

ENROLLED ORDINANCE 178-14

MODIFY THE 2023-2027 CAPITAL PLAN AND 2023 CAPITAL PROJECTS BUDGET TO INCREASE EXPENDITURES FOR CAPITAL PROJECT #202217 – MENTAL HEALTH CENTER REMODEL, FUNDED WITH REVENUES FROM THE AMERICAN RESCUE PLAN ACT – CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS PROGRAM

WHEREAS, the Waukesha County Mental Health Center (MHC) was constructed in 1994 and has operated the inpatient unit for 29 years; and

WHEREAS, the past several years the inpatient unit has been experiencing a trend in decreasing average daily census/annual patient days as a result of positive developments in utilizing HHS and other community resources to more effectively transition patients back into the community following an acute inpatient stay, as well as to identify alternatives to inpatient admissions when these are avoidable; and

WHEREAS, with the declining demand for inpatient psychiatric beds, the MHC no longer needs to maintain a 28-bed inpatient psychiatric hospital; and

WHEREAS, the Waukesha County Board of Supervisors approved Capital Project #202217 Mental Health Center Remodel in the 2023-2027 Capital Project Plan, with a total budget of \$1,158,000; and

WHEREAS, the existing 1994 Waukesha County MHC will be remodeled to reduce the current inpatient care unit from 28 to 16 beds and convert that space unit into a new 14-bed Crisis Stabilization unit service and create space for the Crisis Services and Court Monitoring teams to relocate from the Human Services Center to the MHC; remove and replace the nurse/patient service counters, offices, and room signage; make patient room modifications; and upgrade the entrance to be more energy efficient and provide better control and security; and

WHEREAS, after recent bid results, the project has come in above budget due to the potential need to replace windows that was not originally anticipated, the accelerated construction schedule, rising costs of materials, consumer demand and limitation of supply, inflation, overseas conflicts, and shipping delays; and

WHEREAS, the Wisconsin Department of Health Services awarded the Waukesha County Department of Health and Human Services a Regional Crisis Stabilization Facility (RCSF) grant of approximately \$1.7 million during 2022, which can be used to fund the initial operating (but not capital) costs of the new Crisis Stabilization unit through September 2025; and

WHEREAS, the RCSF grant specifies that the Crisis Stabilization unit needs to be operational by January 2024, or the county loses its grant eligibility; and

WHEREAS, the grant timeline prevents the county from rebidding this contract at a later date; and

WHEREAS, the revised project costs would have resulted in a cost increase of about \$727,000, but department management has prioritized project expenses toward making the Crisis Stabilization unit operational, limiting the impact to an increase of \$429,000 by eliminating workstation and carpet upgrades that can be addressed in future facility improvements and may be partly eligible for RCSF grant funding, helping reduce net county costs; and

WHEREAS, this project is directly eligible for American Rescue Plan Act (ARPA) funding through the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program, which may be used to address prevention, treatment, recovery, and harm reduction for mental health, substance use, and other behavioral health challenges; and

WHEREAS, this ordinance will cover the cost increase with available ARPA-CSLFRF revenues, consistent with how the project was originally funded.

THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY OF WAUKESHA ORDAINS that the 2023-2027 Capital Plan and 2023 Capital Projects Budget be modified for capital project #202217 Mental Health Center Remodel to increase expenditures \$429,000 and general government revenues from the American Rescue Plan Act – Coronavirus State and Local Fiscal Recovery Funds program by \$429,000.

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Presented by:
Executive Committee

