MA01
Department of Health and Mental Hygiene

Capital Budget Summary

Summary of Grant and Loan Programs Funded in Governor's Request
($ in Millions)

Program Title	*FY 2012 Approp.*	*FY 2013 Approp.*	*FY 2014 Request*	*Percent Change*	*DLS Recommd.*
Community Health Facilities Grant Program	$3.568	$0.000	$5.250	525.0%	$5.250
Federally Qualified Health Centers Grant Program	2.002	2.421	0.660	-72.7%	0.660
Total	**$5.570**	**$2.421**	**$5.910**	**144.1%**	**$5.910**

Summary of De-authorizations
($ in Millions)

Project	*De-authorized Amount*	*Reason*	*DLS Recommd.*
New Forensic Medical Center – 2009 Session Authorization	$0.753	Project complete.	Concur.
New Forensic Medical Center – 2008 Session Authorization	0.750	Project complete.	Concur.

Summary of Deferred Projects
Fiscal 2014
($ in Millions)

Project	*Authorization*	*Reason for Deferral*
Henryton Center – abate asbestos and raze buildings	$3.050	The remaining construction funding has been deferred from fiscal 2014 to 2015 based on the project schedule.

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Summary of Issues

Secure Evaluation and Therapeutic Treatment Center: Language added to the MCCBL of 2012 restricted Phase II design funding for this project and required the Department of Health and Mental Hygiene (DHMH) to submit a report that included detailed plans to alter the scope of the proposed Secure Evaluation and Therapeutic Treatment Center. This issue will summarize this report.

Redevelopment of Spring Grove Hospital Center: The 2011 and 2012 *Joint Chairmen's Reports* required DHMH to submit various information on the redevelopment of Spring Grove Hospital Center. This issue will summarize the contents of those reports.

Summary of Recommended Bond Actions

1. Community Health Facilities Grant Program

   Approve the $5,250,000 general obligation fund authorization for the Community Health Facilities Grant Program.

2. Federally Qualified Health Center Grant Program

   Approve the $660,000 general obligation fund authorization for the Federally Qualified Health Centers Grant Program.

3. Department of Health and Mental Hygiene New Forensic Medical Center

   Approve the de-authorization of funds remaining from a 2008 session authorization for the new forensic medical center.

4. Department of Health and Mental Hygiene New Forensic Medical Center

   Approve the de-authorization of funds remaining from a 2009 session authorization for the new forensic medical center.

5. Section 12 Department of Health and Mental Hygiene Henryton Center

   Approve the deferral of the remaining construction funding for this project from fiscal 2014 to 2015.

Budget Overview

1. Community Health Facilities Grant Program

The Department of Health and Mental Hygiene (DHMH) Community Health Facilities Grant Program provides capital grants for the acquisition, design, construction, renovation, and equipping of facilities that provide mental health, developmental disabilities, and substance abuse services. The program is considered an integral part of the State's efforts to facilitate the de-institutionalization of the mentally ill and developmentally disabled by assisting in the funding of residential facilities within the community. It also seeks to develop community resources to prevent institutionalization of the addicted. The State may fund up to 75% of the cost of each project.

For fiscal 2014, as shown in **Exhibit 1**, the department is proposing to support 11 projects: 5 community mental health projects, 2 developmental disabilities projects, 1 substance abuse treatment project, 2 projects serving both the mental ill and substance abusers, and 1 project serving both the mental ill and/or developmentally disabled. The requests in fiscal 2014 represent a significant re-awakening of interest in funding through the program after two years of relatively weak demand.

Exhibit 1
Fiscal 2014 Community Health Facilities Grant Program
Proposed Projects

Subdivision	Project Title	Project Detail	Estimated Cost	Prior Auth.	2014 Amount	Future Request	Total State Share (%)
Baltimore City	Associated Jewish Charities (DDA)	Acquire property to be used to house three individuals with intellectual disabilities.	$267,000	–	$200,000	–	75.0%
Baltimore City	Comprehensive Housing Assistance, Inc. (MHA)	Acquire and renovate four properties to house eight individuals with serious mental illness.	851,000	–	365,000	–	42.9%

