



2018 Governor's Capital Budget Recommendations

Chuck Johnson | Acting Commissioner

Direct Care and Treatment (DCT) At-a-Glance

- Provides 24/7 behavioral health care services
- Five distinct service lines
 - Mental Health and Substance Abuse Treatment Services (MHSATS)
 - Community-Based Services (CBS)
 - Forensic Services
 - Dental Services
 - Minnesota Sex Offender Program (MSOP)
- Over 12,000 people served annually
- Almost 4,500 FTEs
- Over 180 sites throughout the state
- About \$500 million annual expense budget
- Licensed and accredited



Minnesota Security Hospital, Phase 1

Department of Human Services: DCT Strategic Plan 2018-2022 Goals

- Operate as an integrated health system, improve patient experience, enhance outcomes of care and ensure that we optimize stewardship through efficient and effective operations
- Heighten focus on DCT core services and **ensure our facility footprint will meet the needs of the core services**
- Implement and leverage updated technology and data systems to improve quality and efficiency across the system
- Increase emphasis on client transitions and community re-integration

2/23/2018

Minnesota Department of Human Services | mn.gov/dhs

3

2018 Governor's DHS Capital Budget Recommendations: DCT Facilities Needs

Investments in DCT facilities will enable us to:

- Provide safer, more therapeutic environments for patients and staff
- Deliver more effective treatment to highly-acute patients who pose a safety risk to themselves and others
- Develop flexible capacity to meet changing program needs and improve patient flow through our health system
- Comply with court orders
- Reduce energy consumption
- Address challenges to providing core services in aging facilities, while prioritizing maintenance and prolonged useful life
- When necessary, upgrade facilities that have outlived their useful life

2/23/2018

Minnesota Department of Human Services | mn.gov/dhs

4

2018 Governor's DHS Capital Budget Recommendations

Project (In Priority Order)	2018 Amount (\$ in thousands)
1. Minnesota Sex Offender Program St. Peter, Phase 2 of 3	16,196
2. St. Peter Dietary Building HVAC and Electrical Replacement	2,200
3. Anoka Metro Regional Treatment Center Roof and HVAC Replacement	6,750
4. Asset Preservation	18,619
5. Anoka Metro Regional Treatment Center Admissions Redesign	5,790
6. MSOP Secure Assisted Housing	13,882
Total	63,437 GO

2/23/2018

Minnesota Department of Human Services | mn.gov/dhs

5

DHS Six-Year Capital Plan: 2014-2020

Project (In DHS Priority Order)	2014 Approved	2017 Approved	2018 Priorities	2020 Plan	Total In 6 YR Plan
Minnesota Security Hospital, Phase 1 and 2	56,317	70,255			126,572
MN Sex Offender Program St. Peter, Phase 2 of 3	7,405	-0-	16,196	19,437	43,038
St. Peter Dietary Building HVAC and Electrical Replacement			2,200	-0-	2,200
Anoka Roof and HVAC Replacement			6,750	-0-	6,750
Asset Preservation	3,000	-0-	18,619	15,000	36,619
Anoka Security Upgrades		2,250		-0-	2,250
Anoka Admissions Redesign			5,790		5,790
Child and Adolescent Behavioral Health Services, Willmar		7,530			7,530
MSOP Secure Assisted Housing		-0-	13,882	-0-	13,882
Early Childhood Facilities	6,000	-0-		5,000 GO; 5,000 GF	11,000 GO; 5,000 GF
Total	72,722	80,035	63,437 GO	39,347; 5,000 GF	255,631 GO; 5,000 GF

2/23/2018

Minnesota Department of Human Services | mn.gov/dhs

6



Priority 1: Minnesota Sex Offender Program (MSOP) St. Peter, Phase 2

St. Peter Campus Strategic Plan

The long-range strategic capital plan addresses four critical needs by providing:

- **A safer, more therapeutic treatment environment** for Minnesota Security Hospital (MSH) patients, potentially reducing length of stay
- **A safer working environment** for staff
- **Physical separation for vulnerable adults from predatory populations** by dedicating upper St. Peter campus for MSH
- **Flexible capacity** for the Minnesota Sex Offender Program (MSOP) to meet program and bed space needs

St. Peter Regional Treatment Center Populations

There are two distinct populations in St. Peter:

- **Minnesota Security Hospital:** Persons civilly committed as Mentally Ill and Dangerous (MI&D) are served by the Minnesota Security Hospital, which also includes transition services for persons who are preparing for transition back to the community.
- **Minnesota Sex Offender Program:** Persons civilly committed as sex offenders are served by MSOP.
 - Alternative program, which is inside the secure perimeter, serves individuals with compromised executive functioning
 - Individuals in later phases of treatment served both inside and outside secure perimeter (CPS)