Approved by:
Public Works Committee

Approved by:
Finance Committee



Paul L. Decker, Chair



Keith Hammitt, Chair



James A. Heinrich, Chair



Tyler J. Foti



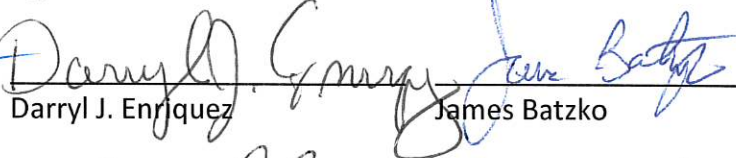
James Batzko



Larry Bangs



Keith Hammitt



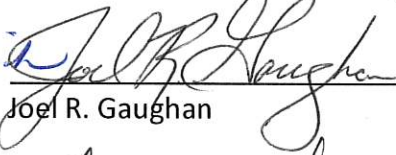
Darryl J. Enriquez



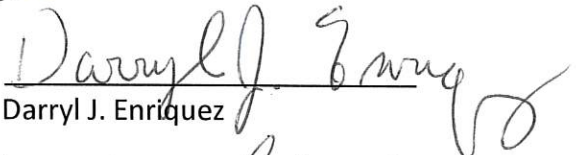
James Batzko



James A. Heinrich



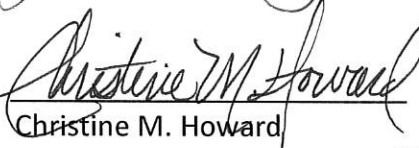
Joel R. Gaughan



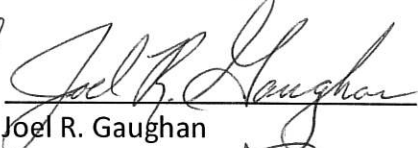
Darryl J. Enriquez



Jacob LaFontain



Christine M. Howard




Joel R. Gaughan



Larry Nelson

Absent

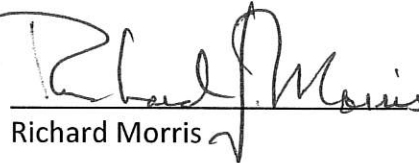
Darlene M. Johnson



Richard Morris



Peter M. Wolff



Richard Morris



Gary J. Szpara

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, was presented to the County Executive on:

Date: 5/30/2023, Margaret Wartman
Margaret Wartman, County Clerk

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, is hereby:

Approved: X

Vetoed: _____

Date: 6/2/2023, Paul Farrow
Paul Farrow, County Executive

Project Title:	Mental Health Center Remodel	Project #:	202217
Department:	Public Works - Buildings	Project Type:	Renovation/Upgrade
Phase:	Formation	Sponsor:	Health and Human Services
Budget Action:	C - \$ Update C - Rev Update C - Scope	Manager:	Allison Bussler, DPW Director
Date:	May 3, 2023	Map / Image:	

CAPITAL BUDGET SUMMARY						
Year	2022	2023	2023	2024	2025	Total
Project Phase	Design/Constr	Construction	Ordinance			Project
Expenditure Budget	\$875,000	\$283,000	\$429,000	\$0	\$0	\$1,587,000
Revenue Budget	<u>\$875,000</u>	<u>\$283,000</u>	<u>\$429,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,587,000</u>
Net Costs After Revenues Applied	\$0	\$0	\$0	\$0	\$0	\$0
COST DOCUMENTATION	<u>2022</u>	<u>2023</u>	<u>Total</u>	REVENUE		
Design	\$30,000		\$30,000	American Rescue Plan		
Construction	\$782,000	\$660,000	\$1,442,000	Act Funding		
Contingency	<u>\$63,000</u>	<u>\$52,000</u>	<u>\$115,000</u>			
Total Project Cost	\$875,000	\$712,000	\$1,587,000	Total Revenue		\$1,587,000
EXPENDITURE BUDGET	\$875,000	\$712,000	\$1,587,000	REVENUE BUDGET		\$1,587,000

Project Scope & Description

This project is to remodel the Mental Health Center (MHC) to reduce the current inpatient care unit and convert that space unit into a new Crisis Stabilization unit service. The project also creates space for the Crisis Services and Court Monitoring teams to relocate from the Human Services Center to the MHC. This will require the remodel of approximately 2,500 square feet, which includes removing and replacing the nurse/patient service counters, offices, and room signage, as well as making patient room modifications and upgrading the entrance to be more energy efficient and provide better control and security.

The project would also include some minor remodeling of other impacted areas, including converting an existing group room into a staff kitchenette and break area to replace the current space slated to be remodeled for Crisis Services/Court Monitoring.

This project is updated to increase costs by \$429,000 based on bid results. Higher costs are due to the accelerated construction schedule, rising costs of materials, consumer demand and limitation of supply, inflation, overseas conflicts, and shipping delays. In addition, the updated costs also include the possibility that window replacements will be required. Department management will investigate the degree to which window replacement is needed and adjust actual spending levels to match that need. The cost impact is partially offset by a scope reduction to eliminate the replacement of workstations and carpet, both of which will not hinder the implementation schedule that calls for the Crisis Stabilization unit to be operational by January 2024 in order to receive the \$1.7 million state Department of Health Services Regional Crisis Stabilization Facility (RCSF) grant. These items can be addressed in a future facility improvement project and may be partly eligible for RCSF grant funding, helping reduce net county costs. This scope change reduces the cost increase from \$727,000 to \$429,000.

