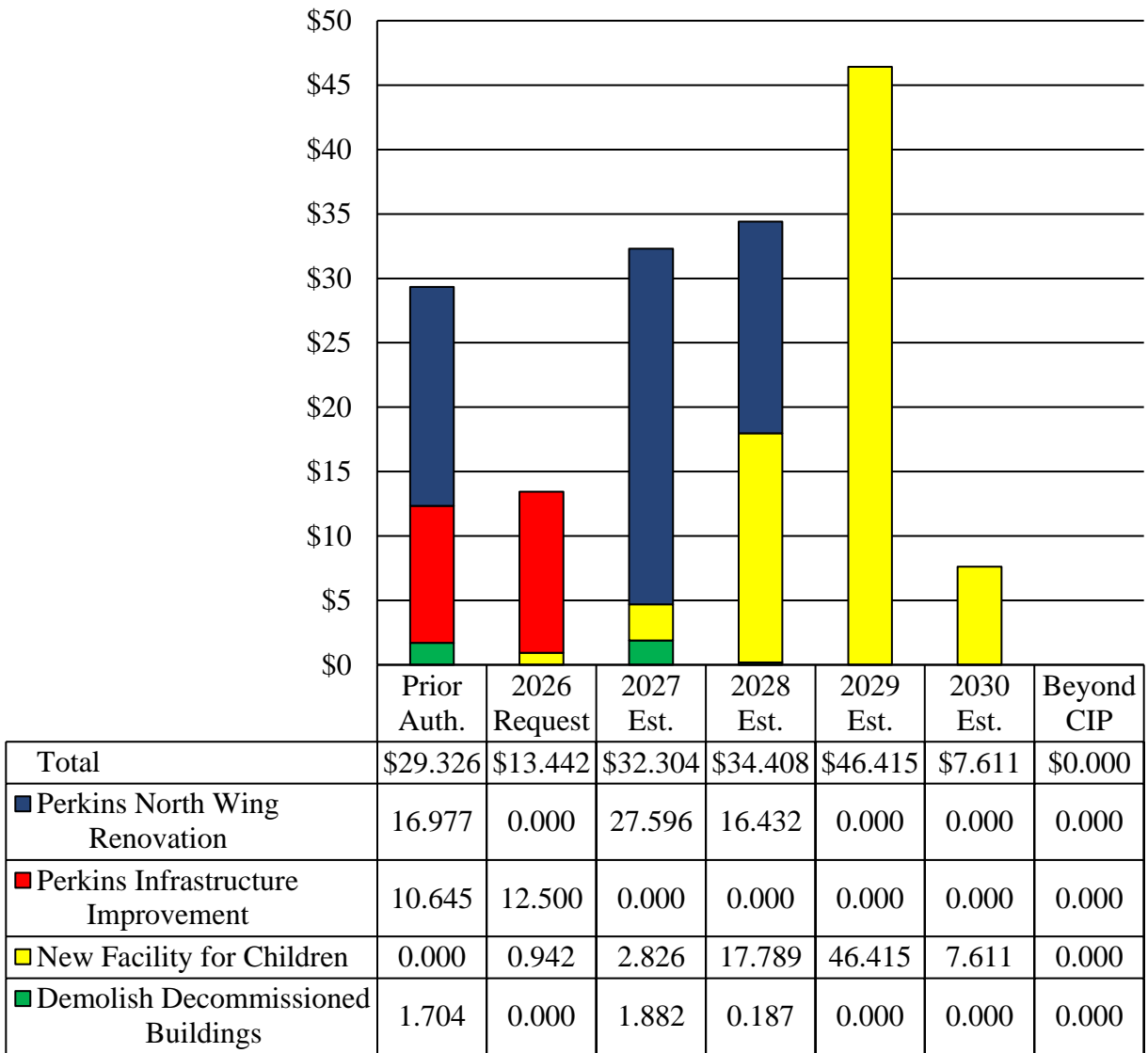


**MA01**  
**Maryland Department of Health – Capital**

***Capital Budget Summary***

**State-owned *Capital Improvement Program* – Uses**  
**(\$ in Millions)**

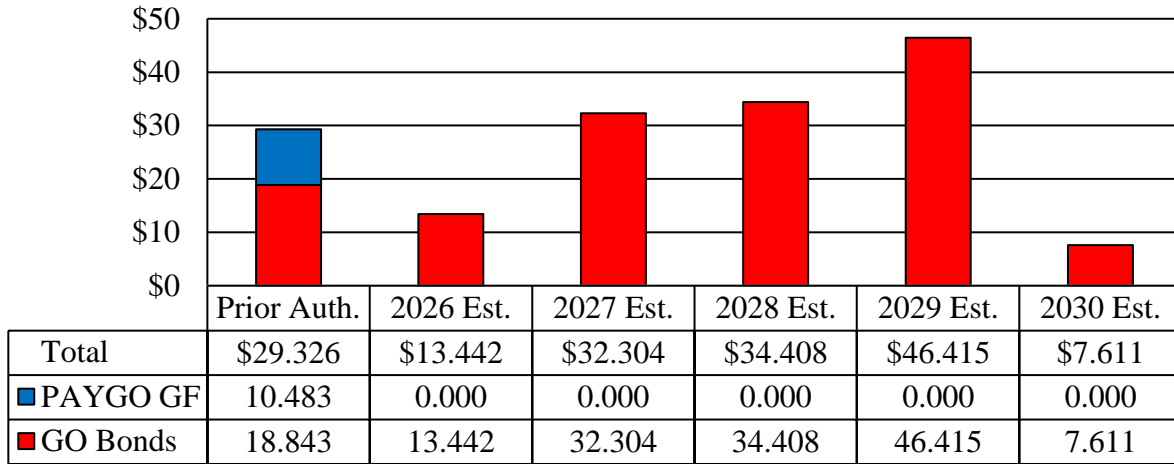


CIP: *Capital Improvement Program*  
 Perkins: Clifton T. Perkins Hospital Center

For further information contact: Naomi Komuro

naomi.komuro@mlis.state.md.us

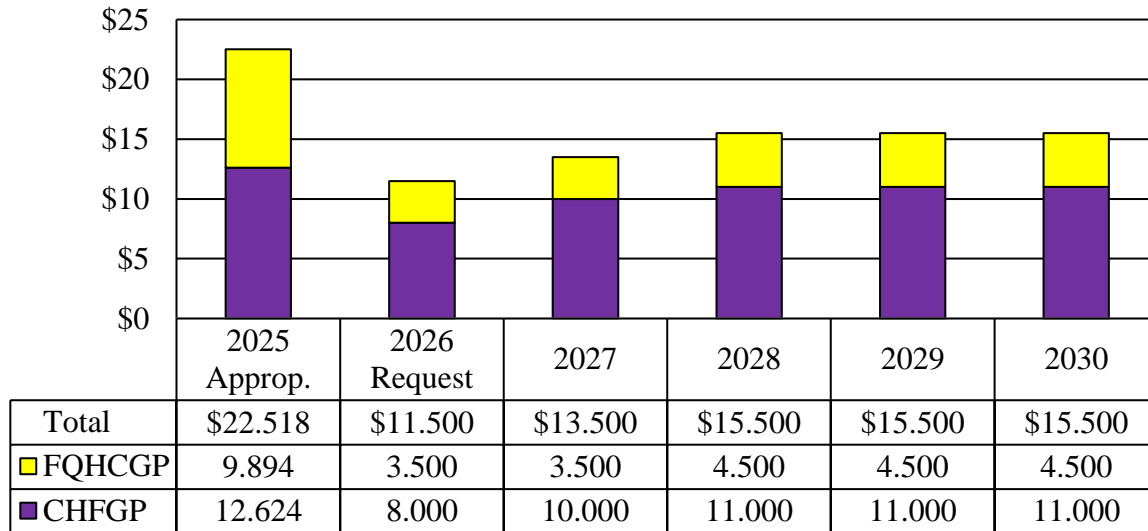
**State-owned Capital Improvement Program – Sources**  
(\$ in Millions)



GF: general funds  
GO: general obligation

PAYGO: pay-as-you-go

**Grant and Loan Capital Improvement Program – Uses**  
(\$ in Millions)



CHFGP: Community Health Facilities Grant Program  
FQHCGP: Federally Qualified Health Centers Grant Program

Note: The Maryland Department of Health Capital Grant Program is funded entirely with general obligation bonds.

