FEASIBILITY STUDY FOR THE CLOSURE OF STATE INSTITUTIONAL FACILITIES

FINAL REPORT

November 1, 2009

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STUDY OVERVIEW

REPORT ORGANIZATION

This report is divided into three parts:

PART 1 – Department of Corrections Facilities

PART 2 – Juvenile Rehabilitation Facilities

PART 3 – Developmental Disabilities Facilities

Each part includes a cover page, table of contents and executive summary. Pagination is by section: PART 1 begins with page 1.1; PART 2 with page 2.1; PART 3 with page 3.1.

There are also three appendices which are bound separately.

DOC Appendix

JRA Appendix

Technical Appendix

The technical appendix includes additional information for each of the three areas of study – the Department of Corrections, Juvenile Rehabilitation, and Developmental Disabilities. Information in the Technical Appendix was prepared by the team economists, Berk & Associates. It includes detailed information on economic and fiscal impacts to affected communities, impacts to affected employees, and analysis of state lifecycle costs.

STUDY MANDATE AND REQUIREMENTS

In the 2009 legislative session, the Washington State Legislature directed the Office of Financial Management to contract with consultants to conduct "a study of the feasibility of closing state institutional facilities and a plan on eliminating beds in the state institutional facility inventory." The proviso from Engrossed Substitute House Bill (ESHB) 1244 noted that:

> *"In conducting this study, the consultants shall consider the following factors as appropriate:*
>
> *i. The availability of alternate facilities including alternatives and opportunities for consolidations with other facilities, impacts on those alternate facilities, and any related capital costs;*
>
> *ii. The cost of operating the facility, including the cost of providing services and the cost of maintaining or improving the physical plant of the facility;*
>
> *iii. The geographic factors associated with the facility, including the impact of the facility on the local economy and the economic impact of its closure, and alternative uses for a facility recommended for closure;*
>
> *iv. The costs associated with closing the facility, including the continuing costs following the closure of the facility;*

v. *Number and type of staff and the impact on the facility staff including other employment opportunities if the facility is closed;*
vi. *The savings that will accrue to the state from closure or consolidation of a facility and the impact any closure would have on funding the associated services; and*
vii. *For residential habilitation centers, the impact on clients in the facility being recommended for closure and their families, including ability to get alternate services and impacts on being moved to another facility."*

The legislature further directed that "*the office of financial management and consultants shall consult with the department of social and health services, the department of corrections, stakeholder organizations and groups that represent the people served in these institutions, labor organizations that represent employees who work in these institutions and other persons or entities with expertise in the areas being studied."*

THE CONSULTANT TEAM

The firm of Christopher Murray & Associates of Olympia, Washington was chosen through a competitive selection process as the lead consultant for the feasibility study. Subconsultants on the team include:

Davis Deshaies, LLC (analysis of residential habilitation centers),
Berk & Associates (economic impact analysis), and
Ambia, Inc (architectural and engineering requirements and costs).

FEASIBILITY STUDY FOR THE CLOSURE OF STATE INSTITUTIONAL FACILITIES

Part 1: Department of Corrections Facilities

November 1, 2009

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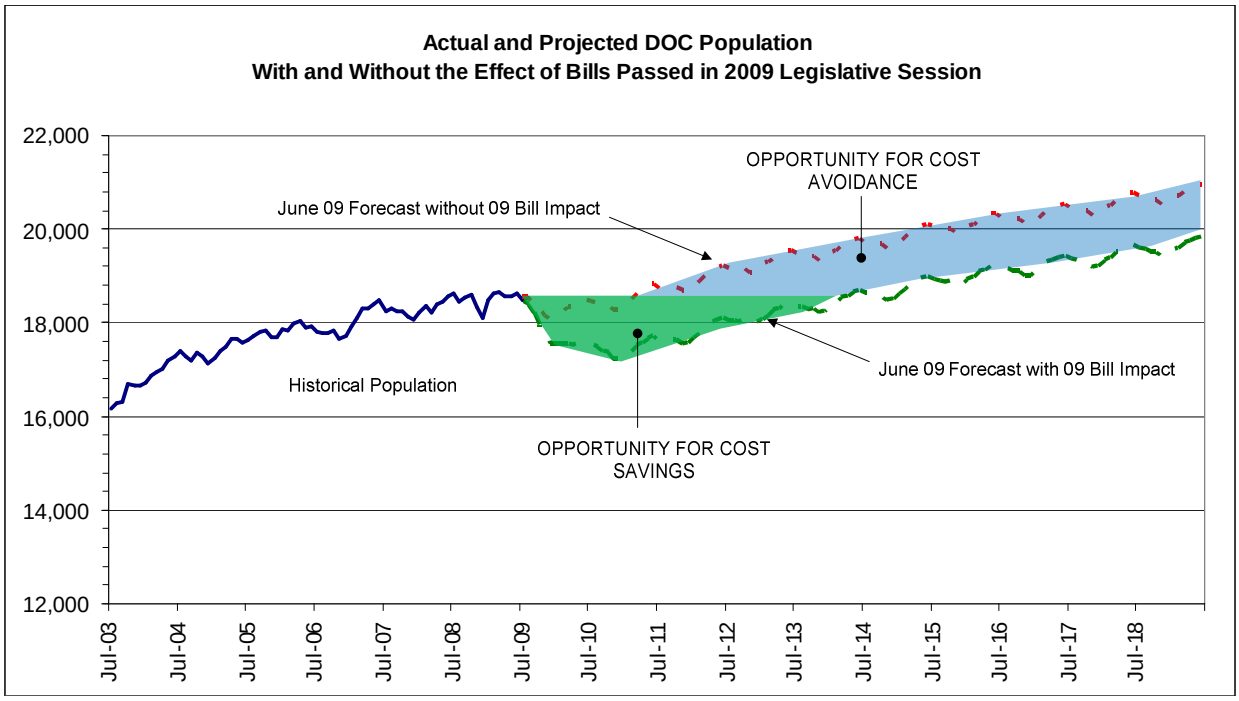
EXECUTIVE SUMMARY

In the 2009 legislative session, the Washington State Legislature directed that a feasibility study of closing state institutional facilities be conducted. The proviso specifically requires study of Department of Corrections (DOC) institutions and a plan to eliminate 1,580 adult corrections beds. Accompanying budget language assumes that closure of these beds will save $12 million in fiscal year 2011.

THE FEASIBILITY OF CLOSING ADULT CORRECTIONS BEDS

After decades of almost continuous growth in the prison population, actions taken by the 2009 legislature are expected to result in a decrease of more than 1,100 inmates. While underlying factors will cause the prison population to return to 2009 levels within less than five years, this temporary decrease in the number of inmates presents an opportunity to save taxpayer dollars. In subsequent years the number of inmates will remain approximately 1,100 below what it would have been absent the 2009 law changes. This represents an ongoing opportunity to avoid costs that otherwise would have occurred. This is illustrated in the following chart.



DOC operates a number of prison facilities to house adult offenders who require confinement under different conditions ranging from minimum to maximum security. This study disaggregated the prison population forecast by gender and the projected security level needs of the inmate population. The disaggregated forecast was then compared to the current funded capacity of DOC institutions. This analysis resulted in the following key findings.

Key Findings from Analysis of the Population Projection and DOC Bed Capacity

1. There are more funded prison beds than inmates, but surplus capacity is not evenly distributed. Most importantly:
   - Almost all of the surplus capacity is at medium security for male inmates.
   - DOC cannot eliminate beds at higher security levels. In fact, DOC will need additional higher security beds for male inmates in the near future.[1]

2. DOC closed minimum security beds for female offenders this summer. There are no additional opportunities to eliminate prison beds for female offenders.

3. The opportunities for closing beds occur within a dynamic environment. While there are more savings than costs, there will be increased costs (including capital costs) at some locations.

In addition to surplus funded beds, there are closed living units at several DOC institutions. These non-staffed, non-funded, beds represent additional built capacity. DOC's built capacity for male offenders exceeds funded capacity by almost 2,000 beds. Most of these beds are medium security. Built capacity for women exceeds funded capacity by nearly 400 beds. All of these beds are minimum security. This surplus built capacity greatly reduces, but does not eliminate, the capital requirements of the Department of Corrections over the next ten years.

CLOSURE SCENARIOS

A variety of closure options were considered, not all of which proved feasible. Foremost among those found infeasible is full closure of the McNeil Island Corrections Center. For a variety of reasons – most of which relate to the presence of the Special Commitment Center[2] on the island – there are compelling reasons to maintain at least some DOC presence there.

Significant savings from facility closure or downsizing only occur if an entire institution, or major component thereof, can be closed. Major savings also accrue if the security level of an institution is downgraded. The scenarios considered in this study do both.

After reviewing the options, three closure scenarios were developed for detailed study. These are:

Scenario 1
Downsize the McNeil Island Corrections Center
Close the Ahtanum View Corrections Center and move the program to Monroe
Close one living unit at the Larch Corrections Center for six years

Scenario 2
Close the Washington State Reformatory Unit at the Monroe Correctional Complex
Close the Ahtanum View Corrections Center and move the program to Monroe

[1] There is a projected deficit at "close security," an intermediate level between medium and maximum security.
[2] The Special Commitment Center is a facility for civilly committed sexually violent predators operated by the Department of Social and Health Services.

Scenario 3
Close the Main Institution (within the old prison walls) at the Washington State Penitentiary
Close the Ahtanum View Corrections Center and move the program to Monroe
Close one living unit at the Larch Corrections Center for three years

These scenarios are mutually exclusive – that is, they cannot be done simultaneously. It is possible, however, to do them sequentially.

KEY FINDINGS

All Three Scenarios Generate Substantial Savings

All of the scenarios save more than $12 million per year in operating costs as assumed in the budget assumptions related to this study – but not in the first year. Each scenario also creates long-term capital cost savings by reducing or eliminating the need for maintenance and preservation projects related to old buildings. These savings are substantial for Scenarios 2 and 3.

Scenario 3 – which includes closing the Main Institution at the Washington State Penitentiary – generates the greatest savings but requires approximately $41 million in up-front capital expenditures.

Even greater savings can be achieved by sequencing Scenarios 1 and 3. This strategy has additional advantages, including reducing adverse impacts to the City and County of Walla Walla and postponing the lay off of staff at the Penitentiary until a time when there are more transfer opportunities within the agency.

The following table summarizes cumulative FTE, operating, and capital cost savings for the three scenarios plus the effect of sequencing Scenarios 1 and 3.

Summary of 10 Year FTE, Operating, and Capital Budget Savings by Scenario
(MICC = McNeil Island Corrections Center; WSRU = Washington State Reformatory Unit at Monroe; MI-WSP = Main Institution at the Penitentiary)

	Scenario 1 (MICC)	Scenario 2 (WSRU)	Scenario 3 (WSP-Main)	Sequencing Scenarios 1 & 3
Staff Years Eliminated	2,259	2,741	2,855	3,632
Operating Budget Savings				
Current Dollars	$137,700,000	$169,000,000	$173,900,000	$215,844,000
Net Present Value	$73,500,000	$84,200,000	$97,100,000	(not calculated)
Capital Budget Savings				
Current Dollars	$9,705,000	$24,787,000	$77,221,000	$82,421,000
Net Present Value	$4,900,000	$18,800,000	$64,100,000	(not calculated)

Additional Steps are Needed if 1,580 Beds are to be Eliminated

When the target of eliminating 1,580 prison beds was first developed, it was assumed that population reduction bills under consideration in the 2009 legislative session would reduce the prison population by approximately this amount. However, not all of the law changes under

consideration passed. Those that did pass are projected to reduce the population by about 1,100. While this generates the ability to achieve significant bed reductions and dollar savings, without a further decrease in prison population it is not possible to close 1,580 beds at this time.

The estimated impact of the bills not passed in the last legislative session is 452 beds. Additional steps to eliminate DOC beds can be taken if these, or similar, population reduction measures are adopted in the future.

RECOMMENDATIONS

Sequencing Scenario 1 (downsizing the McNeil Island Corrections Center) and Scenario 3 (close the Main Institution at the Washington State Penitentiary) achieves the greatest savings. Assuming that capital funds are available, this is the recommended alternative. If capital funds are not available, it is recommended that Scenario 1 (downsizing the McNeil Island Corrections Center) be implemented.

If additional closure of beds is required, it is recommended that additional close custody inmates be moved to out of state rental beds and that the highest cost close security housing units[3] be closed. If additional steps are taken to reduce the number of lower risk offenders in prison, it is recommended that the Larch Corrections Center (downsized under Scenarios 1 and 3) be fully closed.

Finally, it is recommended that additional detailed study be made of the Washington State Reformatory Unit at Monroe and the buildings within the walls of the Washington State Penitentiary to determine which, if any, buildings should be preserved for future use and to create master plans for future development of both sites.

[3] The highest cost close security housing units are located at the Washington State Penitentiary

BACKGROUND AND CONTEXT

STUDY REQUIREMENTS SPECIFIC TO THE DEPARTMENT OF CORRECTIONS (DOC)

In the 2009 legislative session, the Washington State Legislature directed the Office of Financial Management to contract with consultants to conduct "a study of the feasibility of closing state institutional facilities and a plan on eliminating beds in the state institutional facility inventory." Proviso language requires that the report provide a recommendation and a plan to eliminate 1,580 DOC beds. Budget language assumes that closure of these beds will save $12 million in fiscal year 2011.

The work plan for the study of DOC facilities involves the following major activities:

1. Review of the facilities, mission, and population of DOC facilities
2. Analysis of the population forecast and projected future needs for DOC facilities by gender and security level
3. Identification of the capacity of DOC facilities to accommodate the needs of the projected future population
4. Estimation of the impact on staff of facility closure and redistribution of offenders, including effects of the Reduction in Force (RIF) process, job loss, and opportunities for reemployment
5. Estimation of the capital costs and savings associated with facility closure and redistribution of offenders
6. Identification of programmatic impacts and other considerations related to facility closure
7. Identification of the impact of facility closure on the host community, including direct and indirect job loss and local purchases

To accomplish these tasks, the consultant reviewed data and information provided by DOC and others; toured facilities and talked with staff; conferred with headquarters staff; met with community groups; conferred with labor organizations and with representatives from the Washington Association of Counties, the Washington Association of Sheriffs and Police Chiefs, and the Washington Association of Prosecuting Attorneys. The consultant team's extensive experience and knowledge of adult corrections in Washington and other states facilitated understanding of the issues and informed their analysis.

THE ROLE OF DOC

The Department of Corrections is responsible for administering adult corrections programs operated by the State of Washington. This includes state correctional institutions and programs for offenders supervised in the community. This study is confined to analysis of the feasibility of closing and/or consolidating DOC's institutions.