2/23/2018

Minnesota Department of Human Services | mn.gov/dhs

9

MSOP St. Peter, Phase 2 Proposal

- The second phase would create additional space in Community Preparation Services (CPS)
- Three buildings would be remodeled to add beds (50) and services for MSOP clients in CPS
- Anticipated start: 7/1/2018

Operating Budget Impact

Costs	FY20/21 Biennium	FY22/23 Biennium
Personnel	\$5.949M	\$11.202M
Non-Personnel	\$1.951M	\$4.047M
Total	\$8.900M	\$15.249M

\$16.196M

50 Beds added in CPS, and program space remodeled

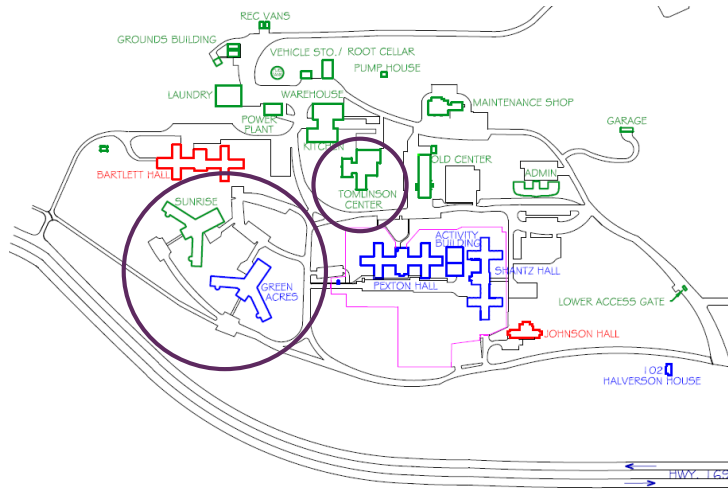
2/23/2018

Minnesota Department of Human Services | mn.gov/dhs

10

MSOP Buildings Renovated in Phase 2

- Sunrise
- Green Acres
- Tomlinson



2/23/2018

Minnesota Department of Human Services | mn.gov/dhs

11

MSOP St. Peter, Phase 1

- We received \$7.405 million in 2014 to renovate three existing buildings on the St. Peter lower campus
- The objective was to remodel, furnish and equip the West Wing of Green Acres and the East Wing of Sunrise to provide 60 new beds for MSOP. These beds are outside of the secure perimeter.
- Green Acres West was completed in July 2015; Sunrise East opened in September 2016
- In 2015, we were approved to also use this funding to prepare construction documents for remodeling the remaining wings of Sunrise and Green Acres, as well as the Tomlinson building.

2/23/2018

Minnesota Department of Human Services | mn.gov/dhs

12

Minnesota Sex Offender Program Need

- **Recently, the U.S. Supreme Court declined to hear an appeal of the 8th Circuit Court ruling from this past January, effectively upholding the constitutionality of the program.**
- In the coming months, as part of the *Karsjens* case, the local federal court will consider what to do with the remaining claims in the lawsuit. We aren't expecting an order (ruling on the claims) until April/May at the earliest.
- Growth in the number of clients committed to MSOP has slowed, while the number of clients court ordered for transfer into CPS continues to increase.
- This plan addresses MSOP's needs for bed space outside of the secure perimeter by remodeling existing space, rather than the higher cost of constructing new space.
- Separating the MI&D patients, who are classified as vulnerable adults, from MSOP clients on the lower St. Peter campus ensures safety and creates an appropriate treatment environment.