## ***Key Observations***

---

- ***Emergency HVAC Replacement at Clifton T. Perkins Hospital Center (Perkins):*** On January 17, 2024, the Board of Public Works (BPW) authorized an emergency procurement to purchase temporary HVAC equipment at Perkins because the existing HVAC system critically failed. BPW authorized additional modifications to the contract on January 31, 2024, and September 11, 2024. The emergency procurement is supported by general funds in the department’s operating budget. In December 2024, BPW authorized \$23.1 million for an expedited procurement contract to acquire and install a new HVAC system at the hospital center. The fiscal 2026 capital request includes \$12.5 million for the project, which is in addition to an allocation of \$10.6 million from the Department of General Services (DGS) Facility Renewal Program to facilitate an expedited schedule.

## ***GO Bond Recommended Actions***

---

1. Approve all authorizations, preauthorizations, and amendments to prior authorizations for the Maryland Department of Health.

## **Updates**

- ***Perkins North Hospital Wing Renovation Further Delayed to Fiscal 2027:*** The 2024 *Capital Improvement Program (CIP)* included \$15.3 million for the project in fiscal 2026, but the Maryland Department of Health (MDH) delayed the project by one year to prioritize replacing the HVAC system at Perkins. Construction and equipment purchasing will continue in fiscal 2027.
- ***Demolition of Decommissioned Buildings at Perkins and the Regional Institute for Children and Adolescents (RICA) – Baltimore Delayed One Year:*** The 2024 CIP included \$1.5 million in fiscal 2026 for the project. The project was delayed because additional funds are not needed until fiscal 2027 based on the revised project schedule. The close-out of the fiscal 2024 budget included an inadvertent reversion of \$1.3 million of prior authorized general funds still needed to support the project. The fiscal 2026 budget includes a \$1.3 million general fund deficiency to restore these funds in the DGS budget (H00H0102).

## Summary of Fiscal 2026 Funded State-owned Projects

### Clifton T. Perkins Hospital Infrastructure Improvements

**Project Summary:** This project replaces the temporary HVAC system at Perkins. After a heating system failure in fall 2023 related to outdated boilers and other equipment, MDH secured a contractor through an emergency procurement request, which BPW authorized in January 2024. The MDH operating budget supports the emergency equipment replacement and maintenance fees, as these expenditures are not eligible for capital funding. The capital project replaces the nonoperational boiler and related parts with a permanent system. The cost of replacing system components totals \$23.1 million. Prior year funding is provided by the DGS Facility Renewal Fund (\$10.4 million), and MDH provided \$227,000 in general funds for design. This project takes place concurrently with the emergency contract that ends March 2026 and is discussed in the Issues section of this analysis.

<b>New/Ongoing:</b> New								
<b>Start Date:</b> December 2024					<b>Est. Completion Date:</b> June 2026			
<b>Fund Sources:</b>								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
<b>GO Bonds</b>	\$1.462	\$12.500	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$13.962
<b>GF</b>	9.183	0.000	0.000	0.000	0.000	0.000	0.000	9.183
<b>Total</b>	<b>\$10.645</b>	<b>\$12.500</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$23.145</b>

<b>Fund Uses:</b>								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
<b>Planning</b>	0.227	0.000	0.000	0.000	0.000	0.000	0.000	0.227
<b>Construction</b>	10.418	12.500	0.000	0.000	0.000	0.000	0.000	22.918
<b>Total</b>	<b>\$10.645</b>	<b>\$12.500</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$23.145</b>

- **Need:** On November 30, 2023, the heating system at Perkins failed, impacting multiple units across the hospital. BPW authorized an emergency procurement to retain a contractor to assess the equipment failure and for the acquisition and installation of temporary replacement system components. The assessment revealed that the age of the equipment required replacement.
- **Project Status and Schedule:** BPW approved an expedited procurement for the replacement project in December 2024.

## Facility for Children and High-intensity Residential Treatment Center

**Project Summary:** This project will provide a 48-bed unit for Facility for Children (FFC) program participants at the RICA – Baltimore campus. The FFC program supports children and adolescents who have been court-ordered to complete a competency evaluation and to seek treatment at an appropriate MDH facility. The high-intensity residential treatment center (RTC) program serves youth experiencing severe behavioral health challenges and emotional distress. Growth among the FFC population is outpacing MDH capacity. Individuals with acute behavioral and emotional needs benefit from educational settings with one or two additional peers, and, therefore, as the needs for services offered by RICA – Baltimore grow, more space is required to provide sufficient educational spaces for all program participants. The new facility will increase capacity by 48 beds for patients in both the FFC and high-intensity RTC programs on the RICA – Baltimore campus. In addition, the facility will include a school, infirmary, dining space, recreation areas, and administrative spaces. The fiscal 2026 capital budget includes \$942,000 for planning.