ADULT CORRECTIONS TERMINOLOGY USED IN THIS REPORT

The terminology used to describe adult corrections institutions and operations means little to those who have not already been introduced to the subject. This section may be skipped by those already familiar with adult corrections but may be useful to those who are not.

Classification and Security

The Department of Corrections uses a classification system to divide inmates into various categories that relate to two primary factors: 1) the danger they pose to staff, other inmates and the public and, 2) the amount of supervision they require while incarcerated. Inmates receive an initial classification when they are first committed to DOC. They are periodically reclassified based on a classification review schedule or for cause. Initial classification is largely based on static factors like criminal history, escape history, age, gender, etc. While static factors continue to play a role, reclassification takes into account the inmate's behavior while incarcerated: good behavior can result in a less restrictive classification level, bad behavior the opposite.

The Washington Department of Corrections classification system is relatively complicated but, for all practical purposes, there are five classification levels. When applied to inmates, these levels are called "custody designations."

The department also has a five level system to identify the physical security provided by buildings and correctional facilities. When applied to buildings, these are called "security levels." Custody designations and security levels look very much alike but use different suffixes. The term "custody" refers to inmates; "security" refers to buildings.

Table 1: "Custody" and "Security" is Not the Same Thing

"Custody" applies to inmates	"Security" applies to buildings
Maximum Custody	Maximum Security
Close Custody	Close Security
Medium Custody	Medium Security
Minimum Custody	Minimum Security
Work Release	Work Release

Maximum, close, and medium security facilities have high security, armed perimeter fences or walls. Minimum security facilities typically have a single fence. Work release facilities may have a fence, but not one that provides real security.

Maximum custody inmates require the most supervision by correctional officers; have the greatest restriction on their freedom of movement and interaction with others; and require single occupancy cells in the most secure buildings. Higher custody inmates are typically housed in "wet cells" – i.e. a cell with a toilet and wash basin. At lower custody levels the amount of supervision decreases; freedom of movement and association increases; and the physical construction of cells and buildings changes. Some medium security, and virtually all minimum security, cells are "dry cells" – i.e. they have no plumbing fixtures.

While the distinction between custody and security may seem minor, it is one we try to adhere to in this report: inmates have custody; buildings have security. Its importance relates to a cardinal rule of corrections: an inmate may be held in a facility which has a security level equal to or greater than his or her custody designation – but not one that is lower. Hence, a medium *custody* inmate may be held in a medium, close, or maximum *security* facility, but not a minimum security or work release facility.

Other Terminology

There are several other terms used in this report that merit explanation.

- *MI3* is a subset of minimum custody. This custody designation is used to refer to an inmate who, because of good behavior,[4] scores minimum custody on the classification instrument, but for other reasons (e.g. risk of escape or danger to the community) needs to be confined behind a medium security perimeter. There are a large number of MI3 inmates in DOC institutions. The department has taken advantage of this by sometimes building less secure (and therefore less costly) housing units inside medium security perimeters and staffing them (at less expense) at minimum security staffing levels.
- *Reception*: the Department of Corrections operates two reception centers for newly committed inmates – one for men and one for women. Inmates in reception, and buildings used for reception, constitute additional categories of inmates and buildings. It is in reception that inmates receive their initial custody classification. Prior to classification a newly committed inmate is counted as unclassified. Buildings used for reception may be designated close or medium security but they are referred to as "reception beds."
- *Intensive Management Unit (IMU)*: An intensive management unit is a maximum security building located within a secure perimeter. DOC does not operate any maximum security institutions – only maximum security buildings. DOC often uses the acronym IMU instead of the term "maximum security."
- *Multi-custody Facility*: Except for work release facilities and stand-alone minimum security camps, all DOC institutions are designed to hold inmates of more than one custody level. Some institutions have maximum, close, medium and minimum security beds at the same site. Buildings housing higher custody inmates are inside one or more security perimeter. Minimum security beds are typically outside the security perimeter. When a minimum security facility and secure facility share the same site they are said to be "collocated."

DOC Institutions and Their Acronyms

DOC operates eight major correctional institutions and four stand-alone minimum security facilities for men. Four of the major men's institutions have minimum security facilities on the same site. There are also three institutions for women, two of which are stand-alone minimum security facilities. DOC also operates 15 work release facilities. Of these, two are for women.

DOC correctional institutions are listed in Tables 2A and 2B along with their acronyms. Their locations are shown in Figure 1. Whenever possible the full name of an institution is used in this report. However, in some tables and charts where space is at a premium, the acronym may be substituted for the full name.

[4] "Good behavior" includes, but is not limited to, the absence of bad behavior. MI3 inmates are typically willing to work and to participate actively in treatment programs, education, etc.

Table 2A: DOC Institutions for Men

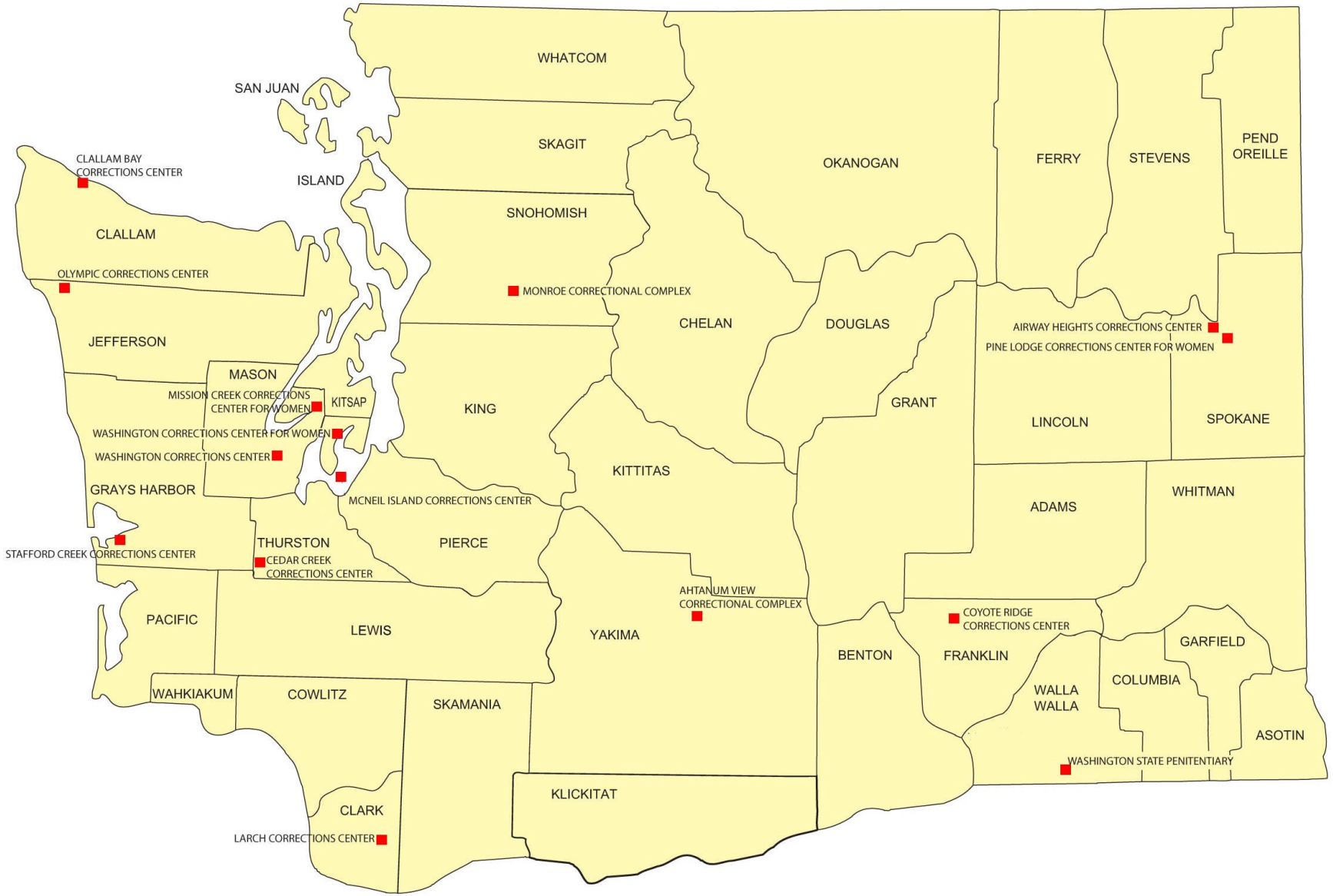
Major Institutions / Units	Acronym
Airway Heights Corrections Center	AHCC
Minimum Security Unit	AHCC-MSU
Clallam Bay Corrections Center	CBCC
Coyote Ridge Corrections Center	CRCC
Minimum Security Camp	CRCC-MSC
McNeil Island Corrections Center	MICC
Monroe Correctional Complex	MCC
Intensive Management Unit	MCC-IMU
Special Offender Unit	MCC-SOU
Twin Rivers Unit	MCC-TRU
Washington State Reformatory Unit	MCC-WSRU
Minimum Security Unit	MCC-MSU
Stafford Creek Corrections Center	SCCC
Washington Corrections Center	WCC
Intensive Management Unit	WCC-IMU
Training Center	WCC-TC
Reception Center	WCC-RC
Washington State Penitentiary	WSP
Intensive Management Unit	WSP-IMU
West Complex	WSP-WC
Main Institution	WSP-MI
BAR (Baker/Adams/Rainier) Unit	WSP-BAR
Minimum Security Unit	WSP-MSU

Stand Alone Minimum Security Facilities	Acronym
Athanum View Corrections Center	AVCC
Cedar Creek Corrections Center	CCCC
Larch Corrections Center	LCC
Olympic Corrections Center	OCC

Table 2B: DOC Institutions for Women

Institution	Acronym
Washington Corrections Center for Women	WCCW
Mission Creek Corrections Center	MCCC
Pine Lodge Corrections Center	PLCC

EXHIBIT 1: LOCATION OF DEPARTMENT OF CORRECTIONS INSTITUTIONS



THE CAPACITY OF DOC INSTITUTIONS

The capacity of a correctional institution is usually expressed in terms of a number of beds – as in "the Cedar Creek Corrections Center is a 500-bed minimum security facility." It seems like it should be a simple matter to state institutional capacity – it is, however, somewhat complicated. In this report we refer to four types of capacity:

- Operational Capacity
- Emergency Capacity
- Funded Capacity
- Built Capacity

The *operational capacity* of a facility is the number of beds at which the facility normally operates. The number of persons in each cell is consistent with constitutional minimum requirements; utilities, programs, and support services are adequately sized to serve the number of inmates in the institution. The amount of tension and friction within the institution varies within normal limits. Operational capacity can change based on funding. (See "funded capacity," below.)

Emergency capacity generally involves placing more inmates in certain larger cells – thereby increasing the number of inmates in the institution. The number of persons in each cell remains within constitutional minimum requirements but utilities, programs and/or support services may sometimes be stretched thin. Tension and friction can – and if continued for long enough – will increase. Not all DOC institutions have emergency capacity. The legislature generally provides no additional funding for DOC to operate facilities at emergency capacity.

Funded capacity is determined by the number of staff supported by appropriations for that purpose. DOC uses a staffing model to determine the required number of staff for each living unit and institution it operates. Consequently, it is possible to fund operation of an institution at less than its normal operational capacity. This is done by closing individual living units and not staffing them. Closing living units may also result in staff reductions in other parts of the institution.

Built capacity is equal to the maximum operational capacity of an institution when it is fully funded. Built capacity is therefore equal to the number of non-funded beds at a facility.

Table 3, on the next page, summarizes the October 2009 funded capacity of DOC institutions security level.

Table 3: Funded (Emergency) Capacity of DOC Institutions by Security Level

Institutions for Men	Reception	Maximum	Close	Medium[5]	Minimum	Total
Airway Heights CC				1,574	600	2,174
Clallam Bay CC		62	458	380		900
Coyote Ridge CC				768	300	1,068
McNeil Island CC				1,017	256	1,273
Monroe Corr Complex		136	72	1,862	480	2,550
Stafford Creek CC		72		1,900		1,972
Washington CC	1,068	62		228		1,358
Washington State Pen		158	1,116	852	189	2,315
Athanum View CC					120	120
Cedar Creek CC					505	505
Larch CC					480	480
Olympic CC					376	376
Subtotal – Men	1,068	490	1,646	8,581	3,306	15,091
Work release (various locations)						567
					Total - Men	15,658
Institutions for Women	Reception	Maximum	Close	Medium	Minimum	Total
Wash CC for Women	63	0	101	305	315	784
Mission Creek CC					187	187
Pine Lodge CC					172	172
Subtotal - Women	63	0	101	305	674	1,143
Work release (various locations)						107
					Total – Women	1,250

DOC also has funded capacity in out of state rental beds. It is expected that by the end of calendar year 2009 only 40 to 50 close custody inmates will still be in out of state beds.

One final capacity category has to do with violators. Violators are offenders on community supervision who violate a condition of their term of supervision. DOC has agreements with many county jails in Washington State to hold violators. While some of the most difficult violators are returned to prison, most are held in jail. If DOC didn't have these agreements, many more violators would be in prison and there would be fewer beds available for committed offenders.

There are closed beds for men at three locations: the Washington Corrections Center (80 reception beds), McNeil Island (43 maximum security beds), and especially Coyote Ridge (1,024 medium beds and 300 minimum beds). There are closed beds for women at the Washington Corrections Center for Women (30 close beds), Mission Creek (100 minimum beds) and Pine Lodge (242 minimum beds). System-wide built and funded capacity for men and women is summarized in Table 4 on the next page.

[5] Medium security facilities can also house MI3 inmates.

Table 4: DOC Operational, Emergency, Funded, and Built Capacity by Security Level

Security Level	Capacity for Men			
	Operational	Emergency	Funded	Built
Reception	948	120	1,068	1,148
Maximum	490	0	490	533
Close	1,646	0	1,646	1,646
Medium	8,107	474	8,581	10,140
Minimum	3,242	64	3,306	3,606
Work Release	567	0	567	567
Subtotal - Men	15,000	658	15,658	17,640
Security Level	Capacity for Women			
	Operational	Emergency	Funded	Built
Reception	63	0	63	63
Maximum	0	0	0	0
Close	101	0	101	131
Medium	305	0	305	305
Minimum	632	42	674	1,016
Work Release	107	0	107	107
Subtotal - Women	1,208	42	1,250	1,622

POPULATION HISTORY AND FORECAST

Over the last decade the number of offenders in Washington's prisons has increased by more than 3,500 – reaching an all-time high of over 18,600 this summer. This follows years of largely uninterrupted growth dating form the 1980's.

