Direct Care and Treatment — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Asset Preservation	1	GO	$ 30,000	$ 30,000	$ 30,000
St. Peter Water and Sewer Replacement	2	GO	$ 18,800	$ 0	$ 0
DCT Energy Upgrades	3	GO	$ 13,000	$ 0	$ 0
		GF	$ 10,400	$ 0	$ 0
Pedersen Renovation	4	GO	$ 18,400	$ 0	$ 0
AMRTC Dietary Building Renovation	5	GO	$ 15,200	$ 0	$ 0
SPRTC Office|Storage Shop	6	GO	$ 7,100	$ 0	$ 0
Total Project Requests			$ 112,900	$ 30,000	$ 30,000
General Obligation Bonds (GO) Total			$ 102,500	$ 30,000	$ 30,000
General Fund Cash (GF) Total			$ 10,400	$ 0	$ 0

($ in thousands)

Asset Preservation

AT A GLANCE

2026 Request Amount:	$30,000
Priority Ranking:	1
Project Summary:	$30 million to maintain, repair, and replace the Direct Care & Treatment (DCT) capital assets throughout Minnesota. This will ensure that the state-owned facilities used for Direct Care and Treatment services are functional, safe, and in good repair.

Project Description

Asset Preservation funds are used throughout Direct Care & Treatment's (DCT) 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.

Each of the DCT facilities (including campus-based facilities and state-owned community-based facilities) is responsible for maintaining a dynamic Facility Condition Assessment (FCA) program, which identifies projects required to preserve the physical plant and facility assets. The FCAs are constantly monitored and updated based on evaluation and immediate need. These plans are comprised of projects directly related to maintaining existing assets, as well as projects to ensure the continued safe, effective, and efficient use of the facilities.

Accordingly, this proposal relates to the repair, replacement, and renewal needs specific to DCT's state-owned facilities. As noted above, these needs have developed over time and are under constant evaluation.

Project Rationale

Asset preservation funding is essential to support the operations of DCT residential treatment facilities and community-based program operations. Because of the system-wide magnitude of projects related to deferred maintenance or renewal at the agency's facilities, these projects cannot be addressed with the current level of asset preservation funding appropriated to the agency.

Failure to adequately fund this request will only intensify the problem. Deteriorating conditions will worsen and the state's physical plant assets will continue to decline. Some facility components that are critical to the well-being of patients and staff may fail, posing significant health and safety risks to the individuals under DCT's care. Future costs will likely compound, as complete replacement may become the most cost effective and efficient alternative for addressing related deficiencies.

Funding of this request will enable DCT and its facilities to continue efforts to address deferred

maintenance and renewal/replacement needs at DCT's state-owned facilities.

Project Timeline

Between 7/1/2026 and 12/31/2030

Other Considerations

Without the requested asset preservation funding, DCT would be limited in the ability to address routine preventative, predictive and corrective facility maintenance. Ultimately, this would compound the existing deferred maintenance problem resulting in a substantial increase in the long-range deferred maintenance and renewal/replacement projects at DCT's facilities.

Impact on Agency Operating Budgets

Asset preservation funding will not impact operating budgets.

Description of Previous Appropriations

2025 - the Governor recommended $9.4 million in bond funds, $7.5 million was appropriated

2024 - the Governor recommended $12.3 million in bond funds, no funding was appropriated

2023 - the Governor recommended $2.1 million in bond funds and $6.8 million in general fund cash, $7.2 million in bond funds and $2 million in general fund cash were appropriated

2020 - $8 million appropriated

2018 - $10 million appropriated

2014 - $3 million appropriated

2012 - $2 million appropriated

2011 - $4.7 million appropriated

2010 - $2 million appropriated

2009 - $2 million appropriated

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($ in thousands)

St. Peter Water and Sewer Replacement

AT A GLANCE

2026 Request Amount:	$18,800
Priority Ranking:	2
Project Summary:	$18.8 million to upgrade and replace the lower campus water, sanitary, storm sewer, and street light infrastructure at the St. Peter Regional Treatment Center. This will ensure that the state-owned Direct Care & Treatment (DCT) facilities are functional, safe, and in good repair.

Project Description

History of Utilities included in this project:

Water System: The original system consisted of wells for water supply needs along with associate piping to the various buildings constructed at the time. As the campus expanded, a more reliable watermain system was constructed. Currently, potable water is supplied by the City of St. Peter. The present water system on the lower campus was constructed in the early 1950's and consists of 6-inch to 12-inch diameter cast iron pipe. The hydrants that service the lower campus date back to as early as 1948. The valving and service lines to buildings vary in age, although majority of the valves date back to the 1950's.

