

Veterans Affairs, Department of

Projects Summary
(\$ in Thousands)

Project Title	2010 Agency Priority Ranking	Agency Project Request for State Funds (\$ by Session)				Governor's Recommendations	Governor's Planning Estimate	
		2010	2012	2014	Total		2010	2012
Minneapolis Building 17	1	\$9,450	\$0	\$0	\$9,450	\$9,450	\$0	\$0
Asset Preservation	2	6,490	6,000	6,000	18,490	6,490	6,000	6,000
Luverne Entrance Enclosure	3	450	0	0	450	450	0	0
Hastings Master Plan	4	100	0	0	100	0	0	0
Supportive Housing Hastings	5	11,000	0	0	11,000	0	0	0
Kandiyohi Veterans Home Construction	6	8,500	0	0	8,500	0	0	0
Total Project Requests		\$35,990	\$6,000	\$6,000	\$47,990	\$16,390	\$6,000	\$6,000

Agency Profile At A Glance

- ◆ In FY 2008, Minnesota veterans received more than \$226 million in federal veterans' benefits as a direct result of the department's claims and outreach offices.
- ◆ Over 6,000 benefit vouchers were provided to veterans and their families through the State Soldiers Assistance Program in FY 2008.
- ◆ Veterans Assistance Offices on Campus have 57 operational sites and have served over 5,288 veterans (unduplicated count) at Minnesota's higher education institutions in FY 2008.
- ◆ Support Our Troops license plates have generated more than \$436,000 for veterans programs in FY 2008.
- ◆ In calendar year 2008, MDVA Claims and Outreach offices have served as Power of Attorney for approximately 24,000 veterans.
- ◆ The five state run veterans homes have 859 operational beds (598 skilled nursing beds; 261 domiciliary beds).
- ◆ The veterans homes occupancy rate is 98 percent, statewide.
- ◆ A centralized one-stop website is operational to provide information on veterans' benefits and services offered by state and federal government.
- ◆ The "LinkVet" toll-free telephone line provides information on veterans' benefits, healthcare, education, and reintegration services.
- ◆ In partnership with Crisis Connection, "LinkVet" is available 24-hours, seven days a week (including holidays) for immediate crisis intervention and psychological counseling.

Agency Purpose

The Department of Veterans Affairs mission and purpose is to serve the veterans of Minnesota. Since its creation in 1943 (M.S. Chapter 196), the department accomplishes its mission by focusing on the needs of veterans and functioning as a single comprehensive provider of seamless service to the men and women who have served in the military.

Core Functions

The Department of Veterans Affairs provides overall leadership and direction to the veteran community through collaboration with public and private service providers. The core functions of the Department of Veterans Affairs are to:

- ◆ Promote self-sufficiency and personal responsibility through a temporary safety net of benefits and services;
- ◆ Supply representation to clients pursuing claims for federal veterans benefits;
- ◆ Ensure a smooth transition for veterans from active military service to civilian life;
- ◆ Provide the highest quality program for housing, health care, and supportive services to residents of the five state run veterans homes;
- ◆ Provide dignified and compassionate committal services at the Minnesota State Veterans Cemetery;
- ◆ Revise and build upon proven business practices to ensure the most timely, cost-effective delivery of benefits and services; and
- ◆ Manage all budgets, accounts financial transactions, information technology, and human resources to meet departmental needs.

Operations

The department offers services to over 400,000 Minnesota veterans as well as their dependents and survivors with assistance from the 87 County Veterans Service Officers (CVSOs) and representatives from Minnesota's Congressionally Chartered Veterans' Service Organizations. The department budget activities are divided between Programs and Services and Veteran Health Care.

The Veterans Services program includes Veterans Services Administration, Benefits and Services, and Claims and Outreach. The Veteran Health Care program includes Veteran Health Care Administration and the operation of the five state run veterans homes (Fergus Falls, Hastings, Luverne, Minneapolis, and Silver Bay).

