regional Treatment campus.**Project Description**

This request is for funds to predesign, design and construct two 20-bed community-based residential / treatment facilities for the Minnesota Sex Offender Program (MSOP) as less restrictive alternatives to current highly secure MSOP facilities.

Each 12,000 square foot facility will include space for dining, living, group/treatment rooms, bedrooms, bathrooms, visitation, clinic/professional staffing, operations staff, patient storage, operations storage, food preparation, a small area for indoor recreation, and outdoor activity space. These facilities would be designed with a majority of double occupancy bedrooms.

**Project Rationale**

For some Minnesota Sex Offender Program (MSOP) clients the most appropriate treatment placement is in a Less Restrictive Alternative (LRA) rather than placement in the highly secure MSOP facilities in Moose Lake or St. Peter. As part of the program's reintegration philosophy and approach, MSOP has developed contracts with several community treatment and housing providers for ongoing clinical services, housing, and intensive supervision. These private community providers are able to serve some MSOP clients for whom the Court has approved a provisional discharge from the MSOP program to a community treatment setting.

However, there are other MSOP clients, including those with medical or physical conditions who need an assisted living-type setting, who will not be able to be served by private community providers. This capital budget request is for funding to construct two state-owned and state-run LRA facilities on the St. Peter Regional Treatment campus.

**Project Timeline****Other Considerations**

MSOP staff will be responsible for all supervision and monitoring of the clients in these less restrictive alternative placements. Similar to the MSOP Community Preparation Services (CPS) program, GPS ankle bracelet monitoring devices would be used as part of each facility's supervision and monitoring program.

The cost estimate for these residential units does not include costs for vocational/work opportunity programming

### **Impact on Agency Operating Budgets**

Staffing these new facilities will have a short term impact on the operating budget for the Minnesota Sex Offender Program during the transition of clients from the current highly secure MSOP facilities to the less restrictive alternative placements.

### **Description of Previous Appropriations**

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**St. Peter Energy Upgrade****AT A GLANCE****2018 Request Amount:** \$3,619**Priority Ranking:** 7

**Project Summary:** \$3.619 million is requested to install a renewable energy system and other energy upgrades on the St. Peter Regional Treatment campus. Currently, the St. Peter campus uses an average of 4.53 kBtu/sf/yr in utilities costing approximately \$2.3M annually. DCT will work with the Guaranteed Energy Saving Program (GESP) through the Department of Commerce for this project.

**Project Description**

This \$3.619 million request is the Department's #7 priority for the 2018 Capital Budget. The project will work with the Guaranteed Energy Savings Program (GESP) through the Department of Commerce. The GESP program has eleven Energy Services Companies (ESCOs) under master contract. DCT will issue an RFP and subsequent work order with an ESCO to perform an Investment Grade Audit (IGA) that will assist in identifying the optimal renewable energy system and building upgrades. The work order will also enable the ESCO to perform design and engineering services that are required to provide guaranteed savings.

For calendar year 2016, electric costs for the St. Peter campus were \$1,164,803.00 alone.

**Project Rationale**

The St. Peter Regional Treatment campus houses individuals committed to the Minnesota Security Hospital (MSH) and the Minnesota Sex Offender Program (MSOP). The campus is occupied by clients and staff 24 hours a day, 7 days a week and 52 weeks a year. There is not, nor can there be, any "down time". All of the security systems are powered by electricity. In the effort to meet the Governor's Executive Orders 11-12 and 11-3, this request supports an increase in renewable energy while reducing our carbon footprint and utility costs.

**Project Timeline****Other Considerations****Impact on Agency Operating Budgets**

The installation of a photovoltaic array and other energy upgrades in this request is anticipated to reduce the overall cost of the future operating budget for the campus. Cost reductions will be directly associated with renewable energy systems and energy efficient equipment and upgrades.

**Description of Previous Appropriations**

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## Early Childhood Facilities

**AT A GLANCE****2018 Request Amount:** \$10,000**Priority Ranking:** 9**Project Summary:** \$5 million in GO bonds and \$5 million in general funds is requested for Early Childhood Facilities grants for early childhood facilities statewide. A competitive RFP process will take place. Grants help local entities renovate substandard facilities, or construct new, early childhood facilities.**Project Description**

The grant program is administered by the Department of Human Services; funds are allocated to construct or renovate facilities. Programs involved include Head Start, childcare and school-based early childhood programs. Projects must comply with DHS child care licensing rules, which assures that space be safe and accessible.

Funds are awarded through a competitive grant process. Projects should help to serve children living in poverty and include collaboration among early childhood providers. Construction costs are eligible, however operating expenses are not. Matching funds are required at 50 percent, from a non-state source. To date, nearly eighty percent of funds have gone to non-Twin Cities metropolitan area projects.

Bond funding is available to facilities owned by the state or political subdivision, such as a school district or city. Space may be leased to nonprofit service providers. General funds will be made directly to Head Start, child care, tribal and other non-profit programs.

A grant for an individual facility must not exceed \$500,000 for each program that is housed in the facility, up to a maximum of \$2,000,000 for a facility that houses three or more programs.

**Project Rationale**

The need for increased early childhood facilities is driven by recent trends such as all-day Kindergarten that has displaced or relocated early childhood facilities to less desirable places.

In addition, rising child poverty rates has increased the number of children eligible for early childhood services, such as Head Start and School Readiness programs.

In many parts of the state, it is difficult to find existing space that is safe, accessible, and of high quality for young children and their families. Improved facilities will promote better educational and developmental outcomes for children, particularly children who are at highest risk of being unprepared for kindergarten.

**Project Timeline****Other Considerations**

To have a lasting impact, funding for this grant program should be regularized and sustained. Consequently, this request includes planned requests of \$5 million in GO bonds and \$5 million in general funds in both 2018 and 2020 bonding cycles.

### **Impact on Agency Operating Budgets**

Projects must have operating funds to be eligible for the grant funds. DHS will not have responsibility to operate the facilities. DHS supports 1 FTE to manage this program.

### **Description of Previous Appropriations**

Last appropriation for 2014 was \$6 million in general obligation bond proceeds for 8 Early Childhood projects throughout the state. \$3 million was appropriated for the grant program and \$3 million were ear marked projects.

Since the grant program's inception in 1992 nearly 75 projects were awarded with \$23 million in grant funds; however, funding has been sporadic or absent over the years.

### **Project Contact Person**

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