Legislative Action to Reduce the Number of Offenders in Prison

During the 2009 legislative session six bills were considered, and four passed, that would reduce the number of offenders in prison. The four bills which passed were:

- SB 5525 – Concerning rental vouchers to allow release from prison
  Historically, some prisoners in DOC custody have been held past their earned early release date for a variety of reasons, including the lack of a sponsor or living arrangement. This bill allows DOC to provide rental vouchers to an offender for a period up to three months, if rental assistance will enable the offender to have an approved release plan.

- SB 6167 – Concerning crimes against property
  The monetary amounts differentiating the various degrees of property crimes in Washington were established in 1975 and have never been adjusted. This bill directs the Sentencing Guidelines Commission to review the threshold amounts differentiating the various degrees of property crimes in Washington to determine whether they should be modified.

- SB 2194 – Modifying provisions relating to medical placement of offenders
  This bill changes the eligibility conditions for extraordinary medical placement of incarcerated offenders. An offender is eligible if: 1) he or she has a medical condition that is serious and is expected to require costly care or treatment; 2) the offender poses a low risk to the community because the offender is currently physically incapacitated due to age or a medical condition or is expected to be so at the time of release; and 3) it is expected that granting the extraordinary medical placement will result in a cost savings to the state.

- Budget Initiative – Increasing DOSA beds
  Based on testimony from judges and DOC it is estimated that an additional 115 Drug Offender Sentencing Alternative (DOSA) beds can be funded without saturating the market for this alternative. Savings from a reduced demand for prison beds exceeds the costs associated with this initiative.

The two bills which did not pass were:

- SB 6183 – Relating to the early deportation of illegal alien offenders
  Under current law, conditional release of alien offenders may only be allowed with the approval of the sentencing court and the prosecuting attorney of the county of conviction. Under this bill placement of an offender on conditional release status and transfer to the custody of the Immigration and Customs Enforcement would no longer require the approval of the sentencing court and the prosecuting attorney.

- SB 6160 – Concerning criminal justice sentencing
  This bill would have amended the sentencing grid to allow judges greater discretion in addressing mitigating and aggravating circumstances that may allow the imposition of a sentence above or below the standard sentence range.

<u>Estimated Effect of Bills to Reduce the Number of Offenders in Prison</u>

The cumulative impact of these six bills was estimated to reduce the number of offenders in prison by 1,589 by FY11 and 1,630 thereafter. The cumulative impact of the four bills which did pass is estimated to reduce the number of offenders by 1,137 by FY11 (with no appreciable change thereafter).

Exhibit 2, below, shows population growth in DOC institutions from January 2001 through the present along with the population forecast prepared by the Caseload Forecast Council in June 2009. The June 2009 forecast takes into account the anticipated effect of bills passed in the last legislative session. As Figure 2 clearly illustrates, there is expected to be a sizeable, and relatively rapid, decline in prison populations due to these recent changes in state law.

Exhibit 2: Population History and Forecast for DOC Institutions

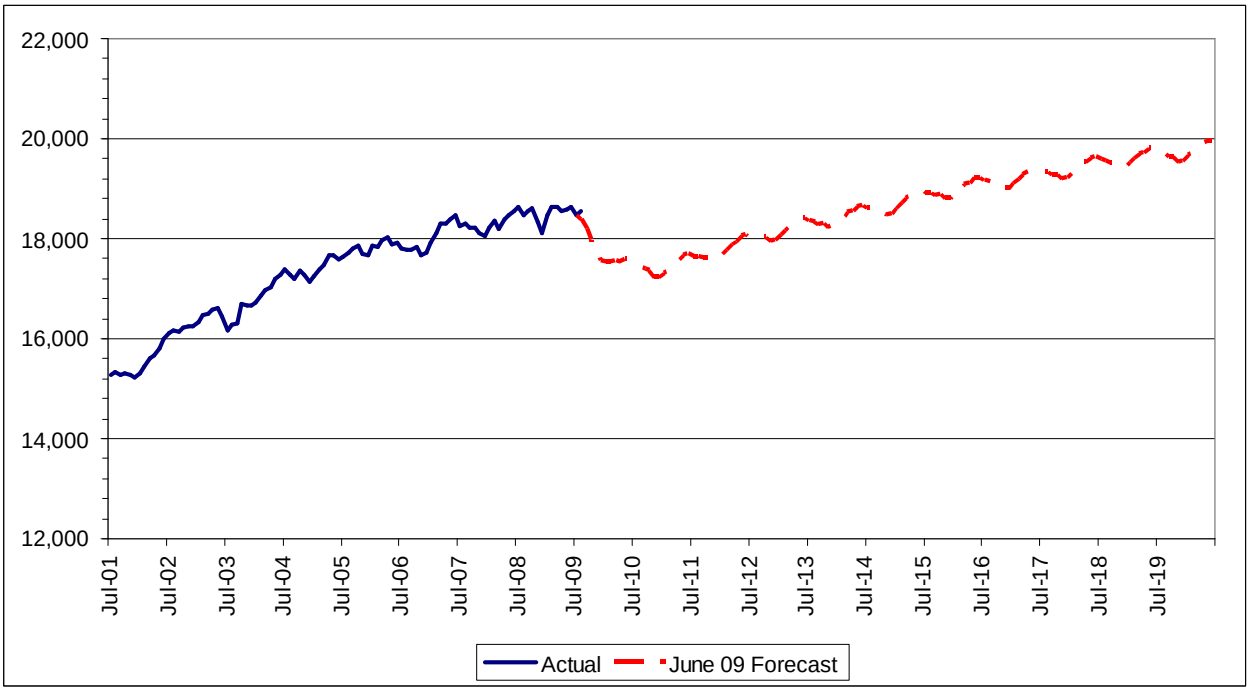


Exhibit 2 also shows that this decline is temporary and that, after an initial decrease, population growth resumes – more or less following the trajectory interrupted by these law changes.

The DOC population projection has two important implications:

1. **The opportunity to reduce prison beds is temporary.**
2. **Long term savings will be *avoided* costs – not cost reductions.**

There are two important implications of the population forecast. First, the opportunity to reduce beds is temporary – four to five years at most. Second, after the prison population returns to its current level, future savings will be in the form of avoided costs, not actual cost reductions.

Implications for ESHB 1244 Objectives

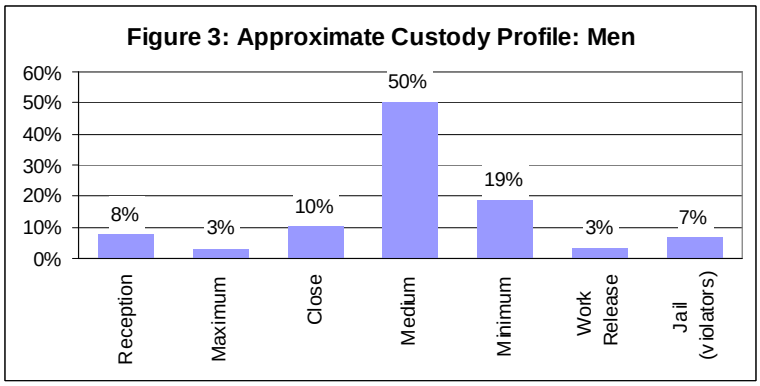
The estimated impact of the six bills introduced in the last legislative session is believed to be the origin of the ESHB 1244 requirement to develop a plan to eliminate 1,580 DOC beds. Since the estimated impact of the bills that passed is about 450 less than this, eliminating 1,580 beds is only possible if the combined impact of population reductions plus currently funded excess capacity totals at least 1,580. Excess funded capacity is addressed on the following pages. However, it is first important to understand how much capacity will be needed.

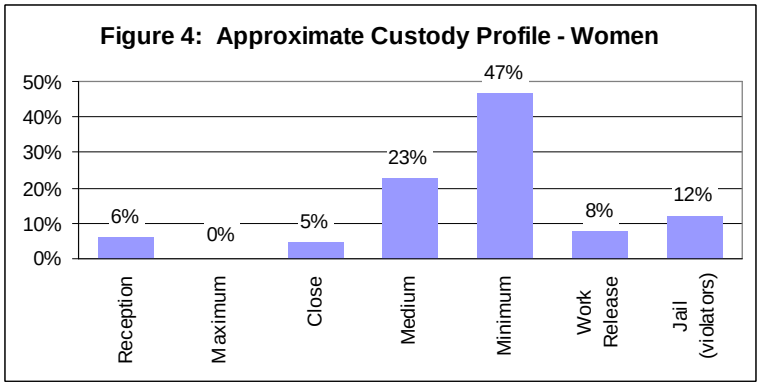
POPULATION FORECAST AND THE NEED FOR BEDS BY GENDER AND SECURITY LEVEL

The detailed forecast for DOC prison inmates developed by the Caseload Forecast Council is disaggregated by gender and crime type. The detail from this forecast is used in something called the "Capacity Needs Assessment Model," originally developed by one of the members of the

consultant team. The Capacity Needs Assessment Model translates the detail of the caseload forecast into a forecast by gender and custody level. At any given time the projected total number of offenders in each custody level can be compared to the current or planned capacity at the corresponding security level to determine if there is enough, not enough, or too much capacity at each security level. We call the overall percentage distribution of offenders by custody level the "custody profile" of the prison population.

Exhibits 3 and 4 illustrate the projected average custody profile for men and women in DOC institutions over the next ten years. These charts also show the average percentage of violators projected to be in county jails during this time.





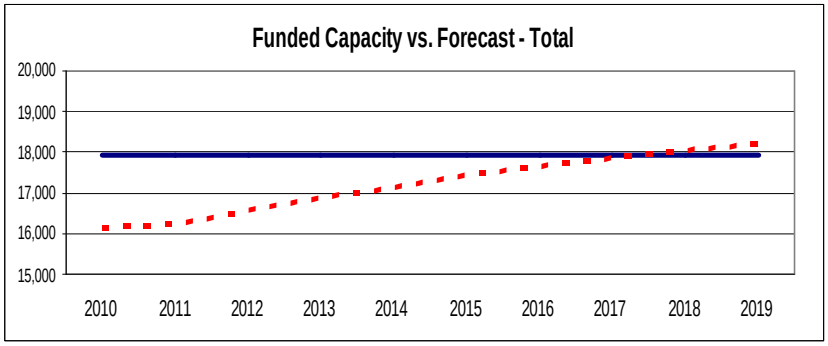
These averages obscure small, but important, changes over the decade. Because of the changing nature of the offender population, the percentage of offenders requiring higher security is projected to increase, and the percentage requiring lower security decrease, over the decade. For men there is about a 1.4 percent shift to higher security levels. For women the shift is a little less than one percent. These changes are consistent with the law changes enacted in the last legislative session which focused on lower risk offenders.

The methodology used to calculate these percentages is fairly complex. A technical description can be found in the appendix to this report.

Exhibits 5 through 12 show the projected male offender population in comparison to current funded capacity. In each chart the solid line represents funded capacity and the dashed line represents the projected number of male offenders.

FUNDED CAPACITY vs FORECAST: MEN

Exhibit 5



"Current funded capacity" includes returning all out of state inmates except close custody and opening one additional medium

security living unit at Coyote Ridge during FY10.

Exhibit 5 illustrates how an overall 1,800 bed surplus reduces to zero in eight years.

Except for Exhibit 5, from the bottom of the vertical scale to the top represents 2,500 beds/inmates in each chart. This makes the size of surpluses and deficits visually comparable between security levels.

Exhibits 6, 7 and 8 indicate there is no possibility for eliminating reception, IMU or close security beds over the next ten years. In fact, despite an overall surplus of beds, DOC will need additional close security beds soon.

The preponderance of surplus capacity at medium security means that is where the opportunities to close unfunded beds will be found.

Exhibit 6

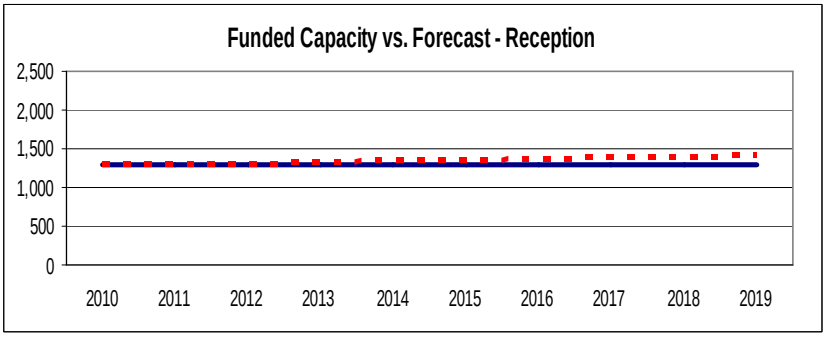


Exhibit 7

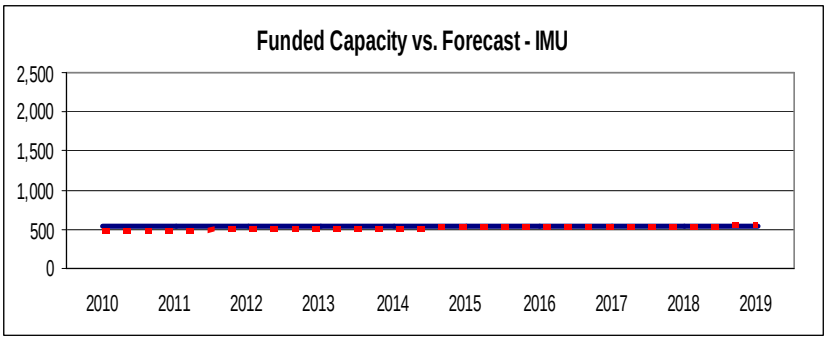


Exhibit 8

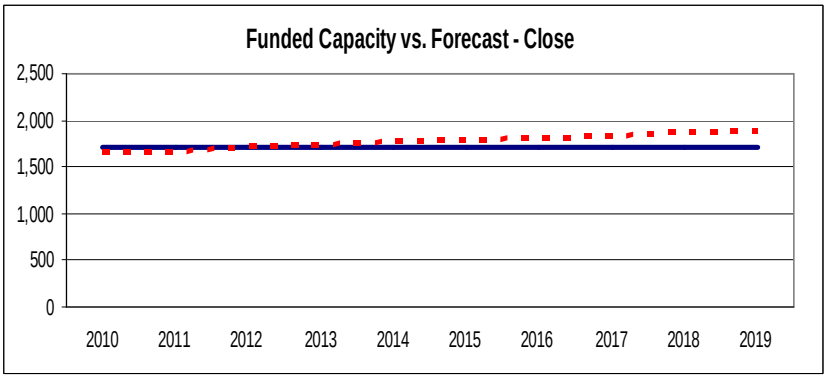
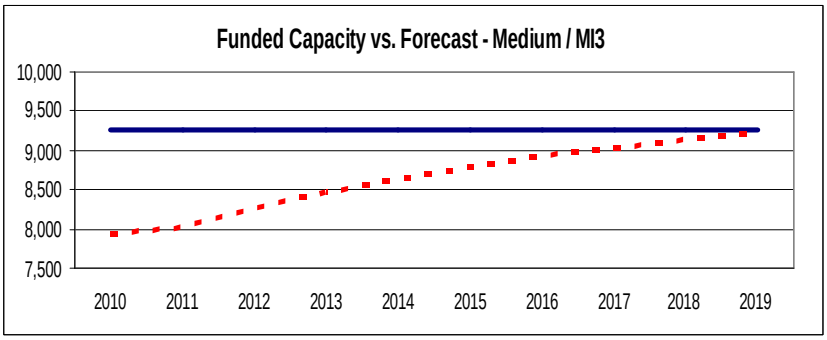


Exhibit 9



Exhibits 9, 10, and 11 show that almost the entire surplus of male beds is in medium security, minimum security, and work release. In fact, nearly three-quarters of all the surplus capacity is in medium/MI3 security.