Budget

The Minnesota Department of Veterans Affairs has two core program areas – Veterans Services and Veteran Health Care. The Veterans Services program represents approximately 22 percent of the department's FY 2008-09 biennial budget. The Veterans Services program activities are funded through state general fund appropriations (95 percent), miscellaneous special revenue generated by State Cemetery burial fees and Support Our Troops license plate fees (two percent), federal funds generated by the State Approving Agency and State Veterans Cemetery Plot Allowance (two percent), and donations (les than one percent).

The Veteran Health Care program represents approximately 78 percent of the department's FY 2008-09 biennial budget. The Veteran Health Care program activities are funded through state general fund appropriations (57 percent), departmental earnings generated by resident pay amounts (19 percent), and federal funds generated by U.S. Department of Veterans Affairs per diems (20 percent). The remaining four percent comes from donations, resident trust funds and other sources.

Contact

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At A Glance: Agency Long-Range Strategic Goals

- ◆ Develop integrated service lines to promote program delivery to the Minnesota Veterans community.
- ◆ Ensure financial integrity and viability through the development of an attainable financial base that includes resources supplemental to and independent of state appropriated funds.
- ◆ Formalize and implement organizational systems to support departmental operations.
- ◆ Develop strategies to foster employee morale and strong partnerships with stakeholders.
- ◆ Meet the needs of the Veterans community by providing innovative customer service.

Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs

According to the United States Department of Veterans Affairs, 400,000 veterans currently reside in Minnesota. While the veteran population is expected to decrease over the next 20 years, the number of veterans 75 and older will grow by nine percent from today's rates. At least 50 percent of the patients cared for in veteran's homes are between the ages of 75-84 and 21 percent over the age of 85. This is compared to private sector long-term care where approximately 31 percent are between the ages of 75-84 and 52 percent over 85.

Residents with Alzheimer's and/or dementia related illnesses comprise more than 50 percent of our inpatient population. In addition, as in the rest of the long term care industry, residents are being admitted later in life and with more complex medical and mental health diagnosis.

The Hastings Veterans Home currently operates a community based supportive housing program for residents that need supportive services to be successful in their goal of independent living. This facility also has plans to construct a new 60 bed supportive housing program on that campus to enable a larger number of veterans to achieve their goal for a more independent living arrangement.

Although the impact has not yet been seen at our facilities, a new group of eligible veterans are emerging from Desert Storm and Iraqi Freedom. Due to the nature of their injuries, veterans' homes across the state and nation could begin to see applications for admissions from veterans with multiple amputations, traumatic brain injuries, and post traumatic stress related injuries once they have completed their acute care phase of their treatment.

Nationally, state veterans home programs represent the largest provider of long term care in the United States with 24,827 operating beds in 48 states. The U.S Department of Veterans Affairs (VA) provides state home construction grants to supplement the construction of new and the renovation of existing state veterans' health care facilities. As part of our strategy, we have submitted our major projects to the VA for state home grant funding. All of our project submissions have been approved by the VA and are waiting state funding. If state funding were awarded, a final decision on federal funding is made during the beginning quarter of the following federal fiscal year.

Currently, the Minnesota State Veteran's Homes are licensed for:

	<u>Board and Care</u>	<u>Skilled Care Beds</u>
	<u>Beds</u>	
Minneapolis	161*	341
Hastings	200	0
Silver Bay	0	87
Luverne	0	85
Fergus Falls	<u>0</u>	<u>85</u>
Total beds	361	598
	*50 operational	

Our programs are specialized to our veterans' needs. We continue to evaluate our services on an ongoing basis to ensure that the care and services provided are appropriate to our mission and responsive to the changing special needs of the veterans' community.

As a result of factors such as age, gender, case mix, diagnosis, demographic changes, this agency is continually reevaluating its programs in an effort to meet the needs of the aging veteran population.

Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets

An assessment of each facility follows:

Minneapolis – This is our oldest campus dating back to 1887. We continue to work on maintaining this 51 acre historic site. While major renovations have taken place over the past few years, work is still required to update various aspects of the buildings on site, which are reflected in the asset preservation project list as a part of the bonding request. We are currently in the design phase for a 100 bed skilled facility replacement for building 9 and also an adult day health program for building 4. Minneapolis maintains a waiting list of over 250 veterans seeking skilled care services.