Subdivision	Project Title	Project Detail	Estimated Cost	Prior Auth.	2014 Amount	Future Request	Total State Share (%)
Baltimore City	Family Recovery Program, Inc. (ADAA)	Acquire and renovate a former school to provide housing to parents recovering from substance abuse. The new space will provide housing for 22 families.	5,205,000	–	620,000	$1,600,000	42.7%
Baltimore City	Mosaic Community Services, Inc. (MHA/ADAA)	Renovate space to add capacity to offer services to individuals with serious mental illness and substance abuse problems. The renovation will increase program capacity by 1,000 individuals annually.	3,781,000	–	895,000	882,000	47.0%
Baltimore	Project PLASE, Inc. (MHA/ADAA)	Renovate a former school building to create 63 transitional housing units and 30 supported housing apartments for individuals with mental illness and substance abuse issues.	5,715,000	$400,000	1,231,000	1,028,000	46.5%
Baltimore City, Baltimore, and Harford	Alliance Real Estate Holdings, Inc. (MHA/DDA)	Acquire 10 single-family homes to provide housing for 9 individuals with developmental disabilities, 18 with serious mental illness, and 3 transitioning youth with mental illness.	1,700,000	–	1,122,000	–	66.0%

Subdivision	Project Title	Project Detail	Estimated Cost	Prior Auth.	2014 Amount	Future Request	Total State Share (%)
Baltimore	The First Journey, Inc. (MHA)	Acquire four homes to provide housing for 8 individuals with serious mental illness.	631,000	–	458,000	–	72.6%
Frederick, Howard, and Washington	Way Station, Inc. (MHA)	Acquire and renovate an apartment building in each county to provide housing for individuals with serious mental illness.	2,353,000	–	1,765,000	–	75.0%
Montgomery	Housing Opportunities Commission (DDA)	Acquire and renovate two homes to provide housing for six individuals with development disabilities.	1,113,000	–	835,000	–	75.0%
Montgomery	Housing Unlimited, Inc. (MHA)	Acquire six units to provide housing for 12 to 14 individuals with serious mental illness.	897,000	–	650,000	–	72.5%
Montgomery	St. Luke's House, Inc. (MHA)	Acquire 10 units to provide housing for 20 individuals with serious mental illness.	2,010,000	–	1,500,000	–	74.6%
Statewide	Cash Flow and Available Funds Adjustment		-4,391,000	–	-4,391,000	–	100%
Total			**$20,132,000**	**$400,000**	**$5,250,000**	**$3,510,000**	

ADAA: Alcohol and Drug Abuse Administration
DDA: Developmental Disabilities Administration
MHA: Mental Hygiene Administration

Source: Department of Health and Mental Hygiene

While the total fiscal 2014 State support for the 11 projects is $9,641,000, the funding request for the fiscal 2014 Community Health Facilities Grant Program is based on the cash flow analysis provided in **Exhibit 2**.

Exhibit 2
DHMH – Fiscal 2014 Community Health Facilities Grant Program
Cash Flow Analysis

State share of proposed fiscal 2014 projects	$9,641,000
Carryover of projects from prior year commitments	2,328,000
Funds available at the end of fiscal 2013	-4,837,000
Cash flow adjustment for fiscal 2014	-1,882,000
Total	**$5,250,000**

Source: Department of Health and Mental Hygiene; Department of Budget and Management

Exhibits 3 and **4** summarize prior year and proposed authorization levels for the program and prior year authorization encumbrance and expenditure data.

Exhibit 3
Community Health Facilities Grant Program Prior Authorization and Capital Improvement Program
($ in Millions)

Fund Source	*2012 Approp.*	*2013 Approp.*	*2014 Allowance*	*2015 Estimate*	*2016 Estimate*	*2017 Estimate*	*2018 Estimate*
Total GO Bonds	**$3.568**	**$0.000**	**$5.250**	**$5.250**	**$5.250**	**$5.250**	**$5.250**

Source: Department of Health and Mental Hygiene; Department of Budget and Management

Exhibit 4
Community Health Facilities Grant Program Authorization
Encumbrance and Expenditure Data
($ in Millions)

		Funds		*Balances*	
Fiscal Year	***Authorization***	***Encumbered***	***Expended***	***To Be Encumbered***	***To Be Expended***
Prior Years	$141.704	$141.704	$141.704	$0.000	$0.000
2009	8.511	8.511	8.511	0.000	0.000
2010	8.414	8.414	8.364	0.000	0.050
2011	7.873	3.889	3.129	3.984	4.744
2012	3.568	0.000	0.000	3.568	3.568
2013	0.000	0.000	0.000	0.000	0.000
Total	**$170.070**	**$162.518**	**$161.708**	**$7.552**	**$8.362**

Note: Data effective February 19, 2013.

Source: Department of Health and Mental Hygiene; Department of Budget and Management

2. Federally Qualified Health Centers Grant Program

Federally Qualified Health Centers (FQHC) are private, not-for-profit health care centers that provide comprehensive primary and preventive care to all individuals regardless of insurance status or their ability to pay. FQHCs exist in areas where economic, geographic, or cultural barriers limit access to primary health care for a substantial portion of the population.