<b>New/Ongoing:</b> New								
<b>Start Date:</b> March 2026				<b>Est. Completion Date:</b> September 2029				
<b>Fund Sources:</b>								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
<b>GO Bonds</b>	\$0.000	\$0.942	\$2.826	\$17.789	\$46.415	\$7.611	\$0.000	\$75.583
<b>Total</b>	<b>\$0.000</b>	<b>\$0.942</b>	<b>\$2.826</b>	<b>\$17.789</b>	<b>\$46.415</b>	<b>\$7.611</b>	<b>\$0.000</b>	<b>\$75.583</b>

<b>Fund Uses:</b>								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
<b>Planning</b>	\$0.000	\$0.942	\$2.826	\$1.817	\$0.000	\$0.000	\$0.000	\$5.585
<b>Construction</b>	0.000	0.000	0.000	15.222	45.665	7.611	0.000	68.498
<b>Equipment</b>	0.000	0.000	0.000	0.750	0.750	0.000	0.000	1.500
<b>Total</b>	<b>\$0.000</b>	<b>\$0.942</b>	<b>\$2.826</b>	<b>\$17.789</b>	<b>\$46.415</b>	<b>\$7.611</b>	<b>\$0.000</b>	<b>\$75.583</b>

- **Need:** The John L. Gildner RICA in Montgomery County is at capacity and cannot currently accept FFC or high-intensity RTC patients. MDH estimates that in fiscal 2024, the department did not have appropriate or sufficient capacity to accept 103 young people with needs suited for a high-intensity RTC. Due to the acuity of patients, rooms that were designed to be double occupancy can only be used as single occupancy, further limiting capacity constraints.

- **Project Status and Schedule:** MDH accelerated the FFC construction schedule in its recent Facilities Master Plan (FMP) from phase II (fiscal 2027 to 2031) to phase I (fiscal 2022 to 2026). The Department of Budget and Management (DBM) has set design commencement for March 2026 to account for time to review and approve the project program and to account for the time to solicit bids and award the design contract. As a result, the construction phase is not scheduled to begin and requires funding until late fiscal 2028.
- **Program Alternatives and Complements:** MDH noted a few different programs offered through the State’s public behavioral health system that provide home- or community-based services for youth with serious mental illness. These include targeted case management; respite services, which provide short-term relief for a caregiver; and first episode psychosis programs, which provide treatment, peer support, and coordination to other types of care and needs. Discussion related to programs and services that support individuals with intensive behavioral health needs is included in the analysis for M00L – MDH – Behavioral Health Administration operating budget.

## ***Summary of Out-year State-owned Projects***

---

- **Perkins North Wing Renovation:** This project renovates the 80-bed North Wing at Perkins in Jessup to a maximum-security level and constructs a new food service center and admissions area in the maximum-security wing. The renovation will reduce the number of beds from 80 to 68 but increase MDH’s capacity to serve individuals requiring maximum-security level placement. In addition, planned increases in bed capacity across other MDH Healthcare System buildings will surpass the decrease, resulting in net capacity growth systemwide.

This project is delayed to fiscal 2027 due to the emergency HVAC replacement project at Perkins, and the fiscal 2026 capital budget does not include funding for this project. The total project cost is \$61.0 million and is scheduled to be completed at the end of fiscal 2028. This project first received funding in the fiscal 2019 capital budget bill (\$375,000), at which point the 2018 CIP estimated a project end date in fiscal 2022. Since then, the project has experienced multiple years of delays, and total project costs have increased by approximately \$20 million. The fiscal 2026 capital budget bill includes a deauthorization of \$24.5 million due to the project delay. The budget also preauthorizes \$27.1 million for fiscal 2027 and \$16.0 million for fiscal 2028.

