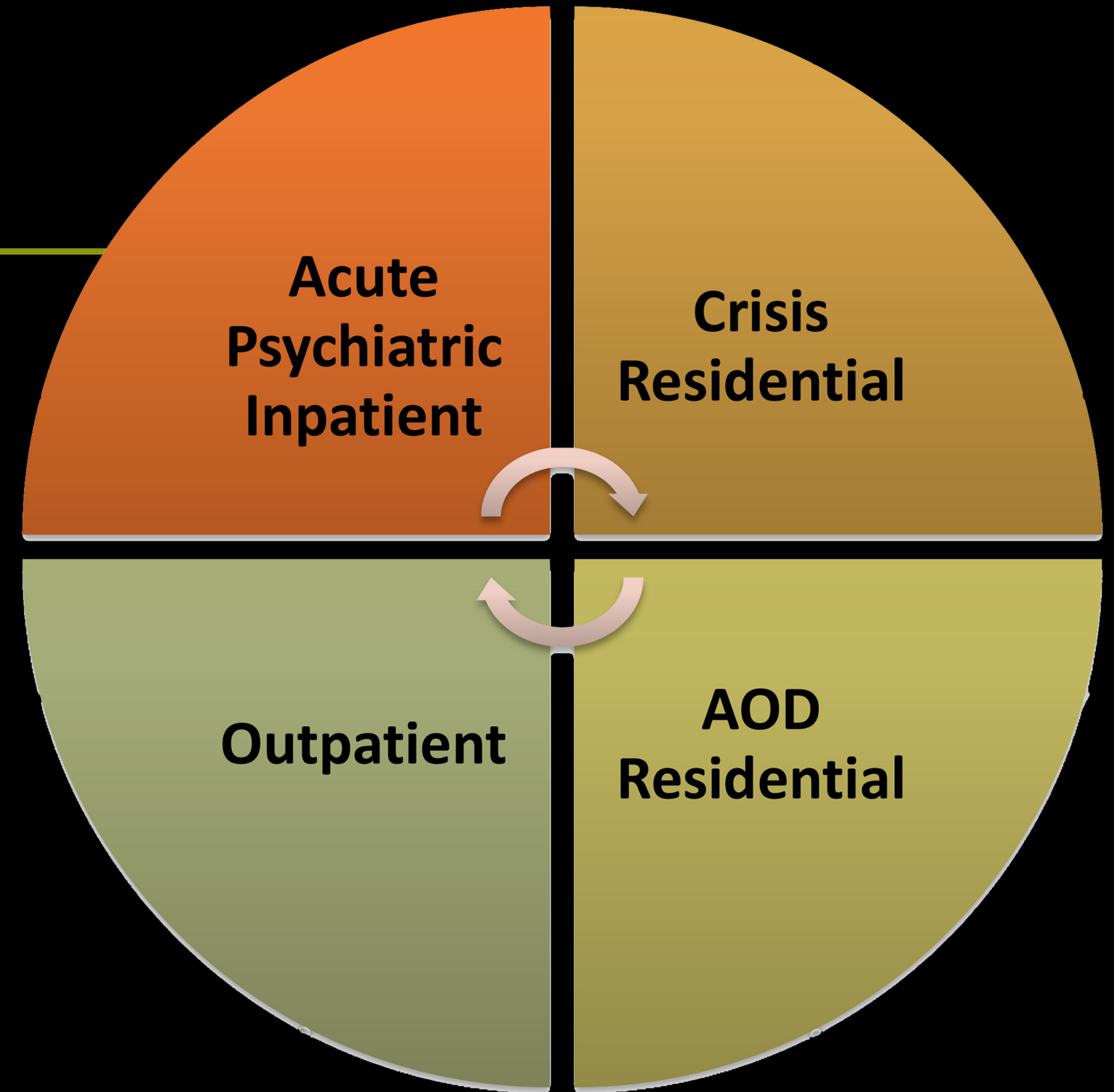


PROPOSED BEHAVIORAL HEALTH "CRISIS CONTINUUM" FACILITY

The Mental Health Facility Development Ordinance
of 2016



COUNTY OF MENDOCINO

July 19, 2016



PRESENTATION OUTLINE

- Background
- Summary of Ordinance
- Methodology of Report
- Anticipated Revenue
- Facility Construction/Development Costs
- Maintenance Costs
- Projected Staffing and Operating Costs
- Conclusion

BACKGROUND

- March 15, 2016: Sheriff Allman publicly informed the Board of Supervisors of his intention to circulate a petition related to mental health services in Mendocino County
- April 5, 2016: Supervisor Gjerde brought an item to the Board directing the CEO to prepare a report analyzing the fiscal impacts of the Initiative
- June 24, 2016: Sheriff Allman submitted 4,328 signed petitions to the Registrar of Voters for verification
- July 12, 2016: Verification of the minimum 2,502 signatures was completed