Maryland currently has 16 traditional FQHCs and 1 FQHC look-alike health center with over 144 service sites. Forty-eight of the 144 sites are located in Baltimore City, and the remaining 96 sites are located in the following jurisdictions: Allegany, Anne Arundel, Baltimore, Caroline, Cecil, Charles, Dorchester, Frederick, Garrett, Harford, Howard, Montgomery, Prince George's, Somerset, St. Mary's, Talbot, Washington, Wicomico, and Worcester counties.

To quality for designation as an FQHC, an area must first be designated by the federal government as a medically underserved area (MUA), or serve a medically underserved population (MUP), based on criteria established by the U.S. Department of Health and Human Services.

Currently, Maryland has 56 medically underserved designations, 46 of which are MUAs and 11 of which are MUPs.

The Secretary of the Department of Health and Mental Hygiene (DHMH) may recommend grants for up to 75% of eligible costs to counties, municipal corporations, and nonprofit organizations for the following activities related to establishing and maintaining FQHCs: conversion of public buildings; acquisition of existing buildings; renovation of existing space; purchase of capital equipment; or planning, design, and construction of new facilities.

As shown in **Exhibit 5**, the department is funding one project in fiscal 2014, with total funding of $1,371,000 for West Cecil Health Center. West Cecil Health Center is constructing a new building on land they own in order to expand primary care, obstetrics and gynecology, dentistry, and behavioral health services. The grant will also allow the center to outfit dental and administrative space and to purchase medical equipment for the new facility. The new site will serve 6,300 individuals and allow for the hiring of new primary care, dental, and mental health providers.

Exhibit 5
Fiscal 2014 Federally Qualified Health Centers Grant Program
Proposed Project

Subdivision	Project Title	Project Detail	Estimated Cost	Prior Auth.	2014 Amount	Future Request	Total State Share (%)
Cecil County	West Cecil Health Center	Construct a new building to expand primary care, obstetrics and gynecology, dentistry, and behavioral health services.	$7,443,000	–	$1,371,000	–	18.4%

Source: Department of Health and Mental Hygiene

While the total fiscal 2014 State support for the one project is $1,371,000, the funding request for the fiscal 2014 FQHC Grant Program is based on the cash flow analysis provided in **Exhibit 6**.

Exhibit 6
DHMH – Fiscal 2014 Federally Qualified Health Centers Grant Program Cash Flow Analysis

State share of proposed fiscal 2014 projects	$1,371,000
Carryover of projects from prior year commitments	2,311,000
Funds available at the end of fiscal 2013	-2,311,000
Cash flow adjustment for fiscal 2014	-711,000
Total	**$660,000**

Source: Department of Health and Mental Hygiene; Department of Budget and Management

Exhibits 7 and **8** summarizes prior year and proposed authorization levels for the program and prior year authorization encumbrance and expenditure data.

Exhibit 7
Federally Qualified Health Centers Grant Program Prior Authorization and Capital Improvement Program
Authorization Request
($ in Millions)

Fund Source	*2012 Approp.*	*2013 Approp.*	*2014 Allowance*	*2015 Estimate*	*2016 Estimate*	*2017 Estimate*	*2018 Estimate*
Total GO Bonds	**$3.218**	**$2.002**	**$0.660**	**$2.500**	**$2.500**	**$2.500**	**$2.500**

Source: Department of Health and Mental Hygiene; Department of Budget and Management

Exhibit 8
Federally Qualified Health Centers
Authorization Encumbrance and Expenditure Data
($ in Millions)

		Funds		*Balances*	
Fiscal Year	***Authorization***	***Encumbered***	***Expended***	***To Be Encumbered***	***To Be Expended***
Prior Years	$10.512	$10.512	$10.512	$0.000	$0.000
2009	1.072	1.072	1.072	0.000	0.000
2010	0.000	0.000	0.000	0.000	0.050
2011	3.218	3.177	1.385	0.041	1.833
2012	2.002	0.529	0.000	1.473	2.002
2013	2.871	0.000	0.000	2.871	2.871
Total	**$19.675**	**$15.291**	**$12.969**	**$4.384**	**$6.706**

Issues and Updates

1. Secure Evaluation and Therapeutic Treatment Center

Prior to its closure in June 2009, the Rosewood Center was the only facility in Maryland that served the court-ordered forensic population with developmental disabilities. At the time the closure announcement was made, the facility housed 166 residents. All of the residents have since been transferred, many of them to community-based placements in the Baltimore metropolitan area. Although the department has implemented an interim plan for housing the forensic population at the Springfield Hospital Center (Sykesville Secure Evaluation and Therapeutic Treatment Center (SETT)) and the Clifton T. Perkins Hospital Center (Jessup SETT), it was determined that the facilities have an insufficient number of beds to accommodate the court-ordered admissions and lack additional space for vocational activities.