- **Demolish Decommissioned Buildings:** This project identifies and demolishes decommissioned vacant buildings at MDH facilities that are deemed unsuitable for restoration or renovation due to fiscal, operational, and health safety concerns. Currently, MDH has plans to demolish two dormitory buildings at Perkins and a dormitory at RICA – Baltimore. The project includes abatement of asbestos and hazardous materials to restore the sites for the construction of new facilities as recommended by the FMP. The

### *MA01 – Maryland Department of Health – Capital*

2025 CIP estimates the total project cost at \$3.8 million through fiscal 2028 with no money requested in fiscal 2026. MDH indicated that the project delay in fiscal 2026 is due to a revised project plan. Prior authorizations for the project total \$1.3 million in pay-as-you-go (PAYGO) general funds and \$404,000 in general obligation (GO) bonds. The PAYGO funds were inadvertently reverted in the close-out of the fiscal 2024 budget but are restored through a proposed fiscal 2025 deficiency in the DGS budget. The fiscal 2026 capital budget bill also includes preauthorizations for \$1.9 million in fiscal 2027 and \$187,000 in fiscal 2028.

## ***Budget Overview of Grant and Loan Programs***

---

MDH operates two grant and loan programs, the Community Health Facilities Grant Program (CHFGP) and the Federally Qualified Health Centers (FQHC) Grant Program. The fiscal 2026 capital budget includes \$11.5 million for these grant programs in fiscal 2026, approximately \$11.0 million lower than the amount budgeted in fiscal 2025. Over the last year, DBM and MDH have implemented a new accounting practice to prioritize funding projects that have demonstrated greater capacity to complete their projects, including securing requisite matching funding, fully researching their needs and potential barriers to completing the projects, and a demonstrable ability to spend their awards quickly to turn the projects around with as few delays as possible.

### **Community Health Facilities Grant Program**

The CHFGP provides capital grants to nonprofit organizations for the acquisition, design, construction, renovation, and equipping of facilities that provide mental health, developmental disabilities, and substance use disorder treatment services. The CHFGP assists with expanding the capacity of private residential facilities within communities, contributing to minimizing the number of patients in State-owned facilities or hospitals. MDH prioritizes funding projects that support the department's goal of increasing the availability of affordable, accessible housing for individuals with mental health, substance-related, or cooccurring disorders. The State may fund up to 90% of eligible capital costs for each project.

The fiscal 2026 budget includes \$8.0 million of GO bond funds for six Community Health Facility grants. **Exhibit 1** shows the projects proposed for the CHFGP in fiscal 2026, none of which anticipate needing future State funding. The renovation of and addition to the Mental Health Facility in Carroll County is the only project included in the fiscal 2026 allowance that received prior State funding.

**Exhibit 1  
Fiscal 2026 CHFGP Projects  
(\$ in Millions)**

<b><u>Project and Description</u></b>	<b><u>Total Cost</u></b>	<b><u>Prior Auth.</u></b>	<b><u>Fiscal 2026 Request</u></b>	<b><u>Future Request</u></b>	<b><u>State Share</u></b>
<p><b>Community Builders, Inc. – New Disciplinary Medical Wellness Center (Baltimore City)</b> Renovation of unused space on the first floor of City View apartment building to provide mental health services for building and neighborhood residents. The new wellness space will include offices, five exam rooms, a multipurpose room, and ADA-compliant restrooms. The project will ensure access to community-based mental health care needed in the neighborhood and enable CBI to serve over 380 additional patients.</p>	\$1.114	\$0.000	\$0.434	\$0.000	39%
<p><b>Carroll County Youth Services Bureau – Mental Health Facility Renovation and Addition (Carroll County)</b> Addition to and renovation of existing facility to expand outpatient services for behavioral health challenges, especially for youth between ages 16 and 24. The addition will include meeting room and storage space as well as hygiene facilities so that clients can shower and do laundry. The renovated space will allow CCYSB to expand outpatient cooccurring treatment services and employ a one-stop shop concept to ensure the efficient use of staff time and seamless delivery of services.</p>	13.497	2.000	1.000	0.000	22%
<p><b>Crossroads Community, Inc. – New Direct Care Facility (Dorchester County)</b> New construction of a direct care facility to provide behavioral health services to mid-shore counties (Caroline, Dorchester, Kent, Queen Anne’s, and Talbot). The new building will be approximately 40% larger than the current facility, which can no longer meet the local demand.</p>	2.564	0.000	1.923	0.000	75%