Exhibit 10

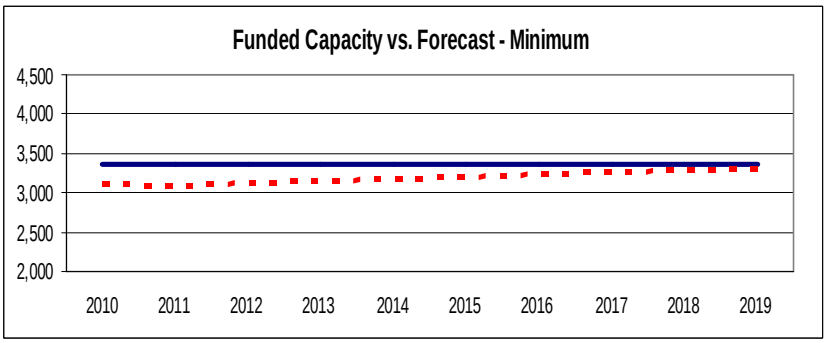
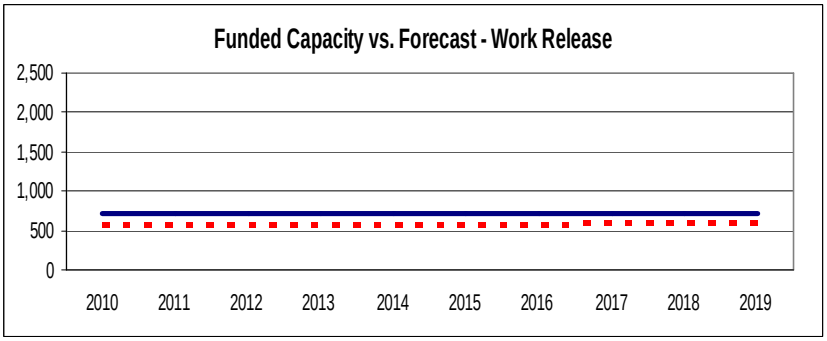
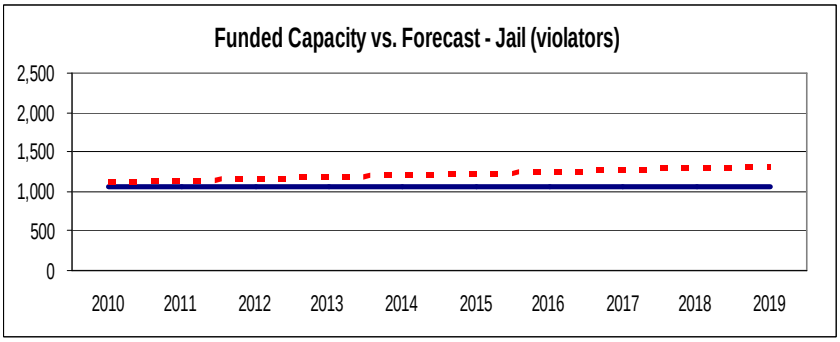


Exhibit 11



The capacity of jail beds for male violators is somewhat arbitrary. DOC has contracts for 1,224 jail beds for this purpose. Most contract beds can be used for either men or women. For purposes of this analysis, 86% of the beds are allocated to men and 14% to women.

Exhibit 12



The projected deficit of jail rental beds for violators may present a problem for DOC. This analysis assumes that additional jail beds can be rented. But many local jurisdictions are now

looking for additional beds. It may be that some jurisdictions will stop renting beds to DOC or that price increases will make them a less desirable alternative for DOC violators.

A similar analysis was also done for female offenders. For technical reasons, disaggregation of the female offender population projection by security level is based on the recommendations of the 2007 Female Offender Master Plan prepared for DOC.

For female offenders, the distance from the bottom of the vertical scale to the top represents 300 beds or inmates in each chart. As with male offenders, this makes the size of surpluses and deficits visually comparable between security levels. Of course, since there are far fewer female than male offenders, the charts for females cannot be visually compared to those for males.

FUNDED CAPACITY vs FORECAST - WOMEN

Exhibit 13

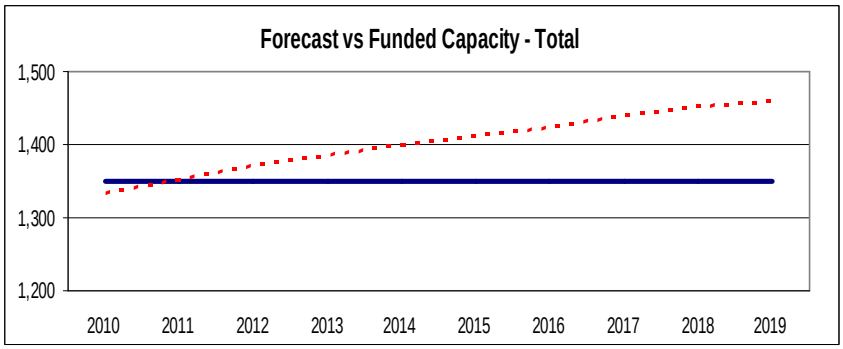
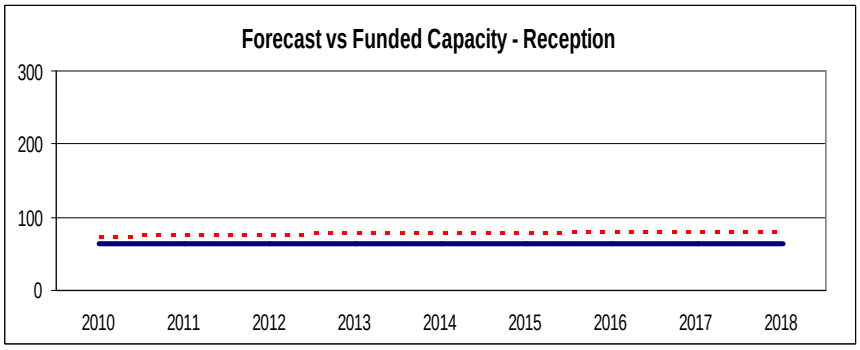


Exhibit 13 shows there will soon be a deficit in female prison beds – although it takes ten years for this deficit to reach 100 beds.

Exhibit 14



Exhibits 14 through 16 show no significant need for female offender beds at higher security levels anytime during the next ten years.

Exhibit 15

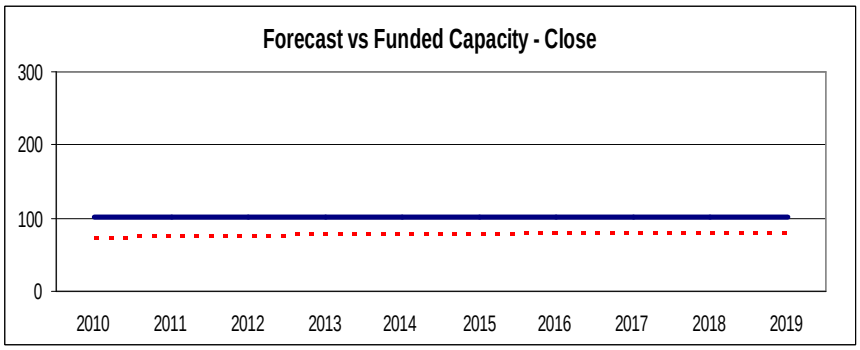


Exhibit 16

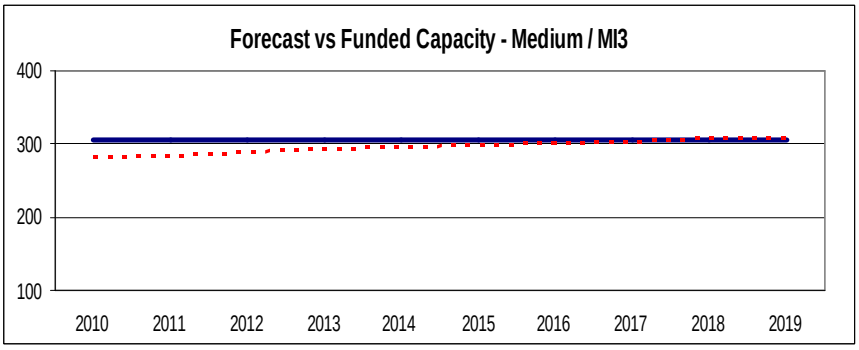


Exhibit 17

As Exhibit 17 illustrates, virtually the entire projected deficit for female offenders is expected to be at minimum security. This is fortunate. Construction of a hundred beds at Mission Creek Corrections Center for Women near Belfair will be completed in the near future (and is counted at Build Capacity in Table 4, above). Additional surplus capacity is also available at the Pine Lodge Corrections Center in Medical Lake.

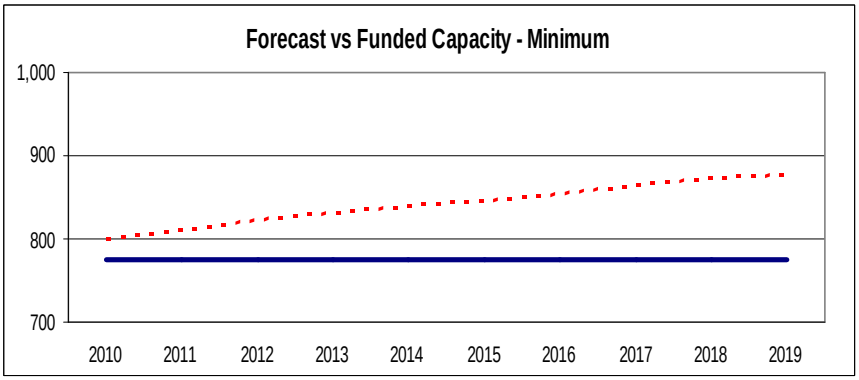


Exhibit 18

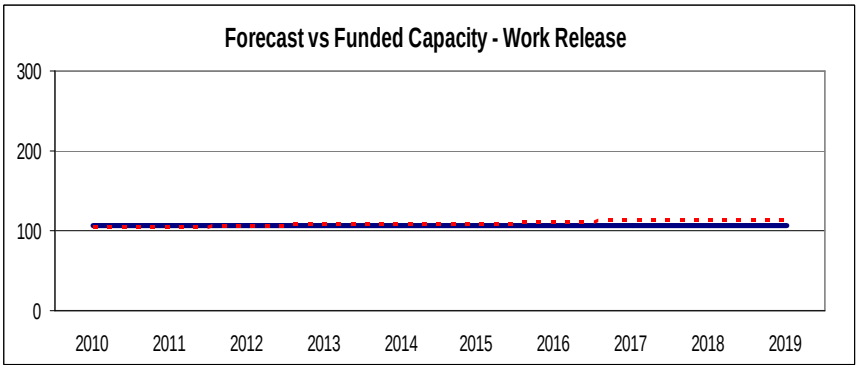
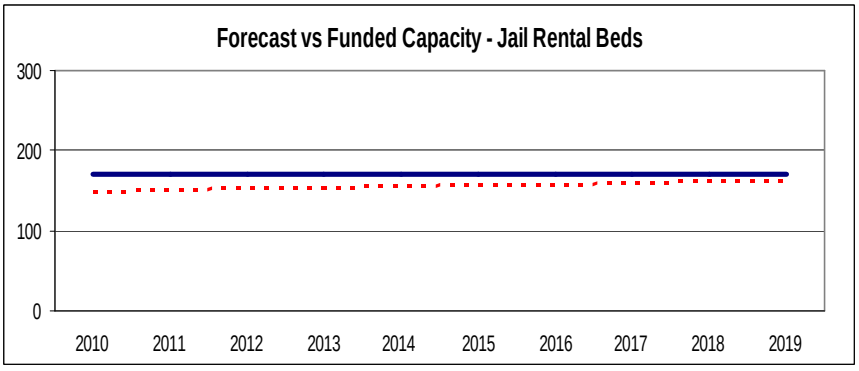


Exhibit 19

As noted for males, the capacity of jail beds for violators somewhat arbitrarily allocates 86% of the beds to men and 14% to women. For the most part, any surplus capacity could be used by either gender.



CLOSURE OPTIONS

WHAT ARE THE OPTIONS AND HOW WERE THEY SELECTED?

A variety of closure/consolidation options were evaluated for this study. We have combined five options into three scenarios. They are:

- Scenario 1
  - Downsize the McNeil Island Corrections Center
  - Close and relocate the Ahtanum View Corrections to the Monroe Correctional Complex
  - Temporarily close half of the Larch Corrections Center
- Scenario 2
  - Close the Washington State Reformatory Unit at the Monroe Correctional Complex
  - Close and relocate the Ahtanum View Corrections to the Monroe Correctional Complex
- Scenario 3
  - Close the Main Institution (the old walled institution) at Washington State Penitentiary
  - Close the Ahtanum View Corrections Center in Yakima
  - Temporarily close half of the Larch Corrections Center

Downsizing the McNeil Island Corrections Center was included as an option for two reasons: 1) it is expensive to operate, and 2) there was widespread discussion of this option during the last legislative session.

Closing the Washington State Reformatory Unit (the old walled institution) was included because of high operating and capital costs. On a per inmate basis, Cellhouse 1 and 2 at the Washington State Reformatory Unit are among the most expensive in the state. While subsequent analysis reduced this amount substantially, initial review of DOC's 10-year capital plan identified nearly $60,000,000 in preservation projects for the Washington State Reformatory Unit. Since Cellhouse 1 and 2 are based on a building design concept that is at least 100 years old, this may not be the best use of capital dollars.

The reasons for selecting the Reformatory also apply to the Main Institution (the old walled institution) at the Washington State Penitentiary. Six, 7 and 8 Wing at WSP are the most expensive medium security beds in the state. In addition, initial review of DOC's 10-year capital plan identified well over $100,000,000 in preservation projects for the old Penitentiary.