Hastings – This site continues to work on campus renovation. Beginning with a major rework of the infrastructure, the renovations have included updates to the mechanical systems in the major patient care buildings, repair or replacement of tunnels, updates to the power plant, roof repairs or replacements, and other energy conservation items.

Silver Bay – This facility was originally an elementary school built in 1953. It was converted to a nursing home and is currently under construction to create a more homelike environment of care for the residents served.

Luverne – This facility completed its dementia addition and is currently increasing the size of its generator. Luverne maintains a waiting list of approximately 55 veterans.

Fergus Falls – This facility is under construction to add a 21 bed dementia unit, increase the size of the dining area and relocate a dedicated clinic space for the VA run CBOC. Fergus Falls maintains a waiting list of approximately 70 veterans.

Agency Process Used to Arrive at These Capital Requests

The agency's long-range strategic operating plans and capital budget goals are to ensure that each of our homes is able to provide the highest quality of care to our residents in a therapeutic, highly adaptive, and dignified environment.

In order to meet these goals, we must ensure that each veterans' home is in good operating condition. The agency has conducted a comprehensive strategic process to identify programmatic and facility needs, and these are reflected in our capital requests. If a home requires renovation or new construction, we have analyzed the need, reviewed the options, and requested the necessary funding. We have also completed predesigns on major requests in an effort to provide more detailed and accurate information. We have also commissioned studies to determine future demand for services, both from a qualitative and quantitative focus.

The current capital budget requests have been reviewed and recommended by the homes. The priorities were reviewed using the following criteria:

- ◆ **Quality patient care.** This includes both the services available to the residents and the environment in which residents reside.
- ◆ **Maintenance and protection of the physical plant.** This includes correcting current deficiencies and maintaining the integrity of the physical plant.
- ◆ **Adequate, viable infrastructure support.** This includes providing management with the tools necessary to ensure efficient operation of the homes.

Major Capital Projects Authorized in 2008

Asset Preservation - \$4 million

Fergus Falls - \$2.7 million toward federal match to construct, furnish and equip a 21 bed special care unit and additional clinical space

Minneapolis - \$3.955 million for HVAC upgrade; \$1 million for demolition of building 9; and \$9.1 million for state match to construct 100 bed nursing facility

Silver Bay - \$227,000 for Master Plan Renovation

Minneapolis Building 17

2010 STATE APPROPRIATION REQUEST: \$9,450,000

AGENCY PROJECT PRIORITY: 1 of 6

PROJECT LOCATION: 5101 Minnehaha Avenue South, Minneapolis, MN 55417

Project At A Glance

- ◆ Campus master plan identified demolition and re-build north of building 17, phase 1 remodel of building 16, replacement of building 17-north, build new "State of Art Nursing Model" communities/neighborhoods
- ◆ Private resident rooms with bathroom
- ◆ Neighborhoods of no more than 12 residents/24 per community
- ◆ Would qualify for Federal Reimbursement
- ◆ Campus infrastructure study indicates replacement rather than remodel

Project Description

This phase 1 request would consist of \$9.45 million to remodel building 16, demolish building 17 north wings and design and rebuild a 72 single occupancy bed structure on the Minneapolis campus. A campus master plan was completed in 2009 of the Minneapolis campus identifying building 17 the most urgent building to replace. The life cycle costing and energy model evaluation indicated long term benefit to remove this building and replace with a new building. The master plan also evaluated all buildings on this campus in need of infrastructure repair or remodeling to accommodate program needs.

Another goal for this master plan was to review the Metro Study completed in 2009 to quantify the veteran population in the Minneapolis area by age and program need for this campus. The review of these studies was used to access future facility program expansion. The new building 17 would be designed as single occupancy, "person centered care model" allowing each resident to have a private room with bathroom and a day activity space. New building 17 would be built incorporating communities of 12 to 14 with enlarged dining and activity space surrounding the resident's room. As an

operational efficiency feature, the central nursing area would provide care for two communities back to back.

