



# 2026 Governor's Capital Bonding Recommendations

Nancy Freeman | Chief Operating Officer

## About Direct Care and Treatment

- Highly specialized, state-operated behavioral health care system.
- The only system of its kind, size and scope in Minnesota, DCT occupies a unique place in the state's behavioral health continuum of care
- Annually serves more than 12,000 patients and clients. Most have been civilly committed.
- Other providers cannot or will not serve these patients.



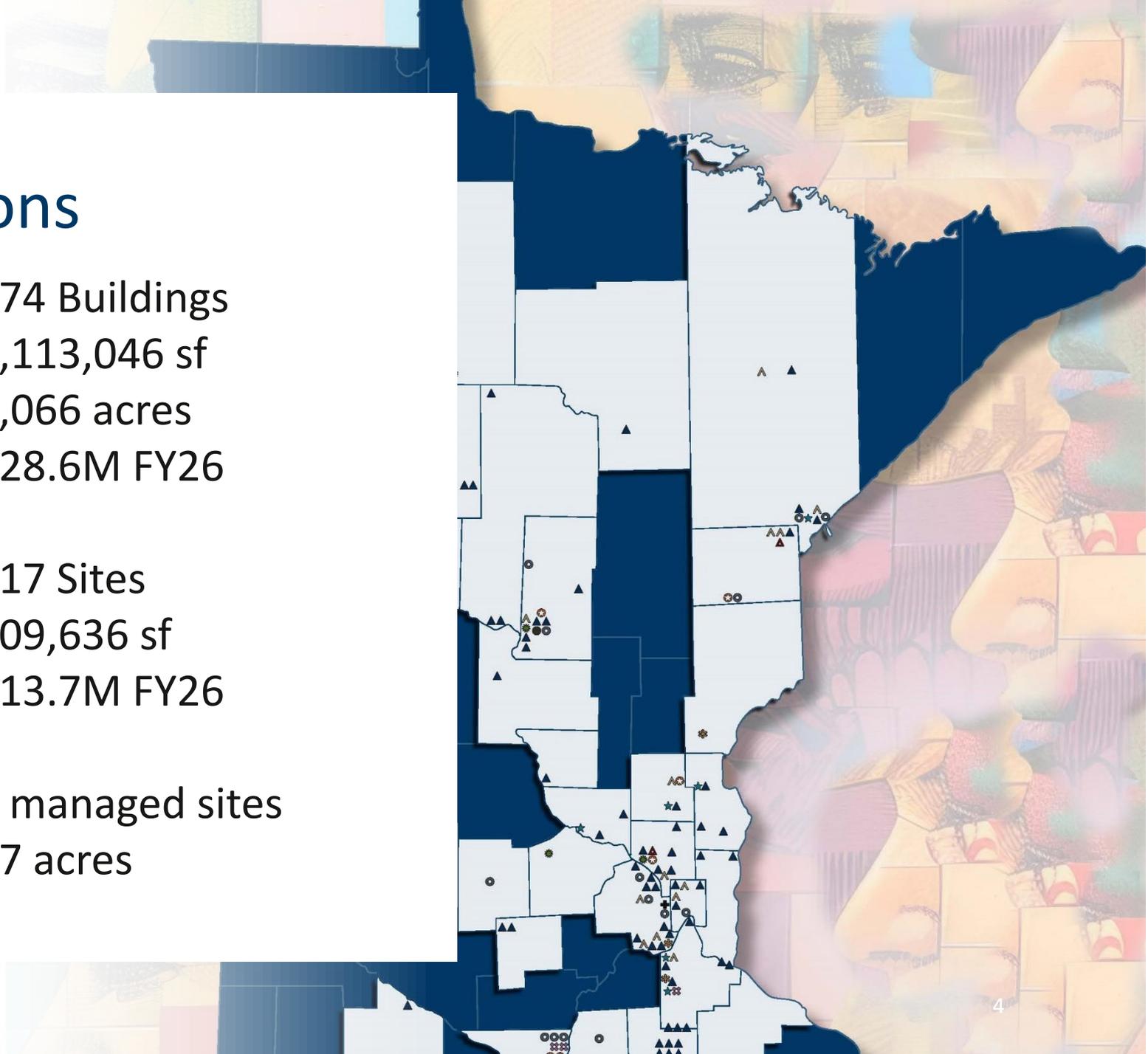
# Safe, therapeutic care requires facilities that are in good repair