The investigation and rating of the water system analysis was based on age, type of pipe material, watermain breaks, sizing of pipe, looping of dead-end mains and testimony from system operators.

Sanitary Sewer System: The existing system in the lower campus has been modified and extended numerous times since it was originally installed. Much of the original sewer system was constructed to discharge into tunnels, which in turn discharged to the Minnesota River. In 1960, an 18-inch diameter sewer was constructed to divert the sanitary sewer flow to the City of St. Peter's sanitary sewer collection system. The present sanitary sewer collection system consists of 6-inch to 27-inch diameter pipes made from clay, concrete, PVC, and composite lining. The system has a series of manholes at pipe junctions that provide access to the pipe network.

The investigation and rating of the sanitary sewer system was completed by televising the pipes, which is completed by pulling a camera through the sewers and noting conditions encountered. The scoring of each segment results in a rating which correlates to the life expectancy of the sewer. All manholes were also inspected and evaluated during the investigation.

Storm Sewer System: The storm sewer systems were built and expanded as buildings, streets, and parking lots developed. The network of piping ranges from 6-inches to 27-inches in diameter and is primarily concrete pipe. Manhole and catch basin structures were placed in strategic locations to collect runoff. These structures are constructed with concrete block or precast concrete. The discharge of storm drainage is generally to the wetlands located southeasterly from the campus. The wetlands ultimately discharge into the Minnesota River.

The investigation and rating of the storm sewer system was completed by televising the pipes, similar

to the sanitary sewer system above. The scoring of each segment results in a rating which correlates to the life expectancy of the sewer. All manholes were also inspected and evaluated during the investigation.

Design was funded in the 2023 session and is complete.

Project Rationale

In 2018, DCT contracted with Bolton & Menk Engineers to conduct a water and sewer system analysis. The resulting report provided an evaluation of the existing systems and associated recommendations for replacement of the water main, sanitary sewer, and storm sewer infrastructure located throughout the entire campus. Majority of the systems, especially on the lower campus, were constructed in the early 1950's and have far exceeded their useful life. It is imperative to replace this critical infrastructure to ensure the campus can continue to operate and serve the needs of patients, clients, and employees.

This investment will directly affect the health and safety of over 1,100 people, consisting of patients, clients and staff on-site 24/7/365.

Based on all the data collected, the lower campus has a number of infrastructure deficiencies and should be improved. Without improvement, the probability of infrastructure failing in the near future is very high and increases with each passing year. A project of this scope and magnitude presents challenges for security, traffic control, parking, temporary water supply, sewer bypass pumping, work phasing, temporary shutdowns, coordination and more.

Various options for constructing the necessary infrastructure improvements were discussed with local construction industry experts. A recommendation of developing a comprehensive project to address all deficiencies was noted in the report. This request would be administered as one contract and be constructed over a 2-year period to achieve efficiencies in scheduling, coordination, phasing, and project management.

Project Timeline

8/1/2026 - 11/30/2028

Other Considerations

Water and sewer infrastructure do not represent all of the underground assets on campus. Other underground components vital to the operation include steam lines for heat supply, communication/data supply lines, and electric supply lines. These buried utilities must be considered as part of any construction project and will at the very least need to be included in the process of scheduling, potential shutdowns and/or temporary facilities to maintain operation of the campus. The age and condition of these other assets should be considered for potential replacement as well, either prior to or concurrent with these improvements. This request does not include funding for these other assets. If and when replacement is warranted, funding will come from appropriated asset preservation.

Impact on Agency Operating Budgets

Funding this project will not impact operating budgets.

Description of Previous Appropriations

2025 - Governor recommended $15 million in General Obligation bond funds, no funding was appropriated

2024 - Governor recommended $13 million in General Obligation bond funds, no funding was appropriated

2023 - Governor recommended $12.5 million in General Obligation bond funds and $1.050 million was appropriated for design

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($ in thousands)

DCT Energy Upgrades

AT A GLANCE

2026 Request Amount:	$23,400
Priority Ranking:	3
Project Summary:	$23.4 million is requested to install renewable energy systems ($10.4 million GF request) and energy upgrades for buildings ($13 million GO bond request) on the St. Peter campus, the Moose Lake campus, and the Anoka Metro Regional Treatment Center (AMRTC) campus. Calendar year 2024 annual electricity costs at all three sites was $3.026 million.

Project Description

This $23.4 million request is the Department's #3 priority for the 2026 Capital Budget ($10.4 million GF request) and ($13 million GO bond request). Calendar Year 2024 annual electricity costs are as follows:

St. Peter campus = $1,429,835

Moose Lake campus = $1,150,260

AMRTC campus = $446,808

The St. Peter campus consists of 51 buildings, totaling 1,116,426 square feet and a replacement value of $407,499,284.