To address this situation, the *Capital Improvement Program* included programmed funding for a new SETT unit to house the court-ordered forensic population to be located in Jessup. The fiscal 2011 capital budget included $1.15 million to begin designing the new SETT facility, and the fiscal 2013 capital budget included $2.2 million for Phase II design of this project. However, during the 2012 legislative session, DHMH proposed to modify the scope of the SETT unit to serve a greater proportion of individuals in a community-based setting. The department could not advise what the appropriate bed capacity for the new facility should be. Therefore, the language added to the

Maryland Consolidated Capital Bond Loan (MCCBL) of 2012 restricted Phase II design funding for the project and required DHMH to submit a report that included detailed plans to alter the scope of the proposed SETT unit. More specifically, the department was required to report on the following:

- what the appropriate bed capacity for the facility should be;
- how the department plans to utilize therapeutic treatment homes to meet its mission of serving individuals in the least restrictive setting, including whether these homes will be used as step-down units;
- how many therapeutic treatment homes would be needed based on the modified size of the SETT unit, including operating costs to serve these individuals in therapeutic homes in comparison to serving individuals in the SETT unit; and
- the department's efforts to work with community providers to establish therapeutic treatment homes in the State.

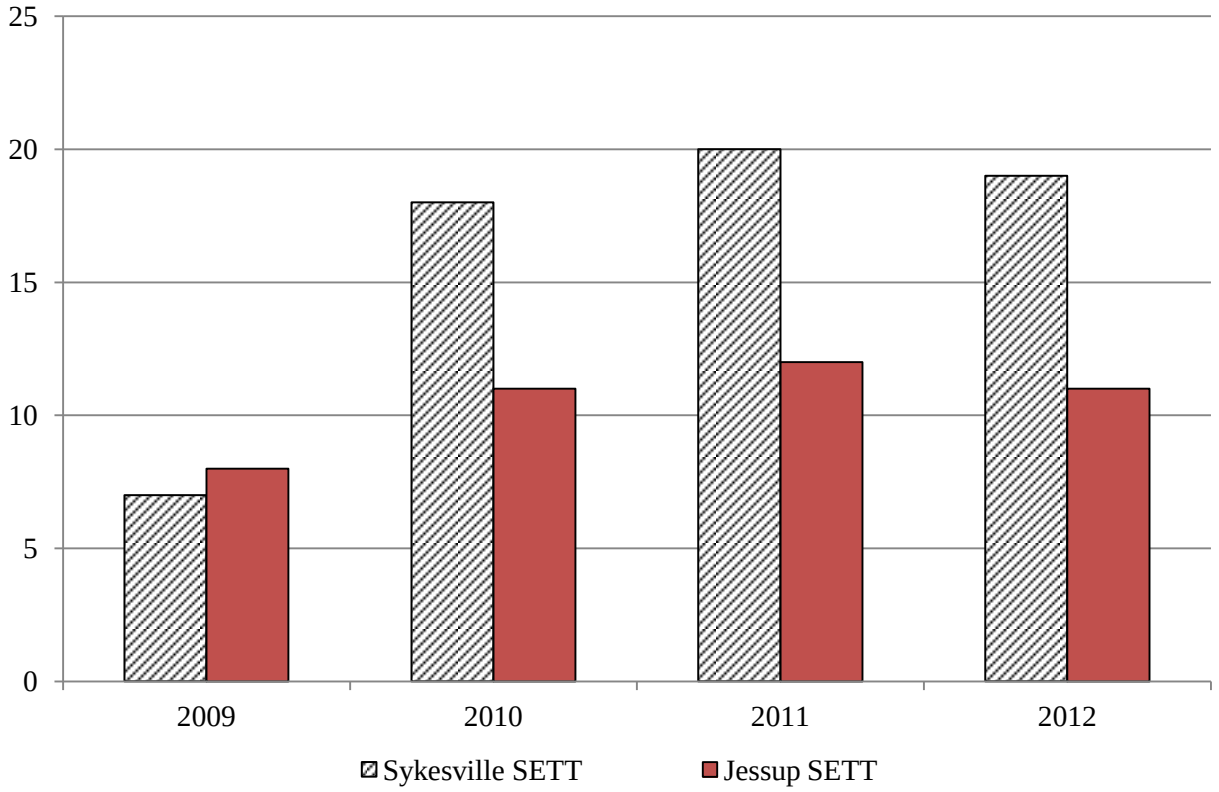
The report was submitted by the department on February 27, 2013, and requested the release of funds; however, the Department of Legislative Services (DLS) advises that the report's contents do not satisfy the requirements as set forth in the MCCBL of 2012.