- DCT facilities are highly regulated by state and federal agencies and are at risk for citations or the loss of operating licenses if facilities are in poor condition
- Regular maintenance and proper upkeep contribute greatly to the therapeutic atmosphere and treatment success in our inpatient facilities and group homes



# DCT statewide locations

Owned Buildings	174 Buildings
Square Feet	3,113,046 sf
Acres	1,066 acres
Facility operating costs	\$28.6M FY26
Leased Sites	117 Sites
Square Feet	509,636 sf
Facility operating costs	\$13.7M FY26
Cemeteries	4 managed sites
	27 acres

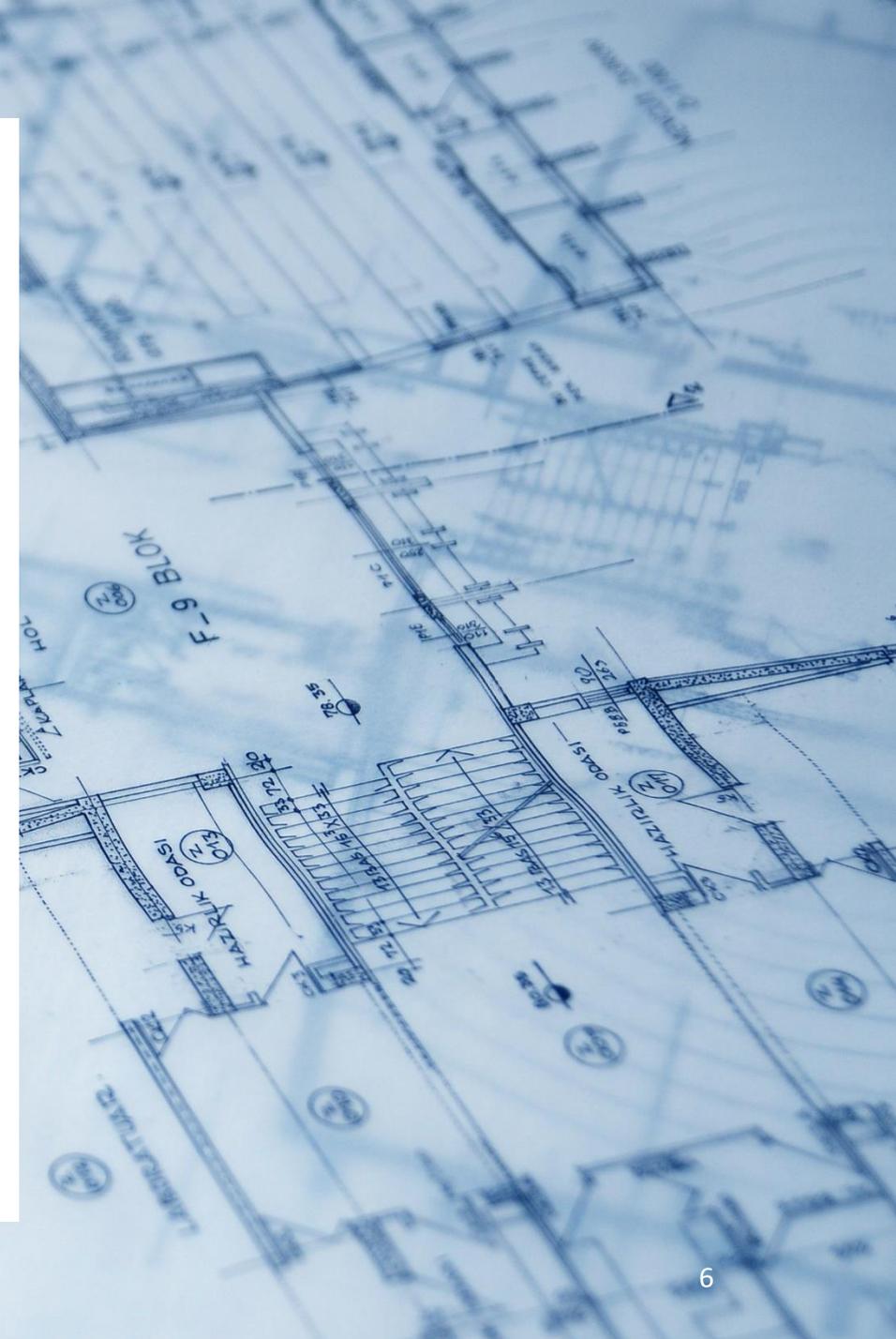


# Deferred maintenance across DCT facilities statewide is substantial

	Total	Crisis	Poor	Fair	Good	Excellent
Building Count	174	7	19	63	70	15
Gross Square Feet	3,113,046	8,321	195,505	1,115,894	1,692,163	101,163
Current Replacement Value (CRV)	\$1,051,688,200	\$1,561,110	\$92,932,502	\$395,876,735	\$515,676,905	\$45,640,948
Deferred Maintenance	\$162,766,340	\$1,034,634	\$33,895,369	\$78,363,303	\$47,962,695	\$1,510,438