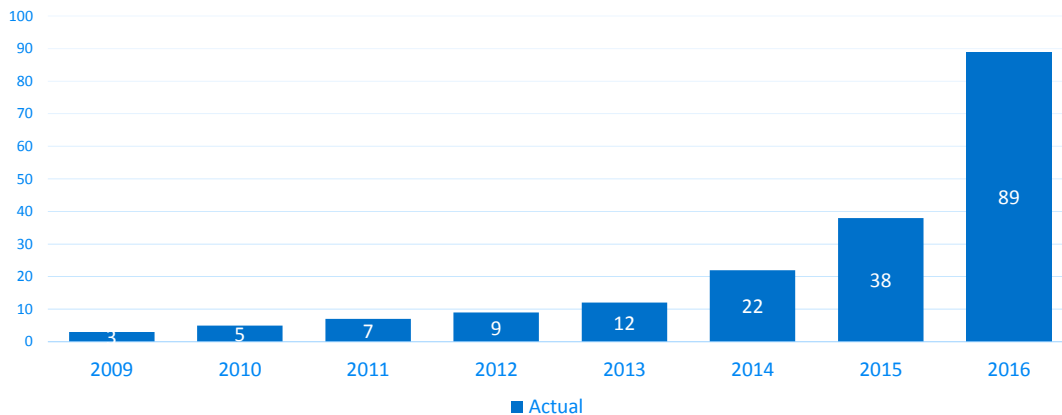
2/23/2018

Minnesota Department of Human Services | mn.gov/dhs

13

MSOP Reintegration Population

CENSUS AT COMMUNITY PREPARATION SERVICES



2/23/2018

Minnesota Department of Human Services | mn.gov/dhs

14

MSOP St. Peter Phase 2: Program Impacts

- MSOP will have the capacity to meet needs for program and bed space
- MSOP will be able to comply with court orders to transfer clients
- The Phase 1 and Phase 2 projects increase the physical separation on the St. Peter campus between vulnerable patients and MSOP clients
- New units will result in additional future operating costs for staff and support

2/23/2018

Minnesota Department of Human Services | mn.gov/dhs

15

MSOP Phase 3

Phase 3 (2020) – if needed, DHS would request funding to:

- Design, renovate/construct and furnish/equip Bartlett Building

2/23/2018

Minnesota Department of Human Services | mn.gov/dhs

16



Priority 2: St. Peter Dietary Building HVAC and Electrical Replacement

St. Peter Dietary Building HVAC and Electrical Replacement

- Replace Heating, Ventilation and Air Conditioning equipment and electrical services to the Dietary Building, which serves all individuals committed to MSH and MSOP
- Improve working conditions for staff who prepared three meals per day for an average of 655 clients
- Anticipated start: 10/2018
- Operating Budget Impact: None

\$2.2M

Reduced energy consumption,
improved equipment reliability,
improved working conditions

St. Peter Dietary Building HVAC and Electrical Replacement: Background

- Originally constructed in 1968, minimal modernization since then
- Did not include air conditioning
- Some exhaust fans, heating, and ventilation were installed, but are largely inadequate
- Temperature controls are outdated
- Heat and humidity can become unbearable, especially in the summer, leading to health and safety issues for staff
- Cooking and ventilation equipment strains the electrical system and consumes a large amount of energy

2/23/2018

Minnesota Department of Human Services | mn.gov/dhs

19



Priority 3: Anoka Metro Regional Treatment Center (AMRTC) Roof and HVAC Replacement

Anoka Metro Regional Treatment Center (AMRTC)



- The main building has been in service since 1998
- The department operates six patient care units here
- Uses two buildings from the original campus: Miller building and the Warehouse

Anoka Metro Regional Treatment Center: Roof and HVAC Replacement

- This project will address four improvements for the facility:
 1. Replace roofs on patient care units
 2. Install metal wall cladding on the mechanical penthouses
 3. Install new HVAC, fire sprinkler, electric and lighting systems in the Miller Building
 4. Install a new heating system in the old dietary/warehouse building (Warehouse)
- Anticipated start: 7/1/2018
- Operating Budget Impact: None

\$6.75M

Reduced
energy
consumption,
asset
preservation

AMRTC Roof and HVAC Replacement: Need

- Patient care unit roofs – Several years of ongoing leaks, which are difficult to locate and repair due to the membrane material used
 - Additional insulation will be added
 - With proper maintenance program, should last 25 years
- Mechanical penthouses – Original wall cladding did not perform well and has been leaking for many years
 - As a test, Unit A cladding replaced during roof replacement, and has performed very well
- Miller Building and Warehouse – Currently use steam from Anoka County power plant on campus, which is being shut down
 - County will install independent HVAC systems in their campus buildings
 - Must install new systems in Miller and Warehouse to continue state use

2/23/2018

Minnesota Department of Human Services | mn.gov/dhs

23



Priority 4: Asset Preservation
Taking Care of What We Have

Asset Preservation: Taking Care of What We Have

- Maintains and preserves investments in state-owned capital assets
- Most projects involve a significant level of repair/replacement. The scope of the projects cannot be addressed with the repair and replacement funding in the department's operating budget
- 19% of DHS facility exterior gross square footage is rated as "Crisis" or "Poor" in the Facility Condition Index
- Anticipated start: 7/1/2018
- Operating Budget Impact: None



2/23/2018

Minnesota Department of Human Services | mn.gov/dhs

25

Asset Preservation: Why We Must Act Now

- Asset preservation is essential to support the operations of DHS treatment facilities and community-based operations
 - Since 2002, DHS has received \$26.7 million for asset preservation
 - \$0 since 2014
 - Lack of funds has forced the Direct Care and Treatment Administration to use limited routine repair/replacement operating funds to address critical and expensive asset preservation projects
 - Limits agency ability to perform routine repair and replacement, compounding existing and future deferred maintenance costs
 - Interest rates continue to rise, construction costs will continue to increase