In addition to these major options, closure of the Ahtanum View Corrections Center (AVCC) in Yakima is included with all scenarios. Ahtanum View is a small specialized facility which houses elderly, medically challenged, and disabled offenders. The high medical costs for this population would follow them wherever they are located, but the facility is also expensive on a per capita basis because it is so small. While the other options can only be implemented sequentially, this option can be implemented in conjunction with any of the major options.

The ability to temporarily close approximately 240 minimum security beds became apparent during study of the various closure/consolidation options. The choices for temporarily closing this many minimum security beds are limited. Ultimately, the consultant team selected Larch

Corrections Center for temporary downsizing through a process of elimination. That process included the following observations.

Collocated minimum security living units at the Airway Heights Corrections Center are too large; those at the Penitentiary, Monroe, McNeil Island, and Coyote Ridge are essential to the operation of their respective facilities. Ahtanum View is already recommended for closure. That leaves Cedar Creek, Olympic, and Larch Corrections Centers

For minimum facilities not collocated with a major institution, Cedar Creek's living units are the least expensive – on average about $5,000 less per inmate per year than the average for either Larch or Olympic. Since the driving force behind closing or downsizing institutions is primarily financial, no additional consideration was given to downsizing Cedar Creek.

It is possible to achieve the goal of closing 240 minimum security beds by closing one living unit at Larch. The two largest living at Olympic would have to be closed to achieve the same result. If this were done, only a very small (and very costly per inmate) facility would be left at Olympic. A second reason for selecting Larch instead of Olympic is because – for the same reasons that downsizing the Washington State Penitentiary has a much bigger impact on the Walla Walla economy than similar sized reductions do in larger communities – downsizing Olympic Corrections Center would impact the west Jefferson County economy much more than a similar change at Larch would impact the Clark County economy.

The study team also considered closing the Pine Lodge Corrections Center for Women but, for reasons discussed below under "Why are there No Alternatives for Female Offenders?" this option was not analyzed in depth.

WHY ISN'T FULL CLOSURE OF THE MCNEIL ISLAND CORRECTIONS CENTER AN OPTION?

There are four important reasons why full closure of the McNeil Island Corrections Center is not considered feasible:

1. If the corrections center were closed, the high cost of operating a prison on an island would be eliminated but the cost to the state would go up. This is because of the presence of the DSHS Special Commitment Center (SCC) on the island. The SCC houses sexually violent predators who have been civilly committed following completion of a term of confinement in a DOC facility. It presently has 308 beds but plans for expansion to approximately 400 beds have been developed. Without the prison there might be fewer ferry and barge trips to and from the island, but there would still be a fleet of vessels to maintain and crews to operate them. Other costs, such as having your own fire department, fresh water system, and wastewater treatment facility, would all remain.

2. Maintenance of vessels, roads, power lines, buildings and grounds all over the island is done with minimum security inmates working under the direction of DOC staff. Trained inmates also serve as firefighters, deckhands on vessels, and assistants in the steam plant, wastewater treatment facility and elsewhere. These inmates receive a stipend of 42¢ per hour and, except for inmate firefighters, cannot receive more the $55 per month. There are 149 minimum security inmates serving in jobs solely related to island operations. At maximum stipend, the total cost for this inmate labor is about $100,000 a year. Discounting for shortened work hours and that fact that some inmate jobs are part time, it

is estimated that it would take approximately 110 state employees to do the same work. Using the middle step of the salary range for the appropriate job classes plus 35 percent for benefits, the annual cost of state employees doing the same work would be more than $5.4 million. The net increase in cost of using non-inmate labor is therefore approximately $5.3 million. This does not include supervisory personnel who would have to remain.[6]

3. The quitclaim deed transferring McNeil Island from the federal government to the State of Washington stipulates that the property "shall be used and maintained as a correctional facility in perpetuity and that the … property shall not be sold, leased, mortgaged, assigned or otherwise disposed of, except to another Government agency for the same purpose …" The quitclaim deed goes on to say "in the event of breach of this covenant … all right, title and interest in and to the … property, including all improvements thereon, shall revert to … the United States of America." While there might be a alternative solution to this problem, there is a formal process for disposal of surplus federal property and competing claims for some, or all, of the island might arise.

4. We are informed there is no job classification in the Department of Social and Health Services that allows an employee to carry or use a firearm. All island security, including armed response when there is an incident at the Special Commitment Center, is provided by DOC. There were reportedly multiple times last year when DOC placed armed correctional officers around the perimeter of the SCC facility. Without DOC, someone else would have to fulfill this role.

WHY ARE THERE NO CLOSURE OPTIONS FOR FEMALE OFFENDERS?

DOC closed Unit 2 at the Pine Lodge Corrections Center for Women in June of this year. This building has an operational capacity of 242 minimum security beds and its closure is counted toward the 1,580 bed target mandated by ESHB 1244. Downsizing of facilities for female offenders has already occurred. The population forecast and the projected future need for beds by security level does not permit closing additional beds. In fact, rather than additional closures, it will be necessary to open additional minimum security beds for women in the near future.

Elimination of beds for female offenders has already occurred.

DOC has two options for additional minimum security beds for female offenders: 1) opening a new 100-bed minimum security unit nearing completion at the Mission Creek Corrections Center for Women or, 2) reopening beds at Pine Lodge. Assuming DOC receives funding, the consultant team recommends opening the new unit at Mission Creek. There are two reasons for this recommendation. First, the new unit at Mission Creek will be staff efficient, safer, and need no capital improvements for many years. Second, a smaller Pine Lodge is consistent with the recommendations of the DOC *Female Offender Master Plan* completed in 2007. At its current level of operation, Pine Lodge is appropriately sized to house minimum security women from Eastern Washington. This reduced size improves opportunities for maintaining family and community ties – an important consideration for all offenders but especially for female offenders with children.

[6] Assumptions and calculations of the value of inmate labor can be found in the appendix to this report.

DOWNSIZING OCCURS IN A CHANGING ENVIRONMENT

The analysis of capacity and projected demand by security level discussed earlier shows not only that the opportunities for eliminating beds in DOC are mainly at medium security, it also shows that DOC will need *additional* beds at some security levels over the next ten years. The implications of this for female offenders were just discussed. For men, the disaggregated population projection indicates a need for additional beds at close security in the relatively near future.

The result of this dynamic is that, while DOC downsizes at one or more locations, it will increase elsewhere. Some increases are consequences of downsizing; others will need to occur regardless of the downsizing option or even a decision to downsize. This context needs to be described so the effects of downsizing can be better understood.

A HYPOTHETICAL BASELINE

In order to isolate the effects of changes strictly related to downsizing, it was first necessary to identify changes that are likely to occur anyway. We call this a "hypothetical baseline" because the issues can be addressed in multiple ways. We did not confer with DOC on this. DOC might have other, perhaps better, ideas. This is not a recommendation; it is an illustration that activities which increase cost – including capital construction – will likely be required even while steps are being taken to reduce costs.

One approach to a hypothetical baseline might be to continue business as usual and not close (or open) anything until it is needed. All medium security facilities would continue operation as usual and – according to the population projection – no additional units at Coyote Ridge Corrections Center would open until FY2016. However, because there are medium beds in the system now which are far more expensive to operate than those sitting vacant at Coyote Ridge, this is not a realistic baseline. The hypothetical baseline we suggest is closure of higher cost medium beds in FY11 (without closing whole institutions or medium security compounds) followed by opening medium beds at Coyote Ridge at a pace to keep up with demand.

Unless (or until) there are significant changes in the caseload forecast for male offenders it is expected that initiatives similar to the following will take place over the next ten years independent of downsizing:

- FY2010
  Return all medium and minimum custody inmates from out of state contract beds
  Open one medium security living unit at the Coyote Ridge Corrections Center in Spring 2010

- FY2011
  Close up to 850 higher cost medium security beds, including 512 at McNeil Island and the remainder at either the Main Institution at the Penitentiary or Cellhouse 1 or 2 at the Washington State Reformatory Unit at Monroe

  Begin design and construction of 198 close security beds at the Penitentiary
  Reopen 80 reception beds at the Washington Corrections Center
  Increase jail contract beds for violators

- FY2012
  Open 256 medium security beds at Coyote Ridge
  Increase the out of state contract for close custody inmates
  Continue construction of close security beds

- FY2013
  Open 256 medium security beds at Coyote Ridge
  Increase jail contract beds for violators

- FY2014
  Open 256 medium security beds at Coyote Ridge
  Complete construction and open 198 close security beds at the Washington State Penitentiary
  Return all close custody inmates from out of state contract beds

- FY2015
  Increase jail contract beds for violators

- FY2016
  Reopen 256 medium security beds at McNeil Island
  Reopen 44-bed IMU at McNeil Island

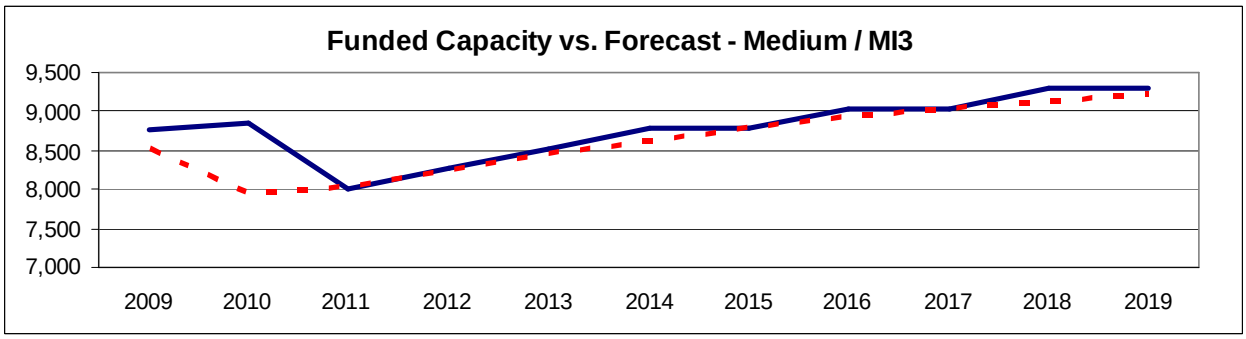
- FY2017
  Increase jail contract beds for violators

- FY2018
  Open 256 medium security beds at Coyote Ridge
  Expand work release beds

- FY2019
  No changes

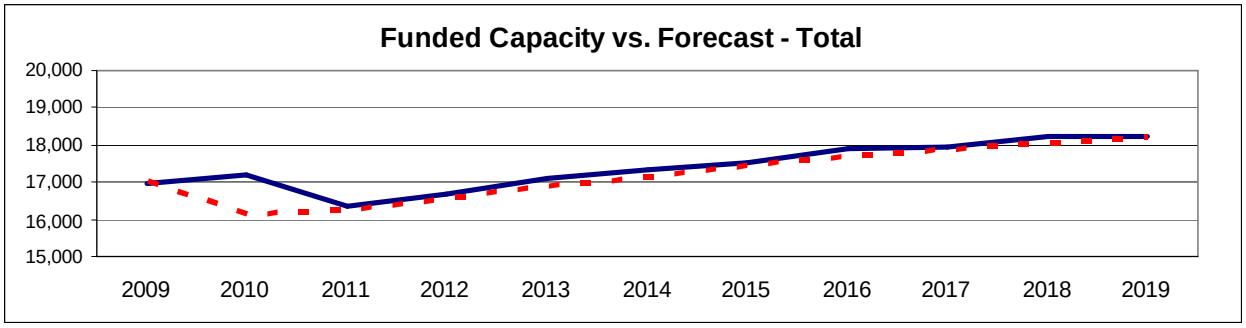
Under this hypothetical baseline, capacity and demand in the critical category of medium security will be more or less in balance by 2011 and look something like the following chart over subsequent years.

Exhibit **20: The "Hypothetical Baseline" Scenario and Medium/MI3 Security**



The possible steps outlined in the hypothetical baseline scenario keep the system more or less in balance at each security level throughout the next ten years. The year by year effect of these steps is summarized in the next chart.

Exhibit **21: The "Hypothetical Baseline" Scenario and Overall Capacity vs Demand**



DESCRIPTION OF THE OPTIONS

DESCRIPTION OF SCENARIO 1

Downsize the McNeil Island Corrections Center

Counting segregation and emergency capacity, the McNeil Island Corrections Center has 1,328 beds. Currently there are 1,249 funded beds at McNeil Island. This includes 97 medium security beds, 896 MI3 beds, and 256 minimum security beds. Among other things, minimum security offenders provide the labor force for island related inmate jobs outside the security perimeter of the institution.

For the reasons outlined in the section titled "Why Isn't Full Closure of the McNeil Island Corrections Center an Option?" the study team concluded that full closure of the prison on McNeil Island is not a feasible option. McNeil Island can, however, be downsized and converted to a 512 minimum security facility. While not its highest and best use, this option can produce significant cost savings. In the future, when the need for medium security beds exceeds otherwise available capacity, closed parts of McNeil Island could be reopened as medium security.

This option involves the following steps:

- Keep the current minimum security unit at McNeil Island open (256 beds)
- Close 737 medium security beds at McNeil Island
- Convert one 256-bed medium security unit at McNeil Island to minimum security
- Move 256 minimum security inmates to McNeil Island and close a similar number of minimum security beds elsewhere. (See "Temporary Closure of Minimum Security Beds," below.)
- Open a 256-bed medium security unit at Coyote Ridge Corrections Center

After these steps are taken, McNeil Island is a 512 bed minimum security facility. Minimum security offenders fill all island related inmate and correctional industries jobs.

Other than timing related to minimum security, and where medium security beds are opened in later years, future steps closely parallel the hypothetical baseline scenario. However, because there is a projected need for the currently closed IMU beds at McNeil Island by 2016, under this scenario MICC would reopen one 256 bed medium housing unit in 2016. Opening a medium security housing unit would be accompanied by adding custody and other staff needed for a facility with medium custody inmates – a necessary step if IMU inmates are also at McNeil Island.

Close the Ahtanum View Corrections Center and Move it to the Monroe Correctional Complex

The Ahtanum View Corrections Center is located about six miles west of downtown Yakima. The main building was gutted and remodeled in the late 1990's. All structures are in good condition. The Ahtanum View Work Release facility is located on the same 7.5 acre site. The latter occupies a 1930's vintage building constructed by the Works Progress Administration. It is in need of capital improvements, including changes to meet ADA requirements, replace doors and windows, and upgrade the HVAC system. The work release facility is operated under contract for DOC by a private contractor.

The Ahtanum View Corrections Center program for medically fragile and disabled offenders – most of them elderly – is the only one of its kind in DOC. Under this proposal the program would be moved to an existing minimum security building at Monroe. This building would require minor physical changes – some of which would reduce the bed capacity of the unit – to accommodate this population. FTEs and dollars associated with the special needs of these inmates would follow them to their new location.