# Our top bonding priorities for 2026 focus on critical infrastructure

- Asset preservation: \$23.7 million
- Water and sewer construction: \$18.8 million
- Total request: \$42.5 million



# Asset preservation: \$23.7 million General obligation bonds

- Addresses life and safety concerns
- Health, safety and code compliance
- Major mechanical and electrical systems
- Roof, window, and door replacement, tuck-pointing, foundation repairs



# History of DCT asset preservation appropriations 2005 to 2025

2005	\$3.0 M	2012	\$2.0 M	2019	\$0
2006	\$3.0 M	2013	\$0	2020	\$8.0 M
2007	\$0	2014	\$3.0 M	2021	\$0
2008	\$3.0 M	2015	\$0	2022	\$0
2009	\$2.0 M	2016	\$0	2023	\$9.2 M
2010	\$2.0 M	2017	\$0	2024	\$0
2011	\$4.7 M	2018	\$10.0 M	2025	\$7.5 M



# 2025 Asset Preservation Projects

Project	Amount Received
AMRTC: Rebuild two chillers	\$ 288,600
AMRTC: Repair concrete	\$ 63,500
AMRTC: Replace wind screen	\$ 31,600
Brainerd: Replace pneumatic HVAC controls on three buildings	\$ 300,000
Brainerd: Roof replacement	\$ 1,140,000
Brainerd: Window/tuckpoint	\$ 90,0000
MSOP Shantz: Remodel showers	\$ 980,000
MSOP Pexton: Upgrade pneumatic controls	\$ 603,295