Background

The Developmental Disabilities Administration (DDA) is charged with serving individuals that are identified through the court system in need of treatment that qualify for DDA services. The individuals referred to DDA are either found not criminally responsible or incompetent to stand trial by the courts. Although it is the court's final decision as to the placement status of the individual, DDA does make recommendations on the best place for treatment for the individual – in a community-based setting or in one of the SETT units at Jessup or Sykesville. Individuals presenting with dangerous behaviors that threaten public safety would be referred to one of the SETT units, while individuals presenting with behaviors that do not pose a threat to public safety would remain in the community with support and services as needed. Beginning in fiscal 2009, DDA began to serve court-ordered individuals in the SETT units instead of in the existing State Residential Centers.

The therapeutic evaluation component is housed at the Jessup SETT unit, which became operational in July 2008 and houses a maximum of 12 individuals for 21 to 90 days. During the evaluation phase, DDA completes competency and behavioral evaluations and develops comprehensive service plans for individuals. The therapeutic long-term treatment facility, Sykesville SETT unit, became operational in December 2009 and has capacity for 20 individuals who have been identified through the Jessup Evaluation unit. **Exhibit 9** shows the average daily population (ADP) of each unit. As the chart shows, in fiscal 2011, the Jessup and Sykesville SETTs were at full capacity. However, in fiscal 2012, the ADP in the Jessup and Sykesville SETTs declined slightly

Exhibit 9
Average Daily Population of SETT Units
Fiscal 2009-2012



SETT: Secure Evaluation and Therapeutic Treatment Center

Source: Department of Health and Mental Hygiene

due to increased efforts to serve a greater number of individuals in the community. DHMH advises that fiscal 2013 data indicates that the average monthly census has continued to decline as the ADP decreased to 28 individuals from July through November 2012.

The SETT units are not intended to house individuals for extended periods of time. Therefore, once an individual transitions out of a SETT, he/she may be placed in the community or in the Potomac Center – a State Residential Center. Since fiscal 2009, there have been 101 court-identified individuals placed in the community under conditional release orders or pretrial conditions of release orders. In comparison, 26 individuals have been placed in the Potomac Center over the same time period, and half of those individuals have since been moved into a community setting.

Scope of Proposed SETT Unit Conflicts with the Agency's Mission to Serve the Court-committed Population in the Least Restrictive Setting

Needed bed capacity for the proposed SETT unit has been based on an analysis of past trends in admissions and average length of stay. These trends indicated a need for 75 beds to serve the two populations at Sykesville and Jessup. However, DHMH initially proposed a 60-bed facility that consists of one main administration building and five residential duplexes. In order to meet this lower bed capacity, DHMH advised that it will aggressively reduce the average length of stay by expanding community-based programs acceptable to the Judiciary by utilizing community partners in the transition of low- to no-restriction individuals from SETT to the outside environment. However, DDA's mission is to serve individuals in the least restrictive setting, including the forensic population. As a result, the report submitted in accordance with the MCCBL of 2012, recommends a 32-bed facility.

The department advises that the consolidated 60-bed SETT facility was based on a model used in Minnesota – the Minnesota Extended Treatment Options (METO). However, this treatment model is no longer considered safe or effective. Among other things, METO was found to be in violation of the Olmstead standards[1]. Consequently, the facility has been closed, and individuals are currently being transitioned into the community. Due to DDA's efforts to serve a higher proportion of court-involved individuals in the community, coupled with the outcome of the METO model, in early 2012 the agency reexamined the decision to construct a new 60-bed SETT facility.

DDA solicited a consultant to convene a workgroup consisting of representatives from the Maryland Disability Law Center, the Maryland Association of Community Services, the Developmental Disabilities Council, the ARC of Maryland, and the Judiciary. The workgroup was tasked with analyzing Maryland's need for SETT services for court-involved individuals with intellectual disabilities and developing recommendations for DDA. Ultimately, the consultant advised against constructing a new 60-bed facility. Instead, the consultant recommended that DDA construct a secure evaluation unit for 12 people and create the capacity to serve 48 persons in community-based residential homes that would be structured, supervised, and sited to ensure security.

Consolidation of the Existing SETT Units

After reviewing the consultant's report, stakeholder input, and examining the capacity needs of the new facility, DDA is recommending that DHMH move forward with a 32-bed facility and expand community-based options for individuals transitioning out of SETT units. The department advises a lower bed capacity is supported by the following observations and trends:

- from fiscal 2008 through 2012, the total number of pre-trial evaluations conducted within the SETT units declined by 44%, and the facilities have experienced fewer requests for services;

[1] The emphasis on community placements has been reinforced by the Supreme Court's ruling on *L.C. v. Olmstead (119 S.Ct. 2176).* The court ruled that, according to the Americans with Disabilities Act, no person may be required to live in an institution if able to live in the community with appropriate support.