The Moose Lake campus consists of 6 buildings, totaling 462,129 square feet and a replacement value of $205,813,380.

AMRTC consists of 11 buildings, totaling 386,710 square feet and a replacement value of $108,333,853.

The three campuses have already completed many energy upgrades including LED lighting, HVAC replacements, and building envelope upgrades, but many more upgrades will be required to bring these sites to net zero energy use. This project will address and prioritize upgrades and replacements at all three sites. The renewable energy systems will be right sized to accommodate more energy efficient campuses.

DCT has conducted commercial grade energy audits that will assist in identifying the optimal renewable energy system and upgrades required based on analysis of historical energy use data from 2011-2023.

Project Rationale

The St. Peter Campus houses individuals committed to Forensic Services, the Minnesota Sex Offender Program (MSOP), and Community Preparations Services (CPS). The campus is occupied by more than 1,100 people, consisting of patients, clients, and staff.

The Moose Lake campus houses individuals committed to the Minnesota Sex Offender Program (MSOP). The campus is occupied by more than 800 people, consisting of clients and staff.

AMRTC houses individuals committed to the Mental Health and Substance Abuse Treatment Services (MHSATS). The campus is occupied by more than 400 people, consisting of patients and staff.

All three locations operate 24 hours a day, 7 days a week and 52 weeks a year. There is no down time – nor can there be based on the patients and clients served at these Direct Care and Treatment (DCT) facilities. Each location has highly sophisticated security systems that are powered by electricity.

In the effort to meet the Governor's strategic priorities for climate change, this request supports maximizing renewable energy while reducing our carbon footprint and utility costs.

Project Timeline

The timelines vary and are unique to each project.

Other Considerations

This project, if fully funded, will have a return on investment within 7.7 years through energy savings.

Impact on Agency Operating Budgets

The installation of a renewable energy system and other energy upgrades in this request is anticipated to reduce the overall cost of the future operating budget for the campus, while also eliminating the 'peak demand' premium charge that is typical of all 24 hour secure facilities. Cost reductions will be directly associated with renewable energy systems and energy efficient equipment and upgrades.

Description of Previous Appropriations

2023 - the Governor recommended $11.2 million in General Fund cash and no funding was appropriated.

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($ in thousands)

Pedersen Renovation

AT A GLANCE

2026 Request Amount:	$18,400
Priority Ranking:	4
Project Summary:	$18.4 million is requested for building wide upgrades of the envelope fenestration, HVAC, and electrical systems of the Pedersen Building at the St Peter Regional Treatment Center (SPRTC).

Project Description

This project will consist of the replacement of the existing window/door assemblies including replacement of the exterior metal panels adjacent to the building windows, installation of a central cooling system compatible with the SPRTC's campus Distech Controls system, installation of a building-wide ventilation system, and upgrading current electrical capacity and electrical infrastructure as needed to support the new cooling system. This project will also require abatement of hazardous materials.

Project Rationale

The St Peter Regional Treatment Center (SPRTC) is a state-operated Direct Care & Treatment (DCT) facility that serves the mental health needs of the residents of Minnesota. The campus has three DCT Service Lines that provide treatment; Forensics, Minnesota Sex Offender Program (MSOP), and Community Preparation Services (CPS).

Originally built in 1937, the Pedersen Building is a 41,000 square foot building that originally served as a psychiatric hospital. The 3-story building (with partial basement) currently operates as the administrative center for the Saint Peter Regional Treatment Center (SPRTC) in St. Peter, MN.

Many of SPRTC's facilities need maintenance or system upgrades to prevent building deterioration and to maximize their use for the future, most of which can be addressed with asset preservation funding. However, the scope and total cost of the work proposed for the Pedersen Building exceeds the Direct Care & Treatment's (DCT) ability to use asset preservation appropriation funding. Therefore, this project requires capital funding dedicated specifically to addressing the improvements outlined herein.

The Pedersen Building is in good structural condition; however, there is deferred maintenance estimated at $2.9 million. The building's window and perimeter door assemblies have reached end of life years ago and need replacement. The building is currently heated with steam radiation unit heaters and cooled through a variety of window air conditioners and mini split systems.

Project Timeline

8/1/2026 - 10/1/2028

Other Considerations

Impact on Agency Operating Budgets

This project may impact operating budgets in the reduction of energy usage.

Description of Previous Appropriations

Not Applicable

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($ in thousands)

AMRTC Dietary Building Renovation

AT A GLANCE

2026 Request Amount:	$15,200
Priority Ranking:	5
Project Summary:	$15.2 million is requested to design, renovate, furnish, and equip the Old Dietary/Warehouse Building at the Anoka Metro Regional Treatment Center (AMRTC).