This project is also updated to increase revenue from the American Rescue Plan Act (ARPA) – Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program to cover the additional costs. This project is directly eligible for ARPA-CSLFRF funding, which may be used to address prevention, treatment, recovery, and harm reduction for mental health, substance use, and other behavioral health challenges.

Location

Mental Health Center, 1501 Airport Road, Waukesha, WI 53086

Analysis of Need

The Mental Health Center (MHC) was constructed in 1994 and has operated the inpatient unit for 29 years. Over the past several years the inpatient unit has been experiencing a trend in decreasing average daily census/annual patient days. The reasons behind this trend include positive developments in utilizing HHS and other community resources to more effectively transition patients back into the community following an acute inpatient stay, as well as to identify alternatives to inpatient admissions when these are avoidable. These strategies align with the mandate to seek the least restrictive environment for appropriate patient/client care. As a result, Waukesha County no longer needs to maintain a 28-bed inpatient psychiatric hospital.

In addition to declining demand for inpatient psychiatric beds at the MHC, staffing the hospital has proved increasingly challenging over the past several years. Psychiatry is a specialty that has experienced significant declines in the workforce over the past decade, coupled with increased demand for these services. This has resulted in increased challenges recruiting psychiatrists to staff the hospital. Nursing shortages can be a perennial challenge but were exacerbated by the COVID-19 pandemic and its impact on the healthcare workforce. The hospital nursing leaders have struggled over the past year in particular to find qualified candidates for open nursing and certified nursing positions as a result. Also, under Medicaid rules, reducing the size of the inpatient hospital to 16 beds or

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Date:	May 3, 2023	Map / Image:	

less, would make 21-64 year-olds eligible for federal funding, helping recover more costs for clients that would otherwise lack insurance coverage.

While Waukesha County benefits from having an acute care psychiatric hospital at the MHC, it lacks the complementary subacute level of care known as a Crisis Stabilization facility. Neighboring counties have these facilities and have realized the benefits of avoiding acute hospitalizations as well as transitioning patients from inpatient care to subacute care when there are other placement challenges that do not allow for a safe discharge to the community. Milwaukee County is an example, and they run several Crisis Stabilization facilities via a contracted partnership with a local nonprofit agency. The first challenge with opening these facilities is finding an appropriate location to house them. The current inpatient facility design is conducive to a remodeling plan that would enable the county to downsize the inpatient hospital to 16 beds, and also to create a 14-bed Crisis Stabilization unit.

The MHC has become a regional resource to other neighboring counties via contracts for acute inpatient services, which helps maintain a stable census when there would otherwise be more beds available. Many of these counties also lack Crisis Stabilization facilities and have expressed interest in access to these beds as well should the county open such a facility. This would enable the Crisis Stabilization unit to serve as a regional resource for surrounding counties.

In addition, this remodel project would provide an opportunity to bring all 24/7 clinical teams under one roof because there is currently underutilized space at the MHC. The Crisis Services team is currently located at the Human Services Center (HSC) building but are space-constrained and physically separated from the inpatient team at the MHC. This project includes a plan to relocate the Crisis Services teams to the MHC. This would include the Clinical Therapists that staff the 24/7 crisis response team as well as the newly created community-based Crisis Stabilization services, and the Court Monitoring services (also currently located at the HSC). The remodeling plan would accommodate the existing teams and allow for anticipated future growth, particularly within Crisis Stabilization and Court Monitoring services. Having all these teams collocated at the MHC will allow for more synergies and cross-coverage with the inpatient services.

Alternatives

The county could continue to maintain the MHC acute crisis hospital facility without remodeling, but with fewer staff, as warranted by lower census levels. However, this would leave significant amounts of underutilized space, and the county would lose the opportunity to establish an on-site Crisis Stabilization unit and collocate all 24/7 clinical teams to enhance cross-coverage care.

Alternatives to creating a Crisis Stabilization unit at the MHC would include looking for opportunities to house this facility in the community, or contracting with another county for access to their Crisis Stabilization beds. There may be challenges to finding a suitable location for a new facility in the community, and the county would likely have limited access to this level of care with other counties, depending on bed availability.