- in fiscal 2012, DDA's SETT units were operating below capacity, and for the first five months of fiscal 2013, ADP declined to 28 individuals;

- average length of stay at both facilities continues to decline; and

- the wait time to admit an individual into a SETT unit following court commitment has been significantly reduced.

Based on these trends, DHMH has recommended the consolidation of the two existing units into one SETT facility. The inefficiencies of maintaining two separate facilities result in a loss of time to transport residents from one facility to the other and do not promote consistency in programming for the residents. Consolidation will promote enhanced management and supervisory oversight while reducing administrative and overhead costs. Further, the consolidated facility will have additional space to accommodate increased vocational and habilitation programming. This will allow staff to devote more time to providing the necessary programming to help support residents' successfully transition into less restrictive settings.

Representatives from the Judiciary, the Office of the Public Defender, and the State's Attorney's Association disagreed with the recommendation of the consultant and recommended that DDA continue with the planned construction of the 60-bed facility.

Expansion of Community-based Providers

In order to support a smaller SETT unit, the department is recommending that the State finance the expansion of community-based options for individuals with forensic involvement. Presently, DDA has 35 to 40 licensed providers that serve court-involved individuals; however, this capacity is insufficient to meet the current demand. Therefore, DDA is proposing that DHMH move forward with creating the capacity to serve individuals in community-based residential homes that would be structured, supervised, and sited to ensure security. These homes would differ from current residential placements which are only staff secure. Although the State would provide funding to selected providers for the acquisition and renovations of these homes, they would not be located on State-owned facility campuses and would instead be located in residential settings. To date, three providers have expressed interest in operating these community-based homes. DDA advises that it will be working to define the necessary community capacity to meet unmet demand as a part of the revised scope of the SETT unit. Moreover, serving an individual in the community costs approximately $113,560 per year, as opposed to $279,466 per year to serve the same individual in the SETT facilities.

Concerns

DLS has various concerns regarding the modifications DHMH has proposed to the current project. First, it is unclear whether the new level of community-based homes would be licensed under the same regulatory standards that traditional developmental disabilities providers are required to meet. For instance, developmental disability providers are not required to have a physician on staff; however, many individuals with forensic involvement are dually diagnosed with a

developmental disability and mental health issues. Physician services at the Potomac Center support individuals that are dually diagnosed in several ways.

For example, physician services at the Potomac Center are comprised of the following: (1) contractual primary care, including twice weekly visits for sick call and routine medical care; (2) 24-hour on-call service; and (3) permanent (part-time) psychiatric services. It is unclear whether the new level of community providers would be required to have similar services. While the department has indicated that community placements are long-term in nature, DLS advises that the proper support must be in place to support the forensic population, including the dually diagnosed. The department has advised that regulations for community-based providers may need to be amended to account for the staffing needs of the population that they serve. Similarly, to the extent that providers are subjected to additional regulatory requirements, a new rate structure may be necessary to support individuals in a new community-based setting.

The department has advised that it will be pursuing an amendment to the current capital budget authorization language for the planning and design of the consolidated facility in order to realign the language with the changes in project scope. However, the department failed to indicate the number of community-based homes that would be needed to support the 32-bed SETT facility, as required by language in MCCBL of 2012. In comparison, the independent consultant solicited by DDA identified a need for 60 total beds. Based on this assumption, the department would need to construct community-based homes to support an additional 28 court-involved placements. **Therefore, prior to the release of funds, the agency should advise the committees on the number of community-based homes necessary to support a consolidated SETT unit. Similarly, the department should indicate whether it plans to fund the construction of community-based homes out of the existing Community Health Facilities Grant Program. DLS advises that this would be an appropriate area to fund the expansion of community homes for court-involved placements as this program is intended to facilitate the de-institutionalization of developmentally disabled individuals.**

It has been brought to the attention of DLS that a part of the department's plan to consolidate the two facilities may include renovations to the existing Sykesville SETT unit, as opposed to constructing a brand new facility. **The department should comment on whether this option is being explored. Moreover, DLS recommends that, to the extent that this alternative is being explored, DHMH should provide the committees with the following information:**

- **what total project costs are for constructing a consolidated 32-bed facility, as opposed to renovating the existing Sykesville SETT unit, including operating costs once the facility is fully operational;**

- **how will renovations address concerns related to security and lack of vocational space posed by the existing facility; and**