After moving the program to Monroe, it is recommended that Ahtanum View Work Release move into the vacated Ahtanum View Corrections Center. This saves future capital dollars otherwise needed to upgrade the existing work release facility.

Closure of Ahtanum View takes 120 minimum security beds permanently off line. In addition, modifications to an existing living unit at the Monroe Correctional Complex to accommodate the extra space requirements of disabled inmates results in permanent elimination of another 54 minimum security beds.

Temporarily Close Minimum Security Beds

If the McNeil Island Corrections Center is converted to minimum security, there is an opportunity to close approximately 240 minimum security beds for at least two years. This can be extended to up to six years if temporary excess capacity at medium security associated with opening units at the Coyote Ridge Corrections Center is used to house overflow minimum custody inmates.

Large savings occur when you can close an entire institution or compound. Smaller savings occur when you close an entire living unit. Negligible savings occur if you downsize multiple existing living units in lieu of closing whole units.

Since there are no male minimum security facilities as small as 240 beds, it is not possible to close an entire minimum security facility. It is possible, however, to temporarily close one or more living units. As discussed above under, "What are the Options and How Were they Selected," it is recommended that one living unit at Larch Corrections Center be temporarily closed as part of Scenario 1.

DESCRIPTION OF SCENARIO 2

Close the Washington State Reformatory Unit at the Monroe Correctional Complex

The Washington State Reformatory Unit at Monroe is the old Washington State Reformatory. It is one of five compounds that make up the Monroe Correctional Complex. The other units are the Twin Rivers Unit (TRU), Special Offender Unit (SOU), Minimum Security Unit (MSU) and Intensive Management Unit (IMU). Each unit has a security perimeter appropriate to the security level of its respective compound.

Including emergency capacity, there are 772 medium security beds in two large cellhouses at the Washington State Reformatory Unit. All of these beds are currently funded. These two cellhouses are physically part of the wall of the old Reformatory. There are many other buildings inside the wall, including a hospital and kitchen. The hospital serves the entire correctional complex. The kitchen prepares food for all of the facilities except the Twin Rivers Unit. Because of the role they play, these two buildings would have to continue operation even if the remainder of the Reformatory were closed.

Under this option, no inmates would live inside the walls of the old Reformatory. Housing units would be closed and all custody posts associated with medium security would be vacated. Minimum security inmates from the adjacent Minimum Security Unit would work in the kitchen. In effect, the old walled institution would become minimum security. However, since the hospital would continue to operate, and inmates of any custody level may be in the hospital, the hospital would have to operate like a jail – with the building itself constituting the security perimeter.

With permanent closure of the Washington State Reformatory Unit, all available medium security beds in the system are filled by 2018. It would therefore be necessary to construct new medium security beds somewhere in the system to come on line by 2018.

Unlike Scenario 1 and 3 where new minimum security capacity is created by conversion of existing medium security housing to minimum, no new minimum capacity is created by Scenario 2. Consequently, it will be necessary to open approximately 100 additional minimum security beds in 2013 and another 100 in 2016. It is recommended that this be done by phased expansion of the Minimum Security Camp at Coyote Ridge.

Close the Ahtanum View Corrections Center and Move it to the Monroe Correctional Complex

The issues and steps relating to closing the Ahtanum View Corrections Center and moving the program to Monroe are the same as in Scenario 1.

DESCRIPTION OF SCENARIO 3

Close the Main Institution at the Washington State Penitentiary

The old walled institution at the Washington State Penitentiary is now commonly referred to as the Main Institution. It is one of four compounds at Penitentiary. The others are the West Complex, the Minimum Security Unit and two collocated IMUs.

There are a number of buildings inside the walls, including 852 funded medium security beds. Inmates in the Main Institution include kitchen workers and workers in Correctional Industries.

The West Complex is entirely close security. The compound was built to be expanded but has a kitchen that, because of space limitations, can only provide food service to the West Complex. The IMUs and the Main Institution continue to rely on the old central kitchen at the Main Institution for food preparation. The logistics of food service and (to a lesser extent) the needs of correctional industries – affect the strategy and timing for implementing this option.

Under this option, one housing unit at the Main Institution would be converted to house approximately 240 minimum custody inmates. All other housing units would be closed and all custody posts required for medium security would be vacated. Like the option to close the old Reformatory, the old walled institution at the Penitentiary would become minimum security. The minimum security inmates at the Main Institution would be kitchen and Correctional Industries workers until such time as the West Complex kitchen is expanded and a new medium security unit is constructed at the Penitentiary.

The following steps are involved in this option:

- Close 648 medium security beds at the Main Institution
- Convert one medium security living unit at the Main Institution to minimum security
- Move 240 minimum security inmates to the Main Institution and close a similar number of minimum security beds elsewhere. (See “Temporary Closure of Minimum Security Beds,” below.)
- Begin design and construction of a 256-bed medium security unit at the Penitentiary. (Alternatively, DOC could replicate the current close security design and operate the new building as medium security. This option would be faster.)
- Begin design and construction of a kitchen expansion at the West Complex.

- Once construction of both projects is complete, move medium security inmates into the new living unit and minimum security inmates out of the Main Institution and into other minimum security facilities in the system. The medium security inmates in the new West Complex living unit become the kitchen and correctional industries workers.
- Close the Main Institution

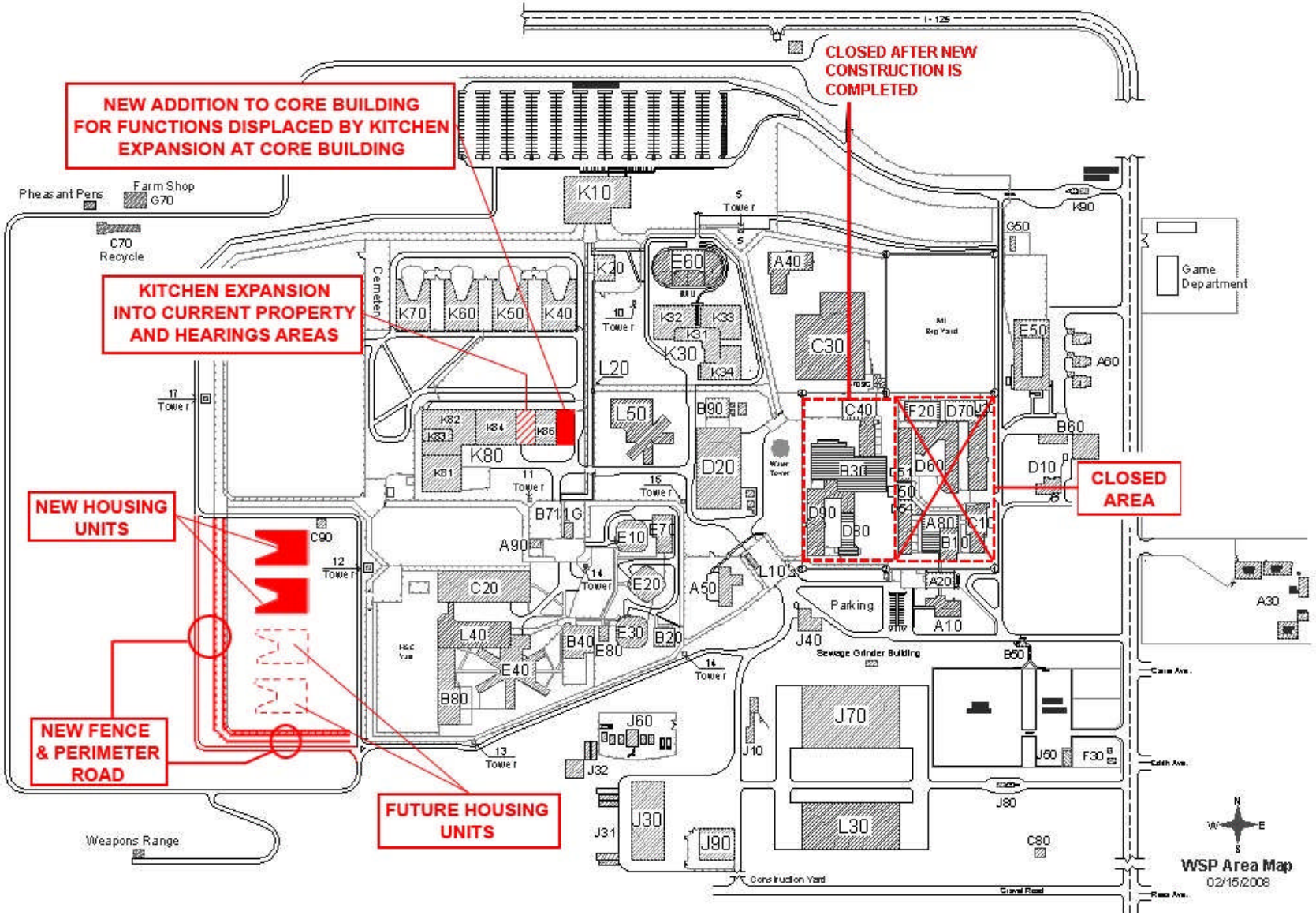
It should be noted that under the baseline scenario, a new close security housing unit is constructed at the Washington State Penitentiary. This construction should take place at the same time as construction of the medium security unit described above.

It should also be noted that the Main Institution at the Penitentiary houses the execution chamber. This facility would have to be maintained or relocated if the Main Institution is closed.

Except for some timing issues, the remainder of this option is essentially the same as the hypothetical baseline scenario.

Proposed new construction at the Washington State Penitentiary is illustrated on the following page.

EXHIBIT 23: SITE PLAN OF THE WASHINGTON STATE PENITENTIARY SHOWING PROPOSED CHANGES



Close the Ahtanum View Corrections Center and Move it to the Monroe Correctional Complex

The issues and steps relating to closing the Ahtanum View Corrections Center and moving the program to Monroe are the same as in Scenario 1.

Temporarily Close Minimum Security Beds

Like Scenario 1, there is an opportunity to close approximately 240 minimum security beds if the Main Institution at the Washington State Penitentiary is temporarily converted to minimum security. In this case, closure would last three years. It is recommended that one living unit at the Larch Corrections Center be closed for three years as part of Scenario 3.

COST ANALYSIS

The tables on the following pages summarize the projected FTE, operating and capital cost impact of each of the Options, including the impact of closing minimum security beds. Because closures cannot take place immediately, all savings in FY11 are reduced to reflect partial savings. In most cases, full savings are realized in the second year.

Avoided capital costs are based on DOC's ten year capital plan. The projects for each potentially affected facility were reviewed by the consultant team architects. Those projects that would not be needed if the facility closed were eliminated. In some cases part of a project (that part associated with the closed portion of the institution) was eliminated.

All dollars amounts in these tables are in current (2009) dollars.

Documentation of how FTE impacts and capital and operating costs/savings were calculated can be found in the appendix to this report.

SCENARIO 1

Scenario 1 includes downsizing of the McNeil Island Corrections Center, relocating the Ahtanum View Corrections Center program to Monroe, and closing one living unit at Larch Corrections Center for six years. The FTE, operating and capital cost implications are shown in the following tables.

Table 5A
Downsize McNeil Island Corrections Center

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
OPERATING COST IMPACT - FTE REDUCTION											
CUSTODY											
Captain	-0.5	-1.0	-1.0	-1.0	-1.0	0.0	0.0	0.0	0.0	0.0	
Lieutenant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Sergeant	-10.6	-21.2	-21.2	-21.2	-21.2	-2.6	-2.6	-2.6	-1.5	-1.5	
Correctional Officer	-83.5	-167.0	-167.0	-167.0	-167.0	-41.3	-41.3	-41.3	-18.9	-18.9	
NON CUSTODY	-24.4	-48.8	-48.8	-48.8	-48.8	-17.0	-17.0	-17.0	-5.0	-5.0	
HEALTHCARE	-13.8	-27.5	-27.5	-27.5	-27.5	-8.5	-8.5	-8.5	-4.0	-4.0	
Cumulative change from 2009	-132.8	-265.5	-265.5	-265.5	-265.5	-69.4	-69.4	-69.4	-29.4	-29.4	
Change per year	-132.8	-132.8	0.0	0.0	0.0	196.1	0.0	0.0	40.0	0.0	
Estimated Operating Budget Impact per Year											
Salaries and benefits	-$7,691,000	-$15,382,000	-$15,382,000	-$15,382,000	-$15,382,000	-$3,890,000	-$3,890,000	-$3,890,000	-$1,703,000	-$1,703,000	-$84,295,000
Warm closure costs	$46,406	$76,493	$76,493	$76,493	$76,493	$38,246	$38,246	$19,123	$19,123	$19,123	$486,240
Restart Cost						$0		$2,507,000			$2,507,000
Total	-$7,644,594	-$15,305,507	-$15,305,507	-$15,305,507	-$15,305,507	-$3,851,754	-$3,851,754	-$1,363,877	-$1,683,877	-$1,683,877	-$81,301,760
CAPITAL BUDGET IMPACT											
New Capital Initiatives											
None	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Capital Cost Avoidance											
Project list in appendix	-$450,750	-$1,502,500	-$1,282,900	-$770,500	-$589,300	-$166,500	-$164,700	-$160,500	-$112,350	$0	-$5,200,000
Subtotal	-$450,750	-$1,502,500	-$1,282,900	-$770,500	-$589,300	-$166,500	-$164,700	-$160,500	-$112,350	$0	-$5,200,000
Estimated Capital Budget Impact	-$450,750	-$1,502,500	-$1,282,900	-$770,500	-$589,300	-$166,500	-$164,700	-$160,500	-$112,350	$0	-$5,200,000

Scenario 1 continued on next page.