SUMMARY OF PROPOSED ORDINANCE

- Establishes a temporary (5-year) 1/2 cent sales tax in all parts of the County
- Funding shall be used only for construction of facilities to assist in diagnosis and treatment of mental illness and addiction recovery
- 10% of funding shall be used to construct a facility to provide education and training services for public safety employees, mental health professionals, and citizens
- None of the funds shall be used for operational costs of the programs located at the facility/facilities, including staffing
- Funds shall be deposited in a special County fund and expenditures shall be reviewed by an 11 person oversight committee

METHODOLOGY OF REPORT

Report focuses in four areas:

- Projected revenue to be generated by sales tax
- Projected construction costs of the proposed facility/facilities
- Projected maintenance costs of the proposed facility/facilities
- Projected staffing and operational costs of the proposed facility/facilities

METHODOLOGY OF REPORT

Report is based on the Crisis Continuum model:

- Acute Psychiatric Inpatient facility
- Crisis Residential facility
- AOD Residential facility
- Outpatient services facility

OTHER REPORT INFORMATION

- Additional methodology background
- General description of sources used
- Definition of terms
- Overview of Status of Psychiatric Beds in CA

ANTICIPATED REVENUE

Projected sales tax revenue

Approximate annual receipts	\$6,900,000
Estimated annual increase	1.5% to 2.5%
Total estimated 5-yr receipts	\$37,000,000

Available for training center construction	\$3,700,000
Available for Crisis Continuum	\$33,000,000
Set-aside for long-term facility maintenance	\$3,300,000
Total available for Crisis Continuum facility construction	\$30,000,000

ANTICIPATED REVENUE

Financing Costs

- \$20 million financed over 5 yrs
- Commercial financing
 - Projected rates: 1.02% to 2.5%
 - Projected costs: \$520,000 to \$1.8 million
- County financing
- Retirement System financing

Credit Rating

FACILITY CONSTRUCTION COSTS

Name	# of beds	Sq. Ft.	Sq. ft./bed	\$/sq. ft.	Cost
Horizon View	16	15,000	938	\$627	\$9,400,000
Vermont Psy. Care Hospital	25	53,000	2,120	\$717	\$38,000,000
El Camino Hospital	36	52,000	1,444	\$962	\$50,000,000
DMH Psy. Hospital	320	428,000	1,338	\$706	\$302,000,000
Proposed Mendocino Facility	16	18,400	1,150	\$900	\$16,560,000

FACILITY CONSTRUCTION COSTS

Crisis Continuum Facility	# of beds	Sq. Ft.	\$/sq. ft.	Cost*
Acute Psychiatric Facility	16	18,400	\$900	\$16,560,000
Crisis Residential	12	11,000	\$600	\$6,600,000
AOD Residential	12	9,400	\$600	\$5,640,000
Outpatient	N/A	6,000	\$200	\$1,200,000
Totals	34	44,800	\$670	\$30,000,000

MAINTENANCE COSTS

Maintenance set-aside

- \$3.3 million in special fund
- \$3.57 to \$3.65 per sq. ft/year: \$160,000 per/year
- \$1.5 million to \$2 million over a 10-year period
- \$3.3 million to last for 10-15 years based routine maintenance and major equipment facility replacement

MENTAL HEALTH FUNDING OVERVIEW

Behavioral Health Revenue	FY 16-17 Budget
1991 Realignment	\$4,005,794
2011 Realignment	\$6,995,068
Medi-Cal Reimbursement	\$8,055,952
MHSA	\$2,607,012
AOD/SUPT	\$1,050,046
Misc. Revenue/Fund Balance	\$4,180,853
Other Sources (GF)	\$88,371
Total	\$26,983,096

MENTAL HEALTH FUNDING OVERVIEW

Behavioral Health Revenue	FY 16-17 Budget	Projected Crisis Continuum	New Costs
1991 Realignment	\$4,005,794	\$4,005,794	\$0
2011 Realignment	\$6,995,068	\$6,995,068	\$0
Medi-Cal Reimbursement	\$8,055,952	\$11,679,644	\$3,623,692
MHSA	\$2,607,012	\$2,607,012	\$0
AOD/SUPT	\$1,050,046	\$2,283,629	\$1,233,583
Misc. Revenue/Fund Balance	\$4,180,853	\$4,180,853	\$0
Other Sources (GF)	\$88,371	\$4,945,646	\$4,857,275
Total	\$26,983,096	\$36,697,646	\$9,714,550

ANNUAL OPERATING COSTS

Crisis Continuum	FY 15-16 Est.	Projected Crisis Continuum	Transferrable Costs	New Reimbursable Costs	New Non- Reimbursable Costs
Acute Psychiatric	\$1,447,432	\$6,703,095	\$1,230,317	\$2,736,389	\$2,736,389
Crisis Residential	\$1,378,059	\$3,152,660	\$1,378,059	\$887,303	\$887,303
AOD Residential	\$374,984	\$2,523,414	\$56,248	\$1,233,583	\$1,233,583
Outpatient	\$10,200,000	\$10,200,000	\$10,200,000	\$0	\$0
Total	\$13,400,475	\$22,579,169	\$12,864,624	\$4,857,275	\$4,857,275
Other BH Services	\$13,582,621	\$14,118,476	\$14,118,477	\$0	\$0
Total BH Budget	\$26,983,096	\$36,697,646	\$26,983,101	\$4,857,275	\$4,857,275

