



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Behavioral Wellness
Department No.: 043
For Agenda Of: September 19, 2017
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors
FROM: Department Alice Gleghorn, PhD, Director
Director(s) Behavioral Wellness, 681-5220
Contact Info: Laura Zeitz, RN, Program Manager
Behavioral Wellness, 681-5220
SUBJECT: Behavioral Wellness FY 17-18 Transfer of California Health Facilities Financing Authority Funds for Santa Maria Crisis Residential Treatment Center Purchase

County Counsel Concurrence

As to form: Yes

Other Concurrence: General Services

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Receive and file this Board Letter reporting on an existing agreement between General Services and Behavioral Wellness to remodel the building located at 116 West Agnes Avenue in Santa Maria, California in accordance with Senate Bill 82 (Investment in Mental Health Wellness Act of 2013) and California Health Facilities Financing Authority grant criteria for use as a Crisis Residential Treatment Center.
- b) Approve a Budget Revision Request (#BRR0004912) to transfer appropriations of \$1,100,000 in Behavioral Wellness, Mental Health Services Act Fund from Capital Assets to Services and Supplies (\$150,000) for furniture, fixtures and equipment and Other Financing Uses (\$950,000) for an operating transfer to General Services, Capital Outlay Fund; establish appropriations of \$950,000 in General Services, Capital Outlay Fund for Capital Assets funded by an operating transfer from the Mental Health Services Act Fund.
- c) Authorize the County Executive Officer (CEO) to propose \$300,000 in ongoing General Funds within the Fiscal Year 2018-19 Recommend Budget for Behavioral Wellness, which will allow the leveraging of approximately \$440,000 of additional Federal Medi-Cal to secure the ongoing annual operational funding estimated at approximately \$740,000 for the Crisis Residential Treatment Center.

- d) Determine that the above actions are government fiscal activities or funding mechanisms which do not involve any commitment to any specific project which may result in potentially physical impact on the environment, and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA guidelines.

Summary Text:

This agenda item is before the Board to request grant funds to be transferred to General Services to begin renovation of a Behavioral Wellness property located in Santa Maria to create a Crisis Residential Treatment (CRT) facility. The CRT Program will offer a non-institutional, home-like setting for individuals experiencing mental health issues to receive up to 30 days of respite, peer support, and linkage to ongoing mental health services and resources. The Program will operate 24 hours per day, seven days per week and is expected to provide services to accommodate approximately 150 clients annually.

In March of 2016, the Behavioral Wellness Department (Behavioral Wellness) submitted a report to the Board of Supervisors regarding Behavioral Wellness' pursuit of grant funding associated with the Investment in Mental Health Wellness Act of 2013 (California Senate Bill 82), through grants by the California Health Facilities Financing Authority (CHFFA). In May 2016, Behavioral Wellness received a Final Allocation Letter from CHFFA stating that the County was awarded \$1,100,000 in grant funding. The grant award provides funding for the County to develop a new six-bed CRT Program for adults who cope with co-occurring mental illness and substance abuse disorders. In August of 2016, the Board of Supervisors authorized Behavioral Wellness' Director to accept the grant funding. On May 9, 2017, Behavioral Wellness and General Services signed Project Charter 8764 establishing an agreement identifying the team responsible for developing the project, the scope of work, current estimate of costs and source of funds to complete the project, as well as the current estimated time schedule for project delivery. Approval of the proposed actions will allow Behavioral Wellness and General Services to proceed with the Project Charter plan to develop the CRT facility in Santa Maria.

Background:

As a result of Senate Bill 82 (2013), the Investment in Mental Health Wellness Act of 2013 (hereafter "SB 82"), counties were provided an opportunity to compete for dollars to expand crisis services that are expected to lead to improved life outcomes for the persons served and improved system outcomes for local mental health departments and their community partners. As part of the fifth and final funding round \$1,100,000 was awarded to Behavioral Wellness for the creation of crisis programs. Project funding in the amount of \$950,000 will be transferred from Behavioral Wellness to General Services via Budget Revision Request #0004912. The project fund account will be managed by General Services – Capital Projects.