*MA01 – Maryland Department of Health – Capital*

<u><b>Project and Description</b></u>	<u><b>Total Cost</b></u>	<u><b>Prior Auth.</b></u>	<u><b>Fiscal 2026 Request</b></u>	<u><b>Future Request</b></u>	<u><b>State Share</b></u>
<p><b>Community Services for Autistic Adults and Children, Inc. – New Facilities Acquisition (Montgomery County)</b>                      Acquisition of homes to expand residential support program for individuals with autism. The program supports residents with daily tasks and responsibilities. The project will expand program capacity by 10 homes to serve at least 20 individuals currently on a waitlist.</p>	\$2.500	\$0.000	\$2.000	\$0.000	80%
<p><b>Housing Unlimited, Inc. – Affordable Housing Acquisition (Montgomery County)</b>                      Acquisition of three affordable rental housing units to provide permanent supportive housing to adults with serious and persistent mental illness. The project will help the grantee organization expand its services to address its 200-person waitlist.</p>	0.858	0.000	0.643	0.000	75%
<p><b>Community Options, Inc. – Supportive Housing Acquisition (Statewide)</b>                      Acquisition of up to three four-bedroom homes for supportive housing for adults with developmental disabilities. Existing program residences are at capacity. This project will expand group home capacity to serve additional clients.</p>	2.667	0.000	2.000	0.000	75%
<b>Total</b>	<b>\$23.200</b>	<b>\$2.000</b>	<b>\$8.000</b>	<b>\$0.000</b>	

ADA: Americans with Disabilities Act  
 CBI: Community Builders, Inc.

CCYSB: Carroll County Youth Services Bureau  
 CHFPG: Community Health Facilities Grant Program

Source: Department of Budget and Management

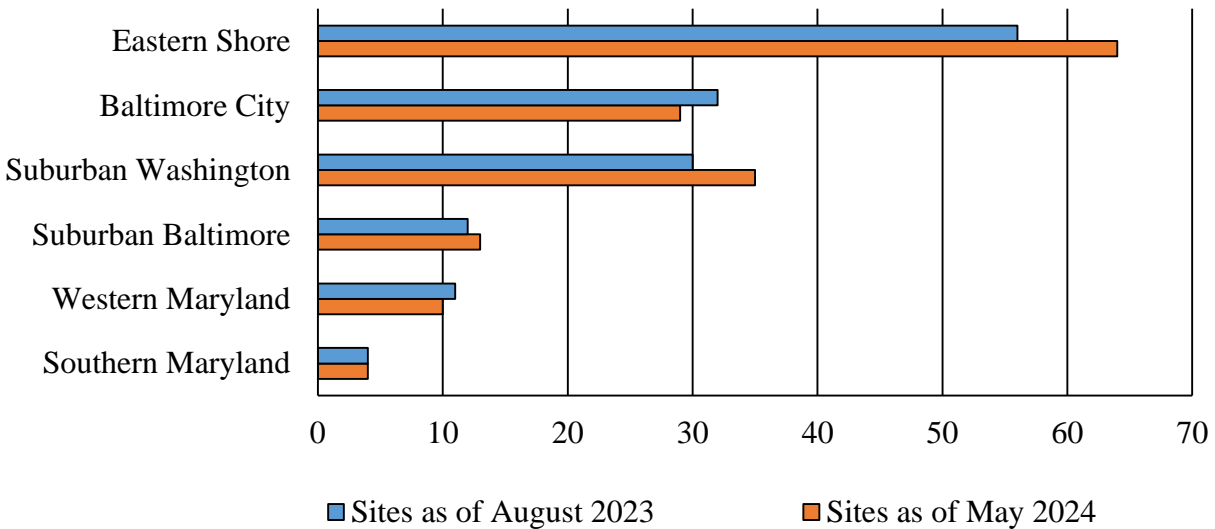
## **Federally Qualified Health Centers Grant Program**

MDH provides grants to private nonprofit organizations that have been designated by the federal government as FQHCs. To qualify for designation as a FQHC, an area must first be designated by the federal government as a medically underserved area or serve a medically underserved population based on criteria established by the U.S. Department of Health and Human Services. The centers, which must offer services to all persons regardless of their insurance status or ability to pay, provide primary, preventive, and specialty health care services. The State provides

grants for up to 90% of eligible capital costs for the acquisition, design, construction, renovation, and equipping of FQHC facilities. FQHC operating costs are supported by federal grants and Medicaid reimbursements for eligible services. Given this approach to funding FQHC operations, the Department of Legislative Services is concerned about the capacity of FQHCs to carry out services due to uncertainty of future federal funding. **MDH should comment on plans to alter or pause FQHC capital projects should current revenue streams be interrupted at the federal level.**