Scenario 1 continued

Table 5B

Close Ahtanum View Corrections Center & Relocate Program to Monroe

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
OPERATING COST IMPACT - FTE REDUCTION AT AVCC											
CUSTODY											
Lieutenant	-0.3	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	
Sergeant	-1.3	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	
Correctional Officer	-7.8	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	
NON CUSTODY	-6.5	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	
HEALTHCARE	-3.5	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	
Cumulative change from 2009	-19.3	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	
Change per year	-19.3	-58.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
OPERATING COST IMPACT - FTE INCREASE AT MCC											
CUSTODY											
Lieutenant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Sergeant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Correctional Officer	0.2	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	
NON CUSTODY	3.0	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	
Cumulative change from 2009	3.2	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	
Change per year	3.2	9.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Estimated Operating Budget Impact per Year											
Close AVCC	-$1,755,200	-$7,020,800	-$7,020,800	-$7,020,800	-$7,020,800	-$7,020,800	-$7,020,800	-$7,020,800	-$7,020,800	-$7,020,800	-$64,942,400
One time medical transport cost	$23,000										$23,000
Warm closure - AVWR facility	$32,075	$19,043	$19,043	$19,043	$19,043	$19,043	$19,043	$19,043	$19,043	$19,043	$203,466
Additional MCC MSU staff	$169,250	$677,000	$677,000	$677,000	$677,000	$677,000	$677,000	$677,000	$677,000	$677,000	$6,262,250
Non staff health care dollars - Transfer from AVCC to MCC	$261,557	$1,046,227	$1,046,227	$1,046,227	$1,046,227	$1,046,227	$1,046,227	$1,046,227	$1,046,227	$1,046,227	$9,677,600
AVWR contract adjustment[1]	$24,788	$99,150	$99,150	$99,150	$99,150	$99,150	$99,150	$99,150	$99,150	$99,150	$917,138
Total	-$1,244,531	-$5,179,380	-$5,179,380	-$5,179,380	-$5,179,380	-$5,179,380	-$5,179,380	-$5,179,380	-$5,179,380	-$5,179,380	-$47,858,946
CAPITAL BUDGET IMPACT											
New Capital Initiatives											
Modify MSU building & site	$89,100	$0	$0	$0	$0	$0	$0	$0	$0	$0	$89,100
Subtotal	$89,100	$0	$0	$0	$0	$0	$0	$0	$0	$0	$89,100
Capital Cost Avoidance											
Replace AVWR windows & doors	$0	-$66,800	-$534,400	-$66,800	$0	$0	$0	$0	$0	$0	-$668,000
Renovate AVWR	-$171,500	-$1,372,000	-$171,500	$0	$0	$0	$0	$0	$0	$0	-$1,715,000
Replace AVWR HVAC system	-$221,100	-$1,326,600	-$663,300	$0	$0	$0	$0	$0	$0	$0	-$2,211,000
Subtotal	-$392,600	-$2,765,400	-$1,369,200	-$66,800	$0	$0	$0	$0	$0	$0	-$4,594,000
Estimated Capital Budget Impact	-$303,500	-$2,765,400	-$1,369,200	-$66,800	$0	$0	$0	$0	$0	$0	-$4,504,900

[1] The AVCC currently provides food service and maintenance for the AV Work Release facility. This adjustment approximates what would be needed to offset the loss of AVCC services

Table 5C

Close One Living Unit at Larch Corrections Center for Six Years

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
OPERATING COST IMPACT - FTE REDUCTION AT LCC											
CUSTODY											
Lieutenant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Sergeant	-1.6	-1.8	-1.8	-1.8	-1.8	-1.8	0.0	0.0	0.0	0.0	
Correctional Officer	-17.6	-19.5	-19.5	-19.5	-19.5	-19.5	0.0	0.0	0.0	0.0	
NON CUSTODY	-10.8	-13.0	-13.0	-13.0	-13.0	-13.0	0.0	0.0	0.0	0.0	
Cumulative change from 2009	-30.0	-34.3	-34.3	-34.3	-34.3	-34.3	0.0	0.0	0.0	0.0	
Change per year	-30.0	-4.3	0.0	0.0	0.0	0.0	34.3	0.0	0.0	0.0	
Estimated Operating Budget Impact per Year											
Salaries and benefits	-$1,650,600	-$1,899,000	-$1,899,000	-$1,899,000	-$1,899,000	-$949,500	$0	$0	$0	$0	-$10,196,100
Warm closure costs	$6,357	$19,043	$19,043	$19,043	$19,043	$0	$0	$0	$0	$0	$82,531
Restart Cost						$1,612,000					$1,612,000
Total	-$1,644,243	-$1,879,957	-$1,879,957	-$1,879,957	-$1,879,957	$662,500	$0	$0	$0	$0	-$8,501,569
CAPITAL BUDGET IMPACT											
There are no capital budget impacts associated with temporary closure of a living unit at LCC											

Table 5D

SUMMARY - SCENARIO 1

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
NET CHANGE IN FTES per YEAR											
McNeil Island Corrections Center	-132.8	-132.8	0.0	0.0	0.0	196.1	0.0	0.0	40.0	0.0	
Ahtanum View Corrections Center	-19.3	-58.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Monroe Correctional Complex	3.2	9.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Larch Corrections Center	-30.0	-4.3	0.0	0.0	0.0	0.0	34.3	0.0	0.0	0.0	
Total per year	-178.8	-185.4	0.0	0.0	0.0	196.1	34.3	0.0	40.0	0.0	
Cumulative change from 2009	-178.8	-364.3	-364.3	-364.3	-364.3	-168.2	-133.9	-133.9	-93.9	-93.9	
Estimated Operating Budget Impact	-$10,533,367	-$22,364,843	-$22,364,843	-$22,364,843	-$22,364,843	-$8,368,633	-$9,031,133	-$6,543,256	-$6,863,256	-$6,863,256	-$137,662,276
Estimated Capital Budget Impact	-$754,250	-$4,267,900	-$2,652,100	-$837,300	-$589,300	-$166,500	-$164,700	-$160,500	-$112,350	$0	-$9,704,900

SCENARIO 2

Scenario 2 includes closing the Washington State Reformatory Unit at the Monroe Correctional Complex and relocating the Ahtanum View Corrections Center program to Monroe. The FTE, operating and capital cost implications are shown in the following tables.

Table 6A

Close the Washington State Reformatory Unit at the Monroe Correctional Complex

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
OPERATING COST IMPACT - FTE REDUCTION											
CUSTODY											
Captain	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Lieutenant	-2.5	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	
Sergeant	-8.4	-16.7	-16.7	-16.7	-16.7	-16.7	-16.7	-16.7	-16.7	-16.7	
Correctional Officer	-85.9	-171.8	-171.8	-171.8	-171.8	-171.8	-171.8	-171.8	-171.8	-171.8	
NON CUSTODY	-17.5	-35.0	-38.0	-38.0	-38.0	-38.0	-38.0	-38.0	-38.0	-38.0	
Cumulative change from 2009	-114.3	-228.5	-231.5	-231.5	-231.5	-231.5	-231.5	-231.5	-231.5	-231.5	
Change per year	-114.3	-114.3	-3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FTE Increases											
Hospital custody staff	2.7	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	
Cumulative change from 2009	2.7	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	
Change per year	2.7	2.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Estimated Operating Budget Impact per Year											
Salaries and benefits	-$6,414,500	-$12,829,000	-$12,993,000	-$12,993,000	-$12,993,000	-$12,993,000	-$12,993,000	-$12,993,000	-$12,993,000	-$12,993,000	-$123,187,500
Warm closure costs	$115,957	$212,213	$212,213	$212,213	$212,213	$212,213	$212,213	$212,213	$212,213	$212,213	$2,025,870
Total	-$6,298,543	-$12,616,787	-$12,780,787	-$12,780,787	-$12,780,787	-$12,780,787	-$12,780,787	-$12,780,787	-$12,780,787	-$12,780,787	-$121,161,630
CAPITAL BUDGET IMPACT											
New Capital Initiatives											
None	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Capital Cost Avoidance											
Project list in appendix	-$813,300	-$2,711,000	-$2,950,100	-$3,508,000	-$3,385,750	-$3,100,500	-$2,416,800	-$821,500	-$410,750	-$164,300	-$20,282,000
Subtotal	-$813,300	-$2,711,000	-$2,950,100	-$3,508,000	-$3,385,750	-$3,100,500	-$2,416,800	-$821,500	-$410,750	-$164,300	-$20,282,000
Estimated Capital Budget Impact	-$813,300	-$2,711,000	-$2,950,100	-$3,508,000	-$3,385,750	-$3,100,500	-$2,416,800	-$821,500	-$410,750	-$164,300	-$20,282,000

Scenario 2 continued on the next page.

Table 6B

Close Ahtanum View Corrections Center & Relocate Program to Monroe

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
OPERATING COST IMPACT - FTE REDUCTION AT AVCC											
CUSTODY											
Lieutenant	-0.3	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	
Sergeant	-1.3	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	
Correctional Officer	-7.8	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	
NON CUSTODY	-6.5	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	
HEALTHCARE	-3.5	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	
Cumulative change from 2009	-19.3	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	
Change per year	-19.3	-58.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
OPERATING COST IMPACT - FTE INCREASE AT MCC											
CUSTODY											
Lieutenant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Sergeant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Correctional Officer	0.2	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	
NON CUSTODY	3.0	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	
Cumulative change from 2009	3.2	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	
Change per year	3.2	9.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Estimated Operating Budget Impact per Year											
Close AVCC	-$1,755,200	-$7,020,800	-$7,020,800	-$7,020,800	-$7,020,800	-$7,020,800	-$7,020,800	-$7,020,800	-$7,020,800	-$7,020,800	-$64,942,400
One time medical transport cost	$23,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$23,000
Warm closure - AVWR facility	$32,075	$19,043	$19,043	$19,043	$19,043	$19,043	$19,043	$19,043	$19,043	$19,043	$203,466
Additional MCC MSU staff	$169,250	$677,000	$677,000	$677,000	$677,000	$677,000	$677,000	$677,000	$677,000	$677,000	$6,262,250
Non staff health care dollars - Transfer from AVCC to MCC	$261,557	$1,046,227	$1,046,227	$1,046,227	$1,046,227	$1,046,227	$1,046,227	$1,046,227	$1,046,227	$1,046,227	$9,677,600
AVWR contract adjustment[1]	$24,788	$99,150	$99,150	$99,150	$99,150	$99,150	$99,150	$99,150	$99,150	$99,150	$917,138
Total	-$1,244,531	-$5,179,380	-$5,179,380	-$5,179,380	-$5,179,380	-$5,179,380	-$5,179,380	-$5,179,380	-$5,179,380	-$5,179,380	-$47,858,946
CAPITAL BUDGET IMPACT											
New Capital Initiatives											
Modify MSU building & site	$89,100	$0	$0	$0	$0	$0	$0	$0	$0	$0	$89,100
Subtotal	$89,100	$0	$0	$0	$0	$0	$0	$0	$0	$0	$89,100
Capital Cost Avoidance											
Replace AVWR windows & doors	$0	-$66,800	-$534,400	-$66,800	$0	$0	$0	$0	$0	$0	-$668,000
Renovate AVWR	-$171,500	-$1,372,000	-$171,500	$0	$0	$0	$0	$0	$0	$0	-$1,715,000
Replace AVWR HVAC system	-$221,100	-$1,326,600	-$663,300	$0	$0	$0	$0	$0	$0	$0	-$2,211,000
Subtotal	-$392,600	-$2,765,400	-$1,369,200	-$66,800	$0	$0	$0	$0	$0	$0	-$4,594,000
Estimated Capital Budget Impact	-$303,500	-$2,765,400	-$1,369,200	-$66,800	$0	$0	$0	$0	$0	$0	-$4,504,900

[1] The AVCC currently provides food service and maintenance for the AV Work Release facility. This adjustment approximates what would be needed to offset the loss of AVCC services

Scenario 2 continued on the next page.

Scenario 2 continued

Table 6C

SUMMARY - SCENARIO 2

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
NET CHANGE IN FTES per YEAR											
WSRU at Monroe Corr Complex	-111.6	-111.6	-3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
MSU at Monroe Corr Complex	3.2	9.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Ahtanum View Corrections Center	-19.3	-58.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total per year	-127.7	-159.9	-3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Cumulative change from 2009	-127.7	-287.7	-290.7	-290.7	-290.7	-290.7	-290.7	-290.7	-290.7	-290.7	
Estimated Operating Budget Impact	-$7,543,074	-$17,796,167	-$17,960,167	-$17,960,167	-$17,960,167	-$17,960,167	-$17,960,167	-$17,960,167	-$17,960,167	-$17,960,167	-$169,020,577
Estimated Capital Budget Impact	-$1,116,800	-$5,476,400	-$4,319,300	-$3,574,800	-$3,385,750	-$3,100,500	-$2,416,800	-$821,500	-$410,750	-$164,300	-$24,786,900

SCENARIO 3

Scenario 3 includes temporarily converting the Main Institution at the Washington State Penitentiary into a small minimum security facility, constructing new housing and other relocating the Ahtanum View Corrections Center program to Monroe, and closing one living unit at Larch Corrections Center for six years. The FTE, operating and capital cost implications are shown in the following tables.

Table 7A

Close the Main Institution at the Washington State Penitentiary

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
OPERATING COST IMPACT - FTE REDUCTION											
CUSTODY											
Captain	-0.5	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	
Lieutenant	-2.5	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	
Sergeant	-6.7	-13.4	-13.4	-13.4	-12.5	-12.5	-12.5	-12.5	-12.5	-12.5	
Correctional Officer	-89.5	-178.9	-178.9	-178.9	-177.2	-177.2	-177.2	-177.2	-177.2	-177.2	
NON CUSTODY	-13.5	-27.0	-27.0	-27.0	-33.0	-33.0	-33.0	-33.0	-33.0	-33.0	
Cumulative change from 2009	-112.7	-225.3	-225.3	-225.3	-228.7	-228.7	-228.7	-228.7	-228.7	-228.7	
Change per year	-112.7	-112.7	0.0	0.0	-3.4	0.0	0.0	0.0	0.0	0.0	
Estimated Operating Budget Impact per Year											
Salaries and benefits	-$6,497,666	-$12,995,333	-$12,995,333	-$12,995,333	-$13,152,333	-$13,152,333	-$13,152,333	-$13,152,333	-$13,152,333	-$13,152,333	-$124,397,663
Warm closure costs	$140,503	$118,451	$118,451	$118,451	$118,451	$118,451	$118,451	$118,451	$118,451	$118,451	$1,206,562
Total	-$6,357,163	-$12,876,882	-$12,876,882	-$12,876,882	-$13,033,882	-$13,033,882	-$13,033,882	-$13,033,882	-$13,033,882	-$13,033,882	-$123,191,101
CAPITAL BUDGET IMPACT											
New Capital Initiatives											
Construct 198 close security beds	<- part of baseline - there is an additional $18.8 million capital cost not attributable to the closure scenario										
Construct 256 medium securitybeds	$2,345,202	$3,702,988	$7,387,281	$4,354,381 <- assumes fast track schedule							$17,789,853
Expand W Complex kitchen	$477,833	$754,480	$1,505,151	$887,201 <- assumes fast track schedule							$3,624,665
Subtotal	$2,823,035	$4,457,469	$8,892,433	$5,241,582	$0	$0	$0	$0	$0	$0	$21,414,518
Capital Cost Avoidance											
Project list in appendix	$0	$0	-$2,812,125	-$9,373,750	-$14,738,050	-$27,254,750	-$21,452,675	-$7,914,500	-$6,704,300	-$3,880,500	-$94,130,650
Subtotal	$0	$0	-$2,812,125	-$9,373,750	-$14,738,050	-$27,254,750	-$21,452,675	-$7,914,500	-$6,704,300	-$3,880,500	-$94,130,650
Estimated Capital Budget Impact	$2,823,035	$4,457,469	$6,080,308	-$4,132,168	-$14,738,050	-$27,254,750	-$21,452,675	-$7,914,500	-$6,704,300	-$3,880,500	-$72,716,132

Scenario 3 continued on the next page.