Once renovations have been completed and the facility is operational ongoing CRT Program costs will be covered by Federal Medi-Cal revenue and reallocations from the existing Alameda and Cottage Grove programs (residential housing). These programs were started in FY 2015-16 funded by Board approved ongoing General Funds. The Alameda and Cottage Grove contracts were amended in June of 2017 to include specific Medi-Cal billing targets which would allow the use of Behavioral Wellness' existing ongoing General Funds as part of the budget development process for Fiscal Year 2018-19 as

the Board directs. This allocation of ongoing General Funds will be reviewed as a part of the Board budgeting development for fiscal year 2018-19 (see fiscal section for details).

The CRT Facility Project, as established by Project Charter 8764, will improve the interior spaces of the existing building located at 116 West Agnes Avenue to allow a residential crisis treatment center to be located within the building. Interior spaces will be converted to be compliant with State Regulatory requirements of mental health programs and exterior improvements include landscaping, drainage, parking area, modification of the utility pole and ADA access to the existing building.

The goals and deliverables of the Project include the following:

- Design alterations to tailor the space to the staff and function of the CRT Program.
- Successful Job Order Contracting bid process near construction estimate value.
- Complete the project on time and within budget.

Initially, Behavioral Wellness requested SB 82 funds to construct a Crisis Stabilization Unit (23 hours) and an additional Crisis Residential facility in Northern Santa Barbara County. After further analysis and pursuant to the Capital Facilities report provided to the Board in August 2016, it was determined that temporary residences with treatment up to 30 days was a department priority over additional Crisis Stabilization beds limited to less than a 24 hour stay. Pursuant to consultation with the CEO and Auditor-Controller, Behavioral Wellness requested and was granted permission from the State to utilize the award amount of \$1.1 million to renovate the structure located in Santa Maria.

Therefore the Department of Behavioral Wellness is requesting the Board receive and file this Board Letter reporting on an existing agreement with General Services and Behavioral Wellness to remodel the Agnes Street building for use as a Crisis Residential Treatment Center, and approve Budget Revision Request 0004912 to transfer funds to General Services to begin renovations.

Performance Measure:

- Completion of project on time and within budget.
- Change orders to base construction on contract not to exceed 10% of base construction contract.

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY One Time Cost:</u>	<u>Annualized On-going Cost:</u>
General Fund		\$ 300,000
State	\$ 1,100,000	
Federal		\$ 440,000
Fees		
Other:		
Total	\$ 1,100,000	\$ 740,000

Narrative:

Renovation and remodeling:

Approval of the Budget Revision Request will not result in any General Funds allocated for this renovation project. The \$1,100,000 is within the existing Behavioral Wellness Adopted Budget for FY 2017-18 and approval of the Budget Revision Request will authorize the transfer to General Services to begin renovations. General Services will manage the project, and Behavioral Wellness will transfer up to \$950,000 to General Services for capital costs incurred for the renovation of the property. Behavioral Wellness will retain \$150,000 of grant funds to cover the costs of furniture, fixtures and equipment.

Ongoing program funding:

Once renovations have been completed and the facility is operational, approximately sixty percent (60%) of the ongoing CRT Program cost will be covered by Federal Medi-Cal revenue, with the remaining forty percent (40%) of the program's funding coming from reallocations from existing Alameda and Cottage Grove programs (residential housing) that were started in FY 2015-16 funded by Board approved ongoing General Funds. The Alameda and Cottage Grove contracts were amended in June of 2017 to include specific Medi-Cal billing targets which would allow the use of Behavioral Wellness' existing ongoing General Funds as part of the budget development process for Fiscal Year 2018-19 as the Board directs. This allocation of ongoing General Funds is to be considered by the Board as a part of the Fiscal Year 2018-19 budget development process.

This reallocation of \$300,000 ongoing General Funds would allow Behavioral Wellness to leverage approximately \$440,000 additional Federal Medi-Cal to secure ongoing annual operational funding estimated at approximately \$740,000. It is estimated that the CRT will be operational beginning in FY 2018-19 for a total cost of \$740,000.

Special Instructions:

Please return one (1) Minute Order to: qilopez@co.santa-barbara.ca.us.

Attachments:

Attachment A: Budget Revision Request (BRR#0004912)

Attachment B: 8764 Project Charter

Authored by:

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John Jayasinghe, Deputy Director, Behavioral Wellness