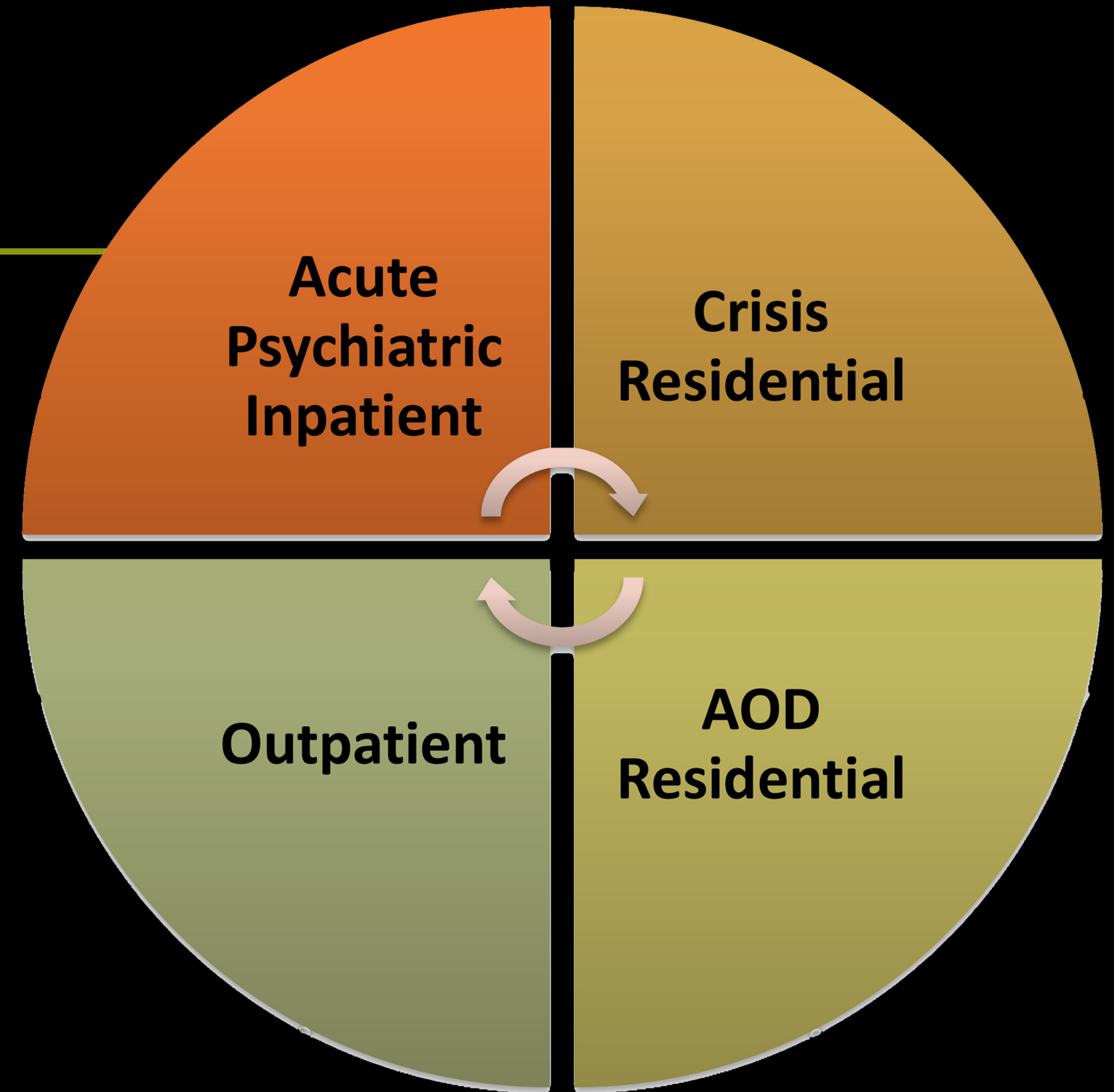
CONCLUSION

Initiative is estimated to:

- Generate \$37 million in sales tax revenue over 5 years
- Allow for development/construction of a \$3.7 million training facility
- Allow for development/construction of a \$30 million behavioral health facility
- Allow for a \$3.3 million set-aside for maintenance over 10-15 years
- Crisis Continuum facility will cost approximately \$9.6 million over existing funding to staff and operate, including \$4.85 million in non-reimbursable costs (GF costs)
- Alternative operational models could reduce impact of non-reimbursable costs

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