Project Description

This project will consist of the renovation of space for a permanent Direct Care & Treatment (DCT) Central Warehouse, offices, training, and carpenter spaces.

The project will require replacement and/or renovation of HVAC components, plumbing, electrical, security, and life safety systems including fire protection and other building code deficiencies; reconfigure and remodel space; remove and/or demolish nonfunctioning building components necessary to support the programmed use.

This project will also require abatement of hazardous materials.

Project Rationale

The Anoka Metro Regional Treatment Center (AMRTC) is a state-operated inpatient psychiatric hospital that serves the mental health needs of the residents of Minnesota. The campus has three main structures – the hospital with six residential treatment units, the Miller Building and the Old Dietary/Warehouse Building.

The Old Dietary/Warehouse Building was built in 1959 to provide kitchen and dining services for the old regional treatment center. In the mid 1990's, the hospital building was built which also encompassed kitchen and dining services. The Old Dietary/Warehouse building was used as support space for the campus, mainly as heated storage. It currently houses a large cache of surplus furniture for use at all DCT sites, a workshop for Community Based Services, and other support functions necessary for operating the campus programs.

Many of AMRTC's facilities need maintenance or system upgrades to prevent building deterioration and to maximize their use for the future, most of which can be addressed with the use of asset preservation funds. However, the scope and total cost of the work proposed for the Old Dietary/Warehouse exceeds DCT's ability to use asset preservation funding. Therefore, this project requires capital funding dedicated specifically to addressing the improvements outlined herein.

The Old Dietary/Warehouse is in very good structural condition; however, there is deferred maintenance estimated at $6.8 million. One of the projects completed on a prior asset preservation list was for envelope upgrades on the Old Dietary/Warehouse including cleaning and tuckpointing of the entire brick facade, window, and door replacement, rebuilding of the existing loading dock, and restoration of the metal cladding.

With the onset of the COVID-19 pandemic, DCT centralized the purchasing and dispersion of personal protective equipment (PPE) and cleaning supplies. This was very successful in acquiring adequate PPE and cleaning supplies for all 200+ DCT sites during the early onset of the pandemic. Cost efficiencies were also realized in purchasing bulk orders versus multiple, smaller orders.

Project Timeline

8/1/2026 - 9/1/2028

Other Considerations

Impact on Agency Operating Budgets

Description of Previous Appropriations

Not Applicable

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($ in thousands)

SPRTC Office|Storage Shop

AT A GLANCE

2026 Request Amount:	$7,100
Priority Ranking:	6
Project Summary:	$ 7.1 million is requested to predesign, design, construct, furnish and equip a new Office, Storage and Shop Building at the St. Peter Regional Treatment Center (SPRTC) campus. This request also includes the demolition of existing buildings to be replaced.

Project Description

This project will consist of predesign, design and construction of a new Office/Shop/Storage building to replace the following nine buildings on campus:

Storage Shed - MC8 - 168 sq. ft.

Carpenter Garage - 896 sq. ft.

Rec. Van Garage (Left) - 528 sq. ft.

Rec. Van Garage (Right) - 528 sq. ft.

Garage – 974 sq. ft.

Bedrock Car Wash – 905 sq. ft.

Grounds Garage – 1,500 sq. ft.

Root Cellar 5,532 sq. ft.

Mechanics Garage 6,463 sq. ft.

The new building will be approximately 17,000 square feet consisting of 2,000 square feet of office space, 5,000 square feet of heated shop space and 10,000 square feet of cold storage. The project will also include the demolition of the nine buildings mentioned above and may include the need for hazardous abatement.

Project Rationale

The St. Peter campus has been in existence for over 150 years. Currently, there are 51 buildings on campus totaling over 1.1 million square feet of space. The buildings consist of hospital, residential, treatment, office, and storage space.

The current grounds crew office was built in 1935 as a garage. In the late 1960's, the garage space was converted into office space. The latest Facility Condition Assessment (FCA) rated the building in

crisis. Eight additional garage and/or storage buildings were built between 1920 and 1968. These eight buildings had a poor or crisis FCA rating in 2021. The nine buildings are 17,525 square feet of space.

Project Timeline

8/1/2026 - 9/1/2028

Other Considerations

This project will not increase the square footage on the St. Peter campus.

Impact on Agency Operating Budgets

The construction of a new Office/Shop/Storage Building is anticipated to reduce the overall cost of the future operating budget for the campus. Cost reductions will be directly associated with new construction and energy efficient components.

Description of Previous Appropriations

Not Applicable

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