- **whether renovations to the Sykesville SETT unit will effectively meet the scope of the project.**

2. Redevelopment of Spring Grove Hospital Center

The 2011 *Joint Chairmen's Report* (JCR) included language requesting the Maryland Economic Development Corporation (MEDCO) to produce a redevelopment plan for the Spring Grove Hospital Center, the State's largest and oldest State-run psychiatric hospital. Legislative interest in redeveloping Spring Grove derives from:

- the need to maximize the use of a valuable State-owned land parcel adjacent to the Baltimore Beltway; and
- the need to improve the efficiency and quality of hospital care at the existing State-run psychiatric hospital by replacing the patient capacity currently handled by the poor physical plant at Spring Grove.

The 2011 JCR asked that the redevelopment plan consider ways to provide:

- land for the construction of a new hospital;
- land for the use of the University of Maryland Baltimore County (UMBC);
- land for Baltimore County recreational space; and
- land for mixed-use commercial development.

2012 MEDCO Spring Grove Redevelopment Report

The redevelopment report was submitted in March 2012. As noted in **Exhibit 10**, the plan proposed certain broad land use and identified 13 different land bays or parcels on the Spring Grove site (see **Exhibit 11**) to accommodate that land use.

Exhibit 10
Spring Grove Hospital Center Proposed Land Use

Land Use Type	Acreage
New hospital	41.5
Office	37.7
Commercial/mixed use	21.9
Recreation	31.3
Forest buffer	41.9
Other (including roads and pathways)	15.4
Total	**189.7**

Source: Maryland Economic Development Corporation; Department of Health and Mental Hygiene

Exhibit 11
Spring Grove Hospital Center Land Bay/Parcel Concept

Source: Maryland Economic Development Corporation

The report also included two different scenarios that used the 13 land parcels to satisfy the requirements of the 2011 JCR in terms of different land use.

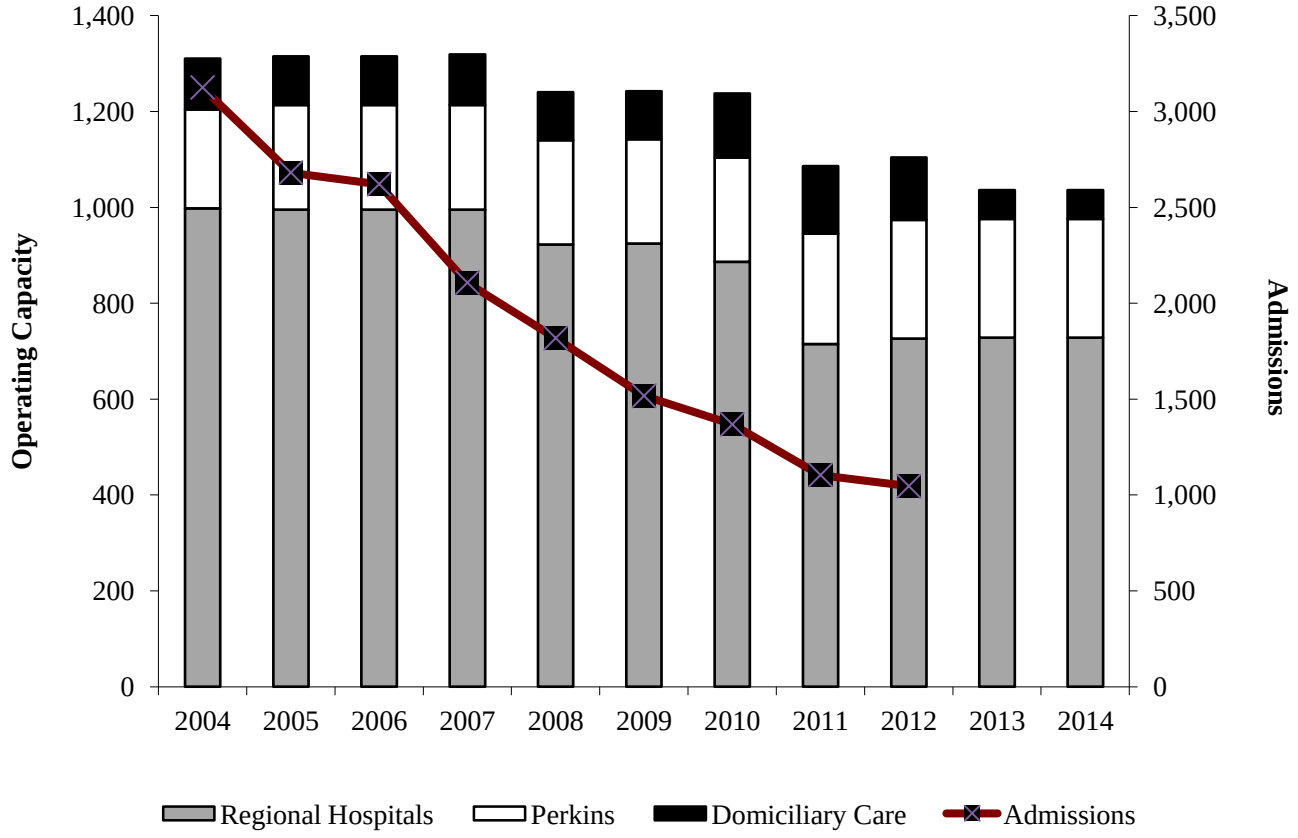
2013 Report on Spring Grove Redevelopment