As of May 2024, 20 FQHC organizations served the State through 155 service delivery sites, including one urban Native American clinic in Baltimore City and three clinics based in the Washington, DC metro area. FQHC organizations provide a network of administrative and service delivery sites across Maryland, including dental, mental health, and/or primary care services. **Exhibit 2** shows the distribution of FQHC organizations by region. Since the 2024 session, the State gained a net of five additional service delivery sites across the State in the Eastern Shore region and the Suburban Washington and Baltimore regions. The Eastern Shore region includes nine counties (Caroline, Cecil, Dorchester, Kent, Queen Anne’s, Somerset, Talbot, Wicomico, and Worcester) and has 64 FQHCs. Calvert and Carroll counties are the only counties in Maryland without a FQHC.

**Exhibit 2**  
**Maryland Federally Qualified Health Centers by Location**



Note: The Suburban Washington region includes Frederick, Montgomery, and Prince George’s counties. Suburban Baltimore includes Anne Arundel, Baltimore, Harford, and Howard counties. Western Maryland includes Allegany, Garrett, and Washington counties. Southern Maryland includes Charles and St. Mary’s counties.

Source: Department of Budget and Management; Department of Legislative Services

*MA01 – Maryland Department of Health – Capital*

The 2025 CIP recommends funding for three projects, none of which received funding in prior fiscal years nor have requested funding for future years. These projects and their costs are shown in **Exhibit 3**. The total recommended funding for FQHC projects in fiscal 2026 totals \$3.5 million.

**Exhibit 3  
Fiscal 2026 FQHC Projects  
(\$ in Millions)**

<u>Project and Description</u>	<u>Total Cost</u>	<u>Fiscal 2026 Request</u>	<u>State Share</u>
<p><b>Baltimore Medical System, Inc. – Renovation of Belair Edison Health Center (Baltimore City)</b> Renovate Belair Edison Health Center to expand access to affordable health programs and pharmacy services in Baltimore City. The renovation will include replacement of the HVAC system and will expand health center capacity to serve 1,400 new patients annually. The Health Resources and Services Administration 70 Uniform Data Services Mapper indicates that there is a growing need for health center programs and pharmacy services in the Belair Edison service area within Baltimore City, where only 62% of low-income residents have access to comprehensive care.</p>	\$2.062	\$1.855	90%
<p><b>Western Maryland Healthcare Corporation – Behavioral Health Care Facility Expansion (Garrett County)</b> Renovate newly acquired facility to expand access to primary care, behavioral health, pharmacy, diagnostics imaging, and other clinical services. This facility provides critical health services in Grantsville, which currently does not have a pharmacy, and from which the nearest hospital is more than 20 miles away. The facility will also provide other services such as care coordination, transportation, insurance navigation, and nutrition counseling for Garrett and Allegany County Public Schools.</p>	0.886	0.665	75%
<p><b>Three Lower Counties Community Services, Inc. – Behavioral Health Care Facility Acquisition (Worcester County)</b> Acquire new 140,000 gross square feet facility to increase crisis response and other behavioral health care capacity in Worcester County. The project will accommodate up to 34 providers to serve approximately 3,000 additional patients annually.</p>	5.563	0.980	18%
<b>Total</b>	<b>\$8.511</b>	<b>\$3.500</b>	

FQHC: federally qualified health centers

Source: Department of Budget and Management

The fiscal 2025 legislative capital appropriation included \$2.9 million for Greater Baden Medical Services, an FQHC in Prince George’s County, for the acquisition of land and construction of a new facility. However, this funding was determined to be ineligible under FQHC program regulations (Health General Article Section 24-1302), prohibiting the use of State FQHC authorizations for the acquisition of land for new construction. To facilitate an expedited solution, the fiscal 2026 capital budget bill includes a \$2.9 million miscellaneous grant for Greater Baden outside of the FQHC grant program for land acquisition and construction of a new clinic. A corresponding amendment reduces the fiscal 2025 authorization to the program by \$2.9 million. There is proposed legislation (HB43/SB1005) introduced in the 2025 session to amend the FQHC regulations to allow land acquisition as an eligible expenditure of grant dollars.

