

Project Requests for State Funds					
Project Title	Priority Ranking	Funding Source	2026	2028	2030
Behavioral Health Capacity Building for Tribal Nations and Urban Indian Organizations	1	GF	\$ 10,000	\$ 10,000	\$ 10,000
Additional Behavioral Health Facility Funds	2	GO	\$ 25,000	\$ 25,000	\$ 25,000
Additional Capital Funding for Homelessness	3	GO	\$ 15,000	\$ 15,000	\$ 15,000
		GF	\$ 10,000	\$ 10,000	\$ 10,000
Total Project Requests			\$ 60,000	\$ 60,000	\$ 60,000
General Obligation Bonds (GO) Total			\$ 40,000	\$ 40,000	\$ 40,000
General Fund Cash (GF) Total			\$ 20,000	\$ 20,000	\$ 20,000

Behavioral Health Capacity Building for Tribal Nations and Urban Indian Organizations**AT A GLANCE****2026 Request Amount:** \$10,000**Priority Ranking:** 1**Project Summary:** \$10 million in General Fund cash is requested to provide grants for Tribal Nations and Urban Indian organizations statewide for brick and mortar facilities for behavioral health services and treatment.**Project Description**

This project aims to create a grant program for Tribal Nations and Urban Indian organizations to build and/or improve brick and mortar facilities to serve their communities. Grants would be awarded based on the unique needs of each Tribal community, which could include: brick and mortar facilities that would enhance access to withdrawal management related services, opioid treatment program (OTP), traditional healing practices, and other mental health and substance use services.

Project Rationale

Community feedback consistently indicates that American Indians are disproportionately impacted by substance use disorders. Partners have identified critical gaps in culturally appropriate services and expressed the need to expand withdrawal management options specifically tailored to American Indian communities. Additionally, community advocates have emphasized the importance of increasing funding for comprehensive support services, including harm reduction programs, wound care services, and assistance with funeral expenses. These holistic support needs reflect the complex challenges faced by Tribal communities in addressing substance use disorders.

Project Timeline

If successful in securing capital dollars, the Department would develop a competitive request for proposal (RFP) in the summer of 2026 and begin solicitation in the fall of 2026. The goal would be to make decisions in late 2026 and begin disbursing funds in early 2027.

Other Considerations

This request has been a top priority in consultation with community partners and Tribal Nations.

Impact on Agency Operating Budgets

DHS anticipates needing one additional full-time equivalent (FTE) to assist in administering this grant.

Description of Previous Appropriations

None

Project Contact Person

Peter Butler
Deputy Budget Director, Minnesota Department of Human Services
651-392-7222
Peter.A.Butler@state.mn.us

(\$ in thousands)

Additional Behavioral Health Facility Funds**AT A GLANCE**

2026 Request Amount:	\$25,000
Priority Ranking:	2
Project Summary:	\$25 million in General Obligation bonds are requested to provide additional grant funding for behavioral health facility projects across the state.

Project Description

This request is for additional grant funding for Behavioral Health Facilities as described under Minnesota Statute 245G.011. The grants are for any publicly owned entity for the acquisition of land, predesign, design, renovation, construction, furnishing and equipping facilities in which to provide behavioral health crisis programs and services. Funding is flexible to fit the needs of communities, and may include (but is not limited to):

- The acquisition of land, predesign, design or construction of a new behavioral health facility.
- Additional capital enhancements to existing facilities.
- Creating more capacity for multi-generational caregiver settings. Most existing facilities are built for single adults, typically offering only single or double-occupancy rooms, making them ill-equipped to accommodate caregivers or families seeking to remain together during treatment.
- Developing walk-in crisis centers, designed to function like urgent care clinics for mental health. These centers could provide immediate, walk-in support for individuals experiencing behavioral health challenges, offering an alternative to hospital rooms or law enforcement interventions.
- Supporting the development of a children's residential crisis stabilization benefit by offering the initial capital for communities to build new facilities in Minnesota before the launch of the new MA benefit in 2027.
- Other evidence-based, community-driven ideas to address population needs across different communities.

Project Rationale

Community partners have consistently identified gaps in the current mental health and substance use disorder systems across Minnesota. This includes geographic access issues, lack of culturally specific programming, and other access issues. The flexibility of the behavioral health facility grants would give communities the opportunity to tailor their proposals to fit the unique needs of their respective communities and to directly address the gaps within their communities.

Project Timeline

If successful in securing capital dollars, the Department would develop a competitive request for proposal (RFP) in the summer of 2026 and begin solicitation in the fall of 2026. The goal would be to make decisions in late 2026 and begin disbursing funds in early 2027.

Other Considerations

N/A

Impact on Agency Operating Budgets

DHS anticipates needing one additional full-time equivalent (FTE) to assist in administering this grant.

Description of Previous Appropriations

- 2018 - not included in the Governor's recommendations, \$30 million in General Obligation bonds was ultimately appropriated.
- 2020 - not included in the Governor's recommendations, \$10 million in General Obligation bonds was ultimately appropriated.
- 2023 - not included in the Governor's recommendations, \$10 million in General Obligation bonds was ultimately appropriated.

Project Contact Person

Peter Butler

Deputy Budget Director, Minnesota Department of Human Services

651-392-7222

Peter.A.Butler@state.mn.us

(\$ in thousands)

Additional Capital Funding for Homelessness**AT A GLANCE**

2026 Request Amount:	\$25,000
Priority Ranking:	3
Project Summary:	\$15 million in General Obligation bonds and \$10 million in General Fund cash is requested to assist in building additional capacity for homeless shelters and transitional housing opportunities across the state.

Project Description

Funding would be utilized to assist non-profits, counties, and Tribal Nations pursue capital projects related to homeless/emergency shelter sites, transitional housing sites, and Housing Support sites. This could include renovations to existing sites, or the land acquisition, predesign, design, and construction of new sites. Funding is flexible to fit the needs of communities, and may include (but is not limited to):

- The acquisition of land, predesign, design or construction of a new emergency shelter, Housing Supports, or Transitional Housing sites.
- Additional capital enhancements to existing facilities, such as expansion, HVAC repairs/updates, electrical work, and structural innovations for both safety and energy efficiency.
- To keep up with demand after the initial injection of \$100 million one-time funding for emergency shelter in the 2023 session.
- To assist communities in the remodeling/renovation of hotels, group homes, and apartments into transitional housing.

Project Rationale

The Minnesota Coalition for the Homeless identified critical gaps in the State's current infrastructure for residents experiencing homelessness. While the one-time investment in the 2023 session was a tremendous step forward, that funding has been obligated to numerous projects. The Department received nearly 100 requests amounting to \$365 million in requests for an appropriation of \$100 million, meaning several projects had to be rejected due to limited funds. The \$100 million funded approximately 37 projects statewide.

Project Timeline

If successful in securing capital dollars, the Department would develop a competitive request for proposal (RFP) in the summer of 2026 and begin solicitation in the fall of 2026. The goal would be to make decisions in late 2026 and begin disbursing funds in early 2027.

Other Considerations

Many of the projects that were not funded in with the 2023 were rejected due to lack of available funds, rather than merit of the project. There are numerous projects across the state that communities are ready to proceed with, but require additional funding.

Impact on Agency Operating Budgets

DHS anticipates needing one additional full-time equivalent (FTE) to assist in administering this grant.

Description of Previous Appropriations

A one-time investment of \$100 million in general fund dollars from the 2023 legislative session for shelter capital.

Project Contact Person

Peter Butler

Deputy Budget Director, Minnesota Department of Human Services

651-392-7222

Peter.A.Butler@state.mn.us