In the 2012 session, the legislature followed up on the MEDCO study by withholding funding until DHMH submitted a report detailing plans for a replacement hospital (including financing) as well as a plan for the utilization of a land parcel identified in Exhibit 11 as Plot K for recreational space.

Hospital Replacement

In that report, as well as another recent report on projected State-run psychiatric bed capacity, the department declined to commit to building a new hospital at Spring Grove. This lack of commitment stems from the uncertainty as to what size a new facility should be and how to fund it. Certainly, as shown in **Exhibit 12**, the department has been successful in reducing admissions to the State-run psychiatric facilities overall by seeking new ways to serve patients that have traditionally been admitted to State-run psychiatric hospitals in alternative inpatient and, where possible, non-institutional settings. That reduction in admissions has resulted in the ability to reduce operating capacity by closing facilities (Crownsville, Carter, and the Upper Shore Community Mental Health Center) and reducing capacity at the remaining facilities with the exception of Clifton T. Perkins (the State's sole maximum-security psychiatric hospital).

Exhibit 12
State-run Psychiatric Hospital Operating Capacity and Admissions
Fiscal 2004-2014



Source: Department of Legislative Services; Department of Health and Mental Hygiene

Nonetheless, although the department's unwillingness to commit to the need for a certain facility capacity and the expense of building a new facility is understandable, especially given the demands on the capital budget, this does not offer any immediate solution to the inadequacy of its current facilities, in particular at Spring Grove.

The department did propose a way to consolidate the Spring Grove campus by relocating patients from the red brick cottages on the parcel closest to the beltway (Parcel J in Exhibit 11) identified for commercial/mixed-use to other buildings on the campus (on what is identified as Parcel A in Exhibit 11). The cost for this relocation, which would involve renovating other existing buildings, was estimated at $6.0 million to $7.2 million, including design. It would also involve moving the existing Mental Hygiene Administration offices (at an annual cost estimated at $500,000 to $650,000). While this would not significantly address the issues around inadequate facility infrastructure and inefficiency, it would provide for some improvement of patient space as well as allow other parts of the Spring Grove campus to be re-developed.

Parcel K

The other part of the 2013 report concerned the use of Parcel K. Under the two scenarios presented in the original MEDCO report, Parcel K could be used for either recreational or office use. The 2012 legislative language expressed the preference for use of that parcel as recreational space but was primarily intended to jump-start the process to re-use the site. DHMH subsequently declared the parcel excess to its needs (the property is currently occupied by a vacant building and portable trailers used by Baltimore County to house homeless individuals) and gave appropriate notice to the Maryland Department of Planning Clearinghouse.

In January 2013, the Clearinghouse declared the parcel as surplus. Two entities submitted expressions of interest in acquiring the property: UMBC in order to develop research facilities and expand the existing Research and Technology Park (and UMBC also indicated a general interest in any other parcel of land on the Spring Grove campus that is declared surplus); and Baltimore County for recreational space. The Clearinghouse further directed the Department of General Services to explore the feasibility of joint uses of the property and to have the Board of Public Works (BPW) declare the parcel surplus. At the time of writing, no action has been taken by BPW.

Finally, DLS recommends that, absent any indication to the contrary during the budget hearings on this issue, the funding being withheld pending the receipt of the 2013 Spring Grove Redevelopment Report be released.

GO Bond Recommended Actions

1. Approve the $5,250,000 general obligation fund authorization for the Community Health Facilities Grant Program.

2. Approve the $660,000 general obligation fund authorization for the Federally Qualified Health Centers Grant Program.

3. Approve the de-authorization of funds remaining from a 2008 session authorization for the new forensic medical center.

4. Approve the de-authorization of funds remaining from a 2009 session authorization for the new forensic medical center.

5. Approve the deferral of the remaining construction funding for the Henryton Center from fiscal 2014 to 2015.