Impact on Agency Operating Budgets (Facilities Notes)

This project would not reduce the resident census on this campus. The total census of residents served on the campus throughout demo and reconstruction would not change. No additional operational funds would be requested.

Previous Appropriations for this Project

Legislative session 2008 awarded building 17 \$3.955 million for infrastructure and HVAC upgrades. These funds provide immediate building air quality improvements to the existing living space for veterans calling this home. The anticipated construction schedule for this project request would require residents to be housed in this building (phase 1 and 2) an additional six to seven years before the entire phasing and re-building of building 17 is complete.

Other Considerations

This project would be eligible for funding under the U.S. Department of Veterans Affairs (VA) State Home Construction Grant Program. Under this program, the VA will pay or reimburse 65 percent of the total cost of the project, once the state has appropriated 35 percent of building cost. It would be beneficial for this project if the state funds for this project would be approved pending federal participation in order to complete the design phase.

Project Contact Person

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Minneapolis Building 17

Governor's Recommendations:

The Governor recommends general obligation bonding of \$9.45 million supplemented with \$17.55 million in federal funds.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	150	0	0	150
3. Design Fees	400	1,783	0	0	2,183
4. Project Management	80	0	0	0	80
5. Construction Costs	3,447	18,224	0	0	21,671
6. One Percent for Art	28	100	0	0	128
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	2,318	0	0	2,318
9. Inflation	0	4,425	0	0	4,425
TOTAL	3,955	27,000	0	0	30,955

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	3,955	9,450	0	0	13,405
State Funds Subtotal	3,955	9,450	0	0	13,405
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	17,550	0	0	17,550
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	3,955	27,000	0	0	30,955

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	9,450	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2015

Asset Preservation

2010 STATE APPROPRIATION REQUEST: \$6,490,000

AGENCY PROJECT PRIORITY: 2 of 6

PROJECT LOCATION: 1200 East 18th Street, Hastings, 1300 North Kniss, Luverne, 1821 North Park Street, Fergus Falls, 45 Banks Boulevard, Silver Bay, 5101 Minnehaha Avenue South, Minneapolis

Project At A Glance

- ◆ Provides funding for upgrades to over 50 buildings statewide
- ◆ Continues to provide a safe environment to care for vulnerable adults
- ◆ Ensures continued full use of all physical assets
- ◆ Timely repair/replacement of building components eliminates future high costs
- ◆ Projects located at the Minnesota Veterans Homes (Minneapolis, Hastings, Luverne, Fergus Falls, Silver Bay) and the Minnesota State Cemetery in Little Falls
- ◆ Does not qualify for 65 percent federal VA reimbursement

Project Description

This request is for \$6.49 million for department wide renovation and upgrade of the 50 buildings in this agency. Nine of these buildings have 24/7 occupancy requiring ongoing repair and maintenance support. This request will address building repair items that go beyond the day to day maintenance needs of each facility. This request will also assure facilities used to care for over 900 residents are in good condition.

Examples of projects in this request include: replacing of exterior envelope components, roof replacement, tuckpointing, sanitary sewer repairs, mechanical and electrical updates, and updates to resident bathrooms and central showers. This request would update a variety of resident building components. These projects serve to maintain a safe, efficient, and manageable environment for the residents at the homes.

There are also specific asset preservation needs at each facility. Projects for the Minneapolis campus provide electrical repairs, infrastructure repairs to tunnels, and replacement of windows and doors. The Hastings campus is in need of repairs to sanitary and storm sewers, new chiller, parking lot reengineering and upgrading. The out-state campuses at Luverne, Silver Bay, and Fergus Falls are in need of a variety of building repairs including, but not limited to, resident room door replacements, nurse call and phone system replacement, boiler burner parts replacement, and storage building repairs.

The amount identified in this asset preservation request reflects a backlog of asset preservation needs.

Impact on Agency Operating Budgets (Facilities Notes)

The nature of these asset preservation improvements should not have any significant impact on the ongoing operating costs of each facility and may correct inefficiencies in mechanical equipment, ultimately reducing operating costs.