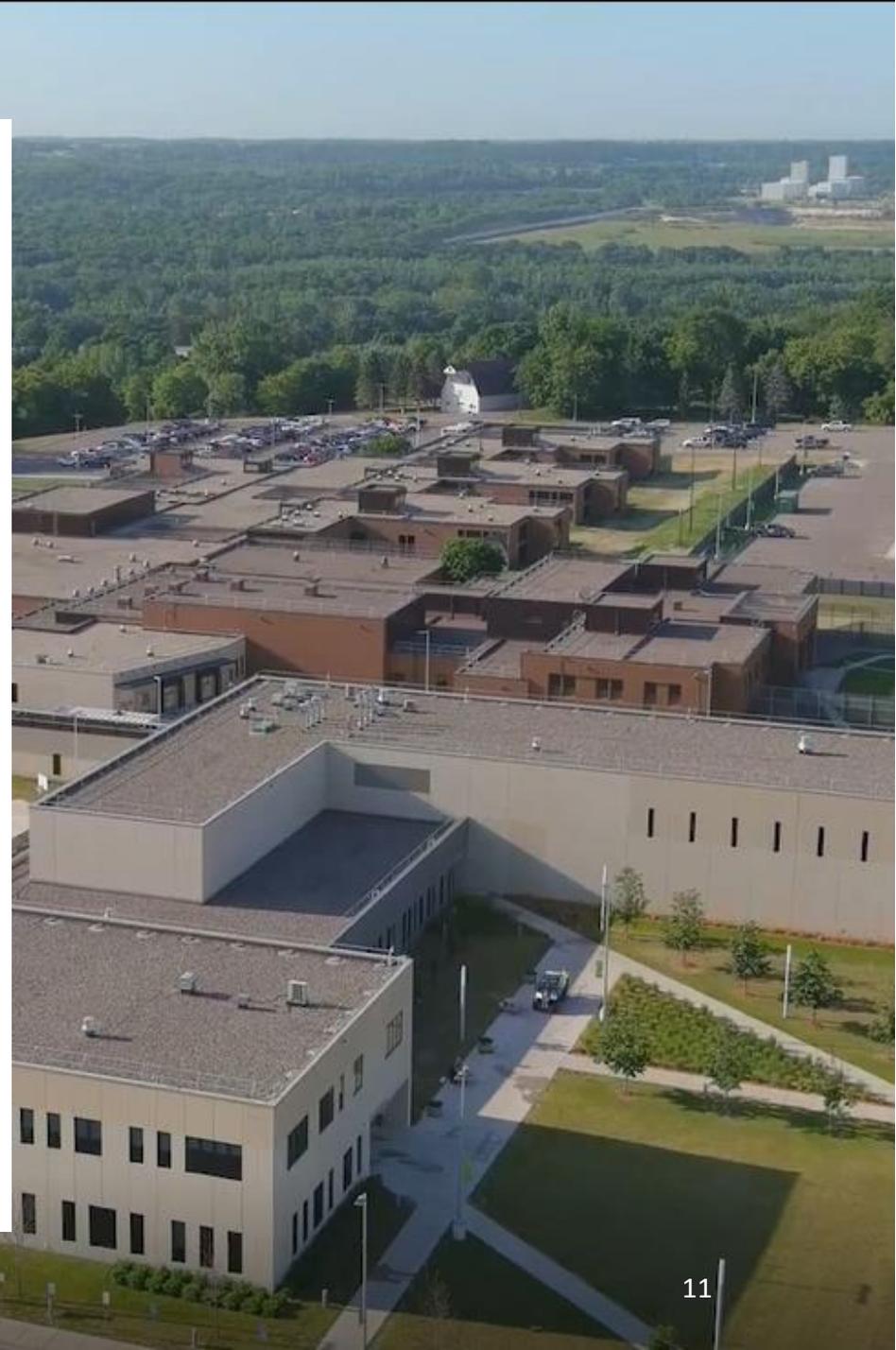


## Water & sewer rehab: \$18.8 million General obligation bonds

- Replaces water mains, sanitary and storm sewers throughout the lower St. Peter campus
- The systems were constructed in the 1950s and have far exceeded their useful life
- Avoids likely system breakdown and failure
- Ensures safe, sanitary conditions for about 700 patients and clients and nearly 2,000 staff

# This mission-critical infrastructure serves a sprawling St. Peter campus

- 574 acres on an upper and lower campus
- More than 1.1 million square feet
- 55 buildings supporting treatment, administration and operations, constructed between 1867 and 2019
- One mile of underground tunnels



# The consequences of delaying a project that has waited too long

- Project costs will continue to rise
- Since 2022, when we first sought funding, project costs have risen by \$8.4 million due to inflation
- Risk of catastrophic system failure rises each year the project is further delayed
- In the event of failure, emergency sanitation measures will be costly, inconvenient, unsafe for patients and staff – and yucky!



# Questions?



# Thank You!

**Nancy Freeman**

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