Crumbling loading dock stairway at AMRTC

2/26/2018

Minnesota Department of Human Services | mn.gov/dhs

26

Asset Preservation: Facility Condition Assessment and Deferred Maintenance

Facility Condition Assessment (FCA)

Agency ID		Facility Condition Index Rating					
		Total	Crisis	Poor	Average	Good	Excellent
H55	Project - Count	152	3	24	68	47	10
	Exterior Gross Square Footage	2,509,494	49,088	437,192	672,814	1,047,570	302,830
	Current Replacement Value	\$828,136,362	\$7,075,902	\$125,878,283	\$186,931,867	\$387,912,612	\$120,337,697
	Deferred Maintenance	\$136,988,770	\$4,290,057	\$46,138,282	\$40,244,269	\$43,165,452	\$3,150,710

Deferred Maintenance – Needed Investment

Agency	Current Replacement Value	Total Deferred Maintenance	Needed Annual Investment in Capital Assets					
			Maintenance	Renewal & Replacement	Deferred Maintenance Catch-Up	Total	Renewal & Replacement + Deferred Maintenance	2018 Asset Preservation Request
Human Services	\$828,374,418	\$137,012,567	\$8,712,598	\$10,589,976	\$6,134,386	\$25,436,960	\$16,724,362	\$18,600,000

Asset Preservation: Priorities Based on Facilities Condition Assessment (FCA)

- About a dozen asset preservation projects identified throughout the state
 - All components identified as “crisis” or “poor” in FCA
 - Range in cost from \$125K - \$3.619M
 - About half have identified energy savings potential
- Identified project breakout:
 - Life, Health, and Safety: \$6.1 million
 - Exterior repairs: \$4 million
 - Roof repairs: \$2.8 million
 - HVAC system repairs: \$2.8 million
 - Design: \$1.9 million
 - Electrical repairs: \$1 million



Rotting threshold on a state-operated group home serving clients with disabilities



Priority 5: Anoka Metro Regional Treatment Center Admissions Redesign

Anoka Metro Regional Treatment Center: Admissions Redesign

- Funds will be used to design and remodel part of the Miller Building at the Anoka Metro Regional Treatment Center (AMRTC)
- Will create a new, specialized living/treatment unit which will be utilized to evaluate new patients upon their admission
- Anticipated start: 8/1/2018

\$5.79M

Improves patient evaluation and care

Operating Budget Impact

Costs	FY20/21 Biennium	FY22/23 Biennium
Personnel	\$9.228M	\$11.811M
Non-Personnel	\$2.044M	\$2.817M
Total	\$11.272M	\$14.628M

AMRTC Admissions Redesign: Project Vision

- The admissions unit would be much smaller in scale than the 25-bed patient care units in the main building (likely operate at 10-12 beds, based on acuity)
- A flexible design where the space can easily be reconfigured dependent on the number of patients and their needs
- Layout would also accommodate a crisis unit within the same footprint, a significant need
 - Enables specialized accommodations for patients whose behavior impacts the progress of other patients on the unit
- Clinical staff would be able to observe, evaluate and better understand new patients' illnesses
 - Patients could then be placed in the most appropriate unit of the six patient care units the facility currently operates, rather than simply placing new admissions in a unit with an open bed

2/23/2018

Minnesota Department of Human Services | mn.gov/dhs

31



Priority 6: Minnesota Sex Offender Program (MSOP) Secure Assisted Housing

Minnesota Sex Offender Program (MSOP): Secure Assisted Housing

- Build two new, self-contained secure assisted living units on the St. Peter Campus.
- MSOP staff will be responsible for all supervision and monitoring of clients in the less restrictive alternative facilities
- Anticipated start: 8/1/2018

Costs	FY20/21 Biennium	FY22/23 Biennium
Personnel	\$3.054M	\$7.514M
Non-Personnel	\$961K	\$2.736M
Total	\$4.015M	\$10.250M

Two new, 20-bed secure assisted housing units on campus

\$13.882M

2/23/2018

Minnesota Department of Human Services | mn.gov/dhs

33

MSOP Secure Assisted Housing: Need

- MSOP has developed contracts with several private community providers who are able to serve some MSOP clients for whom the court has approved a provisional discharge to a community treatment setting
- This particular request is to meet the need of our aging/medical clients, for whom treatment in the secure perimeter is challenging, and don't yet need nursing home level of care
- For those individuals, state-owned and state-run secure facilities need to be available

2/23/2018

Minnesota Department of Human Services | mn.gov/dhs

34

Thank you!