Previous Appropriations for this Project

Past amounts appropriated for asset preservation include: \$6 million in the 2006 bonding bill, and \$4 million in 2008. All of these accounts are being used with 95 percent of these funds encumbered for ongoing projects.

Other Considerations

This project is not eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of a project's cost once the state has appropriated its share – 35 percent.

Asset Preservation

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Governor's Recommendations:

The Governor recommends general obligation bonds of \$6.49 million for this project. Also included are budget planning estimates of \$6 million in 2012 and 2014.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	392	600	600	600	2,192
4. Project Management	8	12	12	12	44
5. Construction Costs	3,600	5,280	5,341	5,341	19,562
6. One Percent for Art	0	46	47	47	140
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	552	0	0	552
TOTAL	4,000	6,490	6,000	6,000	22,490

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	4,000	6,490	6,000	6,000	22,490
State Funds Subtotal	4,000	6,490	6,000	6,000	22,490
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	4,000	6,490	6,000	6,000	22,490

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	6,490	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2015

Luverne Entrance Enclosure**2010 STATE APPROPRIATION REQUEST:** \$450,000**AGENCY PROJECT PRIORITY:** 3 of 6**PROJECT LOCATION:** 1300 N Kniss Ave, Luverne, MN 56156**Project At A Glance**

- ◆ Resident safety and comfort is improved
- ◆ Protects front entrance from elements, summer, winter
- ◆ Provides protected egress stability for staff
- ◆ Increases transportation opportunity and mobility
- ◆ Requirement- Dept of Health regulation 4658.4360
- ◆ Does not currently qualify for 65 percent federal VA reimbursement

Project Description

This request is for \$450,000 to design, construct, and furnish a new enclosure attached to the front entrance of the Luverne Veterans Home. This request would also re-engineer the circle drive parking lot adjoining this entrance to increase visitor parking capacity. The addition would also provide day room/lounge activity space on either side of the entrance. This enclosure would provide summer shade and winter wind/cold protection especially during inclement weather. This enclosure will enable staff to load and unload residents in a more controlled and safer environment.

Impact on Agency Operating Budgets (Facilities Notes)

This project would not require any additional operating funds. Although minor, this canopy would provide protection from winter cold winds penetrating the entrance way thus reducing minimal utility expenses.

Previous Appropriations for this Project

None

Other Considerations

The State of Minnesota Nursing Care regulations – Rule Chapter 4658.4360 Covered Entrance Area. At least one covered entrance area must be provided to protect residents from weather. The covered entrance must extend from curb line to building.

This project may qualify for funding reimbursement. However, because of the uncertainty of when VA approval would be received, the department is requesting the full amount and will seek reimbursement for the federal share if applicable.

Project Contact Person

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Governor's Recommendations:

The Governor recommends general obligation bonding of \$450,000 for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	54	0	0	54
4. Project Management	0	0	0	0	0
5. Construction Costs	0	370	0	0	370
6. One Percent for Art	0	4	0	0	4
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	22	0	0	22
9. Inflation	0	0	0	0	0
TOTAL	0	450	0	0	450

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	450	0	0	450
State Funds Subtotal	0	450	0	0	450
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	450	0	0	450

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	450	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
No	MS 16A.642: Project Cancellation in 2015

Hastings Master Plan

2010 STATE APPROPRIATION REQUEST: \$100,000

AGENCY PROJECT PRIORITY: 4 of 6

PROJECT LOCATION: 1200 E 18th Street, Hastings, MN 55033

Project At A Glance

- ◆ Infrastructure site planning to support future campus program activity
- ◆ Evaluate campus buildings integrity
- ◆ Current area veteran census analysis
- ◆ Master plan would not qualify for 65 percent federal VA reimbursement

Project Description

This request is for \$100,000 to study the Hastings campus.

The Minnesota Department of Veterans Affairs - Hastings currently operates 200 domiciliary beds providing home for veterans who require support with chronic medical problems, mental health diagnosis, substance abuse treatment, and transitional services to move veterans towards independent living. The Hastings facility is located in Dakota County and serves the veterans in the south east metro area. This project will conduct an analysis of building components and campus space availability for future Minnesota veteran program needs in this geographic area.