## ***Issues***

---

### **1. 2025 CIP Increases by \$12.5 Million for Emergency HVAC Replacement at Clifton T. Perkins Hospital Center**

On November 30, 2023, the HVAC system at Perkins experienced a complete shutdown, leaving the hospital facility without heat. The boilers and related components are outdated and cannot be repaired. MDH immediately procured a vendor on December 1, 2023, to identify the source of the issue and recommend a temporary solution. On September 11, 2024, BPW authorized several additional modifications to the emergency procurement, bringing the total emergency contract amount to \$21.3 million and extended the emergency contract by an additional 18 months to March 30, 2026. The contract modifications were due to subsequent failure of the heating and cooling systems and included leasing two chilling units, additional generators, and temporary heating equipment. The fiscal 2025 operating budget includes \$5,903,757 for the project, and the fiscal 2026 allowance includes a fiscal 2025 deficiency of \$9,763,983. The fiscal 2026 allowance includes \$5,615,252 for this purpose.

#### **Expedited Procurement for Replacement Capital Project**

While the current temporary equipment provides necessary heating and cooling for patients and staff at Perkins, the contractors’ initial assessment advised that the system needed to be replaced. Due to the urgency of installing a new HVAC system, MDH sought an expedited procurement.

On December 4, 2024, BPW authorized an expedited procurement to allow MDH to forgo the requisite competitive vendor selection process and move forward with the contractor that supported the emergency procurement. The system replacement involves removing and replacing three boilers and related components, including piping, insulation, and electric, and repairing the air handling units, including valves, piping modifications, insulation, and filters. This capital project will also install a new automation system for the building to better monitor and improve the efficiency of the HVAC system. **MDH should explain why it did not pursue an expedited procurement earlier in calendar 2024.**

*MA01 – Maryland Department of Health – Capital*

Funding totaling \$10.4 million was sourced through the DGS Facility Renewal Fund from fiscal 2020 through 2024. The DGS Facility Renewal Fund has a \$5.0 million cap to support projects that are on the Facility Renewal List. In the January 17, 2024 BPW agenda item, MDH indicated that the facility had been operating on only one of its three boilers and needed the temporary boiler replacement to ensure necessary redundancy in the system. Despite operating at a deficit, the Perkins HVAC replacement project was not on the Facility Renewal List.

Appropriate processes to regularly assess and evaluate facility equipment and systems would mitigate the need for an emergency procurement. Although operating outside of the typical procurement process made sense in December 2023 due to the urgent need, the need would not have arisen if MDH in consultation with DGS had addressed the original issues with the HVAC system earlier and put a plan in place to eventually replace the system.

**MDH and DGS should comment on existing protocols to ensure critical components of their facilities do not reach emergency status and what gaps exist in these procedures. In addition, both agencies should comment on why this project was not a part of the DGS Facility Renewal List, given that the issue appears to have been known for some time.**

**Appendix 1**  
**Executive’s Operating Budget Impact Statement – State-owned Projects**  
**Fiscal 2026-2030**  
**(\$ in Millions)**

	2026	2027	2028	2029	2030
<b>Clifton T. Perkins HVAC Infrastructure Improvement</b>					
Estimated Operating Costs	\$0.000	\$0.005	\$0.005	\$0.005	\$0.005
Estimated Staffing	0.0	0.0	0.0	0.0	0.0
<b>New Facility for Children and High-Intensity Residential Treatment Center</b>					
Estimated Operating Costs	\$0.000	\$0.000	\$0.000	\$0.000	\$23.231
Estimated Staffing	0.0	0.0	0.0	0.0	250.0
<b>Total Operating Impact</b>					
<b>Estimated Operating Costs</b>	<b>\$0.000</b>	<b>\$0.005</b>	<b>\$0.005</b>	<b>\$0.005</b>	<b>\$23.236</b>
<b>Estimated Staffing</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>250.0</b>

Operating costs for the Perkins Infrastructure Improvement project include building automation system software subscription, maintenance, and wireless connection costs.

Operating costs for the new FFC and high-intensity RTC include \$22.6 million in salary and wages for 250 employees. The remaining \$639,107 include expenditures for utilities, medical and pharmacy supplies, and equipment.

**MDH should comment on the FFC and high-intensity RTC staffing plan and how it estimated the number of positions required for the new facility.**