Ongoing Operating Costs

Reducing the capacity of the Mental Health Inpatient hospital is expected to result in lower staffing and other costs of about \$760,000, partially offset by a net reduction in client fee revenue of \$382,000 from a lower budgeted census. Factoring in additional Medicaid eligibility funding for a hospital with 16 or fewer beds (mentioned previously) of \$158,000, the net levy savings from this change is estimated at \$536,000.

Department management anticipates requesting to use most of these savings to help fund its proposed new subacute Crisis Stabilization unit at the MHC. Department management estimates that this new program area would cost approximately \$1,036,000, which includes additional personnel costs for a human services supervisor to oversee the operation, contracted staffing to serve clients, and other expenses. Operational expenses would be partially offset by projected client fee revenues of about \$588,000, resulting in an increase in net levy need of about \$448,000.

The total impact of these changes are estimated at \$88,000 of net levy savings when fully operational. Please note that these estimates are based on the latest cost information available (for 2023 budget development purposes) and will be updated for future budget process.

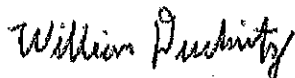
Previous Action: This project was approved with this scope as Enrolled Ordinance 177-028, which modified the 2022-2026 capital plan. Approved as planned in the 2023-2027 capital plan.

FISCAL NOTE

MODIFY THE 2023-2027 CAPITAL PLAN AND 2023 CAPITAL PROJECTS BUDGET TO INCREASE EXPENDITURES FOR CAPITAL PROJECT #202217 – MENTAL HEALTH CENTER REMODEL, FUNDED WITH REVENUES FROM THE AMERICAN RESCUE PLAN ACT – CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS PROGRAM

This ordinance modifies the 2023-2027 Capital Plan and the 2023 Capital Projects budget to increase expenditures by \$429,000 for project #202217 – Mental Health Center Remodel, based on recent bid results. Facilities management indicates the cost increase is largely due to the accelerated construction schedule, rising costs of materials, consumer demand and limitation of supply, inflation, overseas conflicts, and shipping delays. In addition, the updated costs also include the possibility that window replacements will be required. Department management will investigate the degree to which window replacement is needed and adjust actual spending levels to match that need. Health and Human Services management is proposing to offset the cost impact by reusing existing workstations and carpeting, both of which will not affect hinder the implementation schedule that calls for the Crisis Stabilization unit to be operational by January 2024 in order to receive the state’s \$1.7 million Regional Crisis Stabilization Facility (RCSF) grant. These items can be addressed in a future facility improvement project, which may be partly eligible for RCSF grant funding, helping reduce net county costs. This scope change reduces the cost increase from \$727,000 to \$429,000.

This ordinance also increases general government revenue from the American Rescue Plan Act (ARPA) – Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program by \$429,000 to cover the cost increases. This project is directly eligible for ARPA-CSLFRF funding, which may be used to address prevention, treatment, recovery, and harm reduction for mental health, substance use, and other behavioral health challenges.



William Duckwitz
Budget Manager
5/3/2023
JE# 2023-00004655

VOTE RESULTS >

22 YES


0 NO

0 ABSTAIN

3 ABSENT

Ordinance 178-O-014

Ordinance 178-O-014: Modify the 2023-2027 Capital Plan and 2023 Capital Projects Budget to Increase Expenditures for Health Center Remodel, Funded with Revenues from the American Rescue Plan Act - Coronavirus State and Local Fiscal Recovery Funds

 **Passed With 17 Yes Votes Needed**

D1 - Foti	AYE	D10 - Thieme	AYE	D19 - Enriquez	AYE
D2 - Weil	AYE	D11 - Howard	AYE	D20 - Schellinger	AYE
D3 - Morris	AYE	D12 - Wolf	AYE	D21 - Gaughan	AYE
D4 - Batzko	AYE	D13 - Decker	AYE	D22 - Szpara	ABSENT
D5 - Grant	AYE	D14 - Mommaerts	AYE	D23 - Hammitt	AYE
D6 - Walz	AYE	D15 - Kolb	AYE	D24 - Bangs	AYE
D7 - LaFontain	ABSENT	D16 - Crowley	AYE	D25 - Johnson	AYE
D8 - Koremenos	AYE	D17 - Meier	AYE		
D9 - Heinrich	AYE	D18 - Nelson	ABSENT		

2nd Meeting, 178th Year of the County Board of Supervisors - May 23 2023 08:08:53 PM

May 23, 2023