Impact on Agency Operating Budgets (Facilities Notes)

This campus study will not require any additional operational funds.

Previous Appropriations for this Project

None

Other Considerations

This Master Plan professional analysis may indicate a capital bonding request in Legislative Session 2012. Future capital requests for this campus may be eligible for funding under the federal State Home Construction Grant Program in the future. Under this program, the VA will pay or reimburse 65 percent of the total cost of construction upon local 35 percent commitment.

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Governor's Recommendations:

The Governor does not recommend capital funds for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	100	0	0	100
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	100	0	0	100

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	100	0	0	100
State Funds Subtotal	0	100	0	0	100
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	100	0	0	100

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	100	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
No	MS 16A.642: Project Cancellation in 2015

Supportive Housing Hastings

2010 STATE APPROPRIATION REQUEST: \$11,000,000

AGENCY PROJECT PRIORITY: 5 of 6

PROJECT LOCATION: 1200 E 18th St, Hastings, MN 55033

Project At A Glance

- ◆ Improves programming and safe housing for veterans ready for discharge
- ◆ Provides a supportive environment which increases the chance for success
- ◆ Provides a needed service which is in short supply in the Hastings area
- ◆ Increases the opportunity to serve more homeless veterans
- ◆ Does not currently qualify for 65 percent federal VA reimbursement

Project Description

This request is for \$11 million to design, construct, furnish and equip 60 units of permanent supportive housing for veterans with disabilities on the Hastings campus. This housing will consist of 60 one-bedroom apartments for single adults. All veteran residents will have some disability, but are able to live on their own with supportive services.

The Hastings facility currently operates 200 domiciliary beds for veterans who require support with chronic medical problems, mental health diagnosis, substance abuse treatment, and transitional services to move veterans towards independent living. There is a significant shortage of low income housing in the Hastings area and it impedes the facility's ability to timely discharge residents. In addition, the success of discharge is dependent, to a large extent, on the supportive services available to assist veterans in their transition. The Hastings facility will complement the services already in place to incrementally provide the necessary service package to veterans in the housing units.

The original concept was to remodel an existing building on the Hastings campus to provide residents with supportive housing services. After further review, the department determined that remodeling existing space was too costly and presented challenges because residents would have difficulty accessing other services on the campus. By constructing an entirely new building, costs per square foot are lower, utility costs are lower, and residents will have better access to the services and programming they need.

Impact on Agency Operating Budgets (Facilities Notes)

This project will not require additional funding for operations. Residents would be required to participate in the payment of rent and rental assistance will be sought to cover other expenses. Supportive services will be coordinated with facility (veteran eligibility) and community resources. Veterans would have access to the Veterans Administration Medical Center in Minneapolis daily for additional follow-up care on an outpatient basis.

Previous Appropriations for this Project

\$700,000 was approved for the design of this project in the 2006 bonding bill.

Other Considerations

The U.S. Department of Veterans Affairs (VA) does not currently support a supportive housing program. As a result, this project would not be eligible for funding under the federal State Home Construction Grant Program.

A demographic study completed in October 2004 identifies housing as one of the unmet demands on campus and supports the proposed construction. Sufficient space is available on campus for this construction and a renovated power plant will be able to support the new construction. In addition to following the B-3 state building compliance, this building will be Leadership in Energy and Environmental Design (LEED) certified. The LEED Green Building Rating System™ is the nationally accepted benchmark for the design, construction, and operation of high performance green buildings.

Supportive Housing Hastings

Project Contact Person

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Governor's Recommendations:

The Governor does not recommend capital funds for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	700	252	0	0	952
4. Project Management	0	0	0	0	0
5. Construction Costs	0	8,673	0	0	8,673
6. One Percent for Art	0	76	0	0	76
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	1,251	0	0	1,251
9. Inflation	0	748	0	0	748
TOTAL	700	11,000	0	0	11,700

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	700	11,000	0	0	11,700
State Funds Subtotal	700	11,000	0	0	11,700
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	700	11,000	0	0	11,700

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
Compensation -- Program and Building Operation	0	274	274	548
Other Program Related Expenses	0	106	106	212
Building Operating Expenses	0	49	49	98
Building Repair and Replacement Expenses	0	67	67	134
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	496	496	992
Revenue Offsets	0	<496>	<496>	<992>
Other Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	2.0	0.0	2.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	11,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
No	MS 16A.642: Project Cancellation in 2015

Kandiyohi Veterans Home Construction

2010 STATE APPROPRIATION REQUEST: \$8,500,000

AGENCY PROJECT PRIORITY: 6 of 6

PROJECT LOCATION: Willmar, MN

Project At A Glance

- ◆ New 90 bed Veteran home with an emphasis on geriatric psychiatric and dementia care in Kandiyohi County
- ◆ Provide a safe environment to care for vulnerable adults in need of nursing care in this outstate area
- ◆ Does qualify for 65 percent federal VA reimbursement with local 35 percent commitment
- ◆ Would create approximately 129 new jobs in outstate Minnesota
This facility will provide physical and mental needs, and improve quality of life to Minnesota Veterans

Project Description

This request is for \$8.5 million to construct a new nursing care geriatric psychiatric building consisting of 75,000 square feet. This facility would be home to 90 veterans or spouses of veterans in need of nursing, behavioral health and geriatric psychiatric care.

The United States Department of Veterans Affairs may partner with Minnesota for this construction project if local financial participation of one third of the building cost (35 percent) is received. Initial application for this project was submitted to the United States Department of Veterans Affairs State Veterans Home Grant Program in 2006. This project application will receive further attention and will move higher on the priority list once the 35 percent match is received. The initial application has not received local financial commitment and will not receive Federal participation until the State commitment is made.

Impact on Agency Operating Budgets (Facilities Notes)

Upon approval of this project the operational costs of \$571,000 in FY 2012-13, and then \$11 million ongoing in each biennium will need to be addressed by the legislature. Based on the current operating budget of an existing 85 bed Veterans Home, this project's operating costs would be 5.9 percent higher to accommodate a 90 bed facility. A comparison of the Fergus Falls Veterans Home which has an FTE count of 114.5, the anticipated FTE count for the Kandiyohi Veterans Home would be approximately 129.3 due to the geriatric psychiatric/behavioral health aspect of the Veterans Home.

Previous Appropriations for this Project

Predesign funding of \$100,000 was received in the 2005 bonding session. These funds were used to identify a conceptual design for a 90 bed nursing care and geriatric psychiatric care facility in Kandiyohi County. This conceptual design identified two 45 bed units separated by administrative support space in the center of the facility. This predesign will need to be revised to accommodate new Agency goals of which identifies communities and neighborhood nursing care concepts for a more open model of person centered care.

Other Considerations

This project is eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of a project's cost once the state has appropriated its share of 35 percent.

Project Contact Person

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Governor's Recommendations:

The Governor does not recommend capital funds for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	100	0	0	0	100
3. Design Fees	0	1,242	0	0	1,242
4. Project Management	0	1,057	0	0	1,057
5. Construction Costs	0	16,145	0	0	16,145
6. One Percent for Art	0	100	0	0	100
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	3,840	0	0	3,840
9. Inflation	0	1,903	0	0	1,903
TOTAL	100	24,287	0	0	24,387

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	100	8,500	0	0	8,600
State Funds Subtotal	100	8,500	0	0	8,600
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	15,787	0	0	15,787
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	100	24,287	0	0	24,387

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
Compensation -- Program and Building Operation	0	479	16,514	16,993
Other Program Related Expenses	0	72	2,483	2,555
Building Operating Expenses	0	18	620	638
Building Repair and Replacement Expenses	0	2	58	60
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	571	19,675	20,246
Revenue Offsets	0	0	<8,643>	<8,643>
TOTAL	0	571	11,032	11,603
Change in F.T.E. Personnel	0.0	15.0	114.3	129.3

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	8,500	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2015