Scenario 3 continued

Table 7B

Close Ahtanum View Corrections Center & Relocate Program to Monroe

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
OPERATING COST IMPACT - FTE REDUCTION AT AVCC											
CUSTODY											
Lieutenant	-0.3	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	
Sergeant	-1.3	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	
Correctional Officer	-7.8	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	
NON CUSTODY	-6.5	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	
HEALTHCARE	-3.5	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	
Cumulative change from 2009	-19.3	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	
Change per year	-19.3	-58.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
OPERATING COST IMPACT - FTE INCREASE AT MCC											
CUSTODY											
Lieutenant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Sergeant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Correctional Officer	0.2	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	
NON CUSTODY	3.0	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	
Cumulative change from 2009	3.2	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	
Change per year	3.2	9.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Estimated Operating Budget Impact per Year											
Close AVCC	-$1,755,200	-$7,020,800	-$7,020,800	-$7,020,800	-$7,020,800	-$7,020,800	-$7,020,800	-$7,020,800	-$7,020,800	-$7,020,800	-$64,942,400
One time medical transport cost	$23,000										$23,000
Warm closure - AVWR facility	$32,075	$19,043	$19,043	$19,043	$19,043	$19,043	$19,043	$19,043	$19,043	$19,043	$203,466
Additional MCC MSU staff	$169,250	$677,000	$677,000	$677,000	$677,000	$677,000	$677,000	$677,000	$677,000	$677,000	$6,262,250
Non staff health care dollars - Transfer from AVCC to MCC	$261,557	$1,046,227	$1,046,227	$1,046,227	$1,046,227	$1,046,227	$1,046,227	$1,046,227	$1,046,227	$1,046,227	$9,677,600
AVWR contract adjustment[1]	$24,788	$99,150	$99,150	$99,150	$99,150	$99,150	$99,150	$99,150	$99,150	$99,150	$917,138
Total	-$1,244,531	-$5,179,380	-$5,179,380	-$5,179,380	-$5,179,380	-$5,179,380	-$5,179,380	-$5,179,380	-$5,179,380	-$5,179,380	-$47,858,946
CAPITAL BUDGET IMPACT											
New Capital Initiatives											
Modify MSU building & site	$89,100	$0	$0	$0	$0	$0	$0	$0	$0	$0	$89,100
Subtotal	$89,100	$0	$0	$0	$0	$0	$0	$0	$0	$0	$89,100
Capital Cost Avoidance											
Replace AVWR windows & doors	$0	-$66,800	-$534,400	-$66,800	$0	$0	$0	$0	$0	$0	-$668,000
Renovate AVWR	-$171,500	-$1,372,000	-$171,500	$0	$0	$0	$0	$0	$0	$0	-$1,715,000
Replace AVWR HVAC system	-$221,100	-$1,326,600	-$663,300	$0	$0	$0	$0	$0	$0	$0	-$2,211,000
Subtotal	-$392,600	-$2,765,400	-$1,369,200	-$66,800	$0	$0	$0	$0	$0	$0	-$4,594,000
Estimated Capital Budget Impact	-$303,500	-$2,765,400	-$1,369,200	-$66,800	$0	$0	$0	$0	$0	$0	-$4,504,900

[1] The AVCC currently provides food service and maintenance for the AV Work Release facility. This adjustment approximates what would be needed to offset the loss of AVCC services

Scenario 3 continued on the next page.

Table 7C

Close One Living Unit at Larch Corrections Center for Three Years

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
OPERATING COST IMPACT - FTE REDUCTION AT LCC											
CUSTODY											
Lieutenant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Sergeant	-1.6	-1.8	-1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Correctional Officer	-17.6	-19.5	-19.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
NON CUSTODY	-10.8	-13.0	-13.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Cumulative change from 2009	-30.0	-34.3	-34.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change per year	-30.0	-4.3	0.0	34.3	0.0	0.0	0.0	0.0	0.0	0.0	
Estimated Operating Budget Impact per Year											
Salaries and benefits	-$1,650,600	-$1,899,000	-$949,500	$0	$0	$0	$0	$0	$0	$0	-$4,499,100
Warm closure costs	$6,357	$19,043	$9,522	$0	$0	$0	$0	$0	$0	$0	$34,922
Restart Cost			$1,612,000								$1,612,000
Total	-$1,644,243	-$1,879,957	$672,022	$0	$0	$0	$0	$0	$0	$0	-$2,852,178
CAPITAL BUDGET IMPACT											

There are no capital budget impacts associated with temporary closure of a living unit at LCC

Table 7D

SUMMARY - SCENARIO 3

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
NET CHANGE IN FTES per YEAR											
Washington State Penitentiary	-112.7	-112.7	0.0	0.0	-3.4	0.0	0.0	0.0	0.0	0.0	
Ahtanum View Corrections Center	-19.3	-58.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Monroe Correctional Complex	3.2	9.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Larch Corrections Center	-30.0	-4.3	0.0	34.3	0.0	0.0	0.0	0.0	0.0	0.0	
Total per year	-158.7	-165.3	0.0	34.3	-3.4	0.0	0.0	0.0	0.0	0.0	
Cumulative change from 2009	-158.7	-324.1	-324.1	-289.8	-293.2	-293.2	-293.2	-293.2	-293.2	-293.2	
Estimated Operating Budget Impact	-$9,245,937	-$19,936,218	-$17,384,240	-$18,056,261	-$18,213,261	-$18,213,261	-$18,213,261	-$18,213,261	-$18,213,261	-$18,213,261	-$173,902,225
Estimated Capital Budget Impact	$2,519,535	$1,692,069	$4,711,108	-$4,198,968	-$14,738,050	-$27,254,750	-$21,452,675	-$7,914,500	-$6,704,300	-$3,880,500	-$77,221,032

LIFE CYCLE COSTS

This section is a summary of findings described in detail in Appendix 2 to this report.

In the preceding section, operating and capital cost savings are expressed in current dollars with each scenario described as if it occurred in isolation from anything else that might otherwise take place in the adult corrections system. While this is a valid way of evaluating these scenarios, it has several limitations, specifically:

- Treating all costs and savings in current dollars ignores that fact that spending or saving a dollar today is not the same thing as spending or saving a dollar next year.
- Assuming that each scenario takes place in isolation from the rest of the adult corrections system exaggerates savings because it assumes that DOC would continue to operate partly full facilities and take no steps to economize if none of the scenarios were implemented.

Life cycle cost analysis is a method whereby these limitations can be neutralized and each scenario's effectiveness measured in a way that allows them to be directly compared.

What is Life Cycle Cost Analysis?

Life cycle cost analysis takes into account the concept of the time value of money. A few examples can illustrate what this means and why it is important. If I were to say, "which would you prefer: $1,000 today or $1,000 a year from now?" most people would have no difficulty making a quick decision. On the other hand, if I were to say, "which would you prefer: $1,000 today or $100 a month for the next 12 months?" most people might pause and think a bit before answering. But if I were to say: which is the better deal: Scenario 1 – where you save more during the first five years than any other scenario but less after that, or Scenario 2 or 3 – where you save less at first but more later?" the answer is not so obvious.

Life cycle cost analysis discounts future costs and savings in a systematic way to determine what those costs and savings are worth today. Adding together costs and savings from this year to discounted costs and savings from years 2, 3, 4, and so forth results in what is called the "net present value."

In the life cycle cost analysis presented here, the three scenarios are not compared directly one to another but to the "hypothetical baseline" described in the section above titled, "Downsizing Occurs in a Changing Environment." How each scenario differs from the baseline is a directly comparable measure of the relative financial performance of each scenario.

These two elements of the life cycle cost analysis – discounting future costs and savings and comparing each scenario to the hypothetical baseline – eliminates the limitations noted above and provides an apples-to-apples comparison the three scenarios.

Methodology and Limitations

To measure net savings, the team economists, Berk & Associates (BERK), compared each scenario with a hypothetical baseline scenario—an assumed state-of-the-world that describes how the system might reasonably be expected to operate if none of the contemplated actions were pursued.

The hypothetical baseline scenario assumes that the DOC will pursue relatively modest steps towards making full and efficient use of the resources that it now has at its disposal. In particular, the DOC baseline assumes that the Department would take advantage of the newly completed medium-security Coyote Ridge Correctional Center. The primary actions in the hypothetical baseline involve closing higher cost medium security living units at several institutions and opening lower cost units at Coyote Ridge as they are needed. These steps would improve the cost-efficiency of the department by reducing the per-inmate cost below 2009 levels.

Each of the three scenarios analyzed in this report represent further, more aggressive, actions that DOC might take to save even more money. The life cycle cost analysis presented here calculates how much *more* the State might save over ten years (beyond savings embedded in the hypothetical baseline) if policy makers pursue these more aggressive actions. All Findings are presented in terms of "Net Present Value."

There is one important limitation that pertains to the calculation of the net present value of capital expenditures and savings. Whenever one is talking about capital investments, it is important to recognize that most such investments generate value that extends beyond the 10-year timeframe of this analysis. Because of data limitations, we were not able to calculate this residual value. However, as will be seen in the discussion below, in the context of the alternative scenarios we evaluated, alternative ways at looking at this issue make it moot.

Net Present Value of Operating Cost Savings

From the perspective of operating cost reduction, Scenario 3 – Closure of the Main Institution at WSP offers the greatest prospect for savings over the ten years from 2011 through 2020 (see Table 8). In present value terms, Scenario 3 offers savings of $97 million, versus savings of $84 million under Scenario 2 – Closure of WSRU at MCC, and $74 million under Scenario 1 – Downsizing MICC.[7]

[7] Net Present Values are calculated using a discount rate of 4.2%, a rate that reflects projected future costs of State bonded debt. In effect, this discount rate reflects the cost the State pays to move money forward through time.

Table 8: Present Value of 10-Year Operating Savings (in Millions)
Relative to Hypothetical Baseline
(Savings Presented in Year-of-Expenditure Dollars)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Net Present Value of Savings (2011)
Scenario 1 - Downsize MICC	$2.39 M	$13.19	$13.63	$14.26	$13.34	$6.21	$8.99	$5.59	$6.16	$6.31	**$73.5 M**
Scenario 2 - Close WSRU at MCC	$5.17 M	$9.27	$9.41	$9.71	$8.95	$10.46	$13.66	$13.42	$13.75	$14.08	**$84.2 M**
Scenario 3 - Close Main Institution at WSP	$6.96 M	$12.82	$11.18	$12.33	$12.40	$11.92	$13.30	$13.62	$13.95	$14.29	**$97.1 M**

Source: BERK

Net Present Value of Capital Cost Savings

Comparisons of capital cost savings are somewhat less straightforward to interpret. Among the three scenarios, the scenario that offers the greatest capital "savings" is Scenario 3 – Closure of the Main Institution at WSP. The reason this scenario is associated with the greatest savings is that closing the Main Institution means that the State can avoid spending nearly $100 million in renovations for the facility (a savings that is offset in part by a newly-constructed housing and kitchen expansion that is envisioned in the scenario).

However, as noted above, whenever one is talking about capital investments, it is important to recognize that most such investments generate value that extends beyond the 10-year timeframe of this analysis. If it is the case that DOC will need additional capacity to house inmates in coming decades, then the large investment to renovate the Main Institution generates *some* ongoing value. One way to measure this value is to consider how much the State has spent in recent years to expand capacity. The recently constructed 2,048 bed medium security facility at Coyote Ridge cost of nearly $230 million.[8] This suggests that the per-bed cost of constructing a facility is roughly $112,000. Applying this per-bed value to the 852 beds and associated facilities at the Main Institution results in a capacity value of $96 million (if one assumes that the $94 million investment [in 2009 dollars] results in a like-new facility).

On the other hand, another way to think about the value of a given facility investment is to consider the degree to which the investment affects the ability of the Department to provide cost-effective services. If the Department had the choice between two $100 million facilities, but one of the two was configured to save the department $5 million per year due to more efficient operations, the latter facility would have a much greater true value to the State than the former.

[8] Construction costs are for a facility constructed in 2006, 2007, and 2008 in a favorable bidding market. This large facility also benefited from economies of scale that would not necessarily be present for other DOC expansion projects. The current bidding climate is, however, considered to be at least as favorable as was the case for Coyote Ridge.

(Over a 25-year time-span, the more efficient facility would save the department nearly $100 million in operating costs [in present-value terms] when compared with the less efficient facility.)

When one takes into consideration the operational-efficiency differences between the two facilities, one could say that the efficient facility is truly worth $100 million, but the less efficient option is worth the $100 million construction cost *minus* the present value of the additional operating costs it would require. Under the scenario where the less-efficient facility translates to $5 million more in operating costs each year, (assuming the facility had a 25-year useful life) the accumulated additional costs of operation would come close to $100 million (in present value terms). This, in turn, means that the true value of the less efficient facility from the perspective of DOC would be close to zero.

In fact, the numbers for a rebuilt Main Institution at WSP are even more unattractive than the above hypothetical discussion. The costs of operating the Main Institution as it is configured are roughly $20,000 per-bed per-year higher than costs of modern facilities in the DOC.[9] Multiplied by 852 beds, this translates to a cost inefficiency of $17 million per year. This large cost inefficiency suggests that, from a lifecycle perspective, rebuilding the Main Institution is a very bad investment.

This discussion highlights two points: (1) assessing the "value" of a given capital investment is challenging; and (2) without considering the complexities, a straight-up comparison of capital expenditures among scenarios is of only limited value.

Having noted the limitations, Table 9 summarizes the net present value of capital cost savings associated with the three action scenarios.

Table 9: Present Value of 10-Year Capital Savings (in Millions)
Relative to Hypothetical Baseline
(Savings Presented in Year-of-Expenditure Dollars)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Net Present Value of Savings (2011)
Scenario 1 - Downsize MICC	$0.45 M	$1.56	$1.38	$0.86	$0.67	$0.19	$0.19	$0.19	$0.14	$0.00	**$4.9 M**
Scenario 2 - Close WSRU at MCC	$0.82 M	$2.82	$3.18	$3.89	$3.85	$3.59	$2.85	$0.99	$0.50	$0.21	**$18.8 M**
Scenario 3 - Close Main Institution at WSP	($2.85) M	($4.64)	($6.55)	$4.59	$16.75	$31.58	$25.31	$9.50	$8.21	$4.85	**$64.1 M**

Source: BERK

[9] See appendix for calculations of cost per bed by institution and housing unit.

ALTERNATIVE USES

It is difficult to find alternative uses for correctional facilities. Furthermore, it is not recommended that any DOC property be fully vacated and disposed of. Consequently, any alternative use would have to be fully compatible with an adjacent correctional use.

Any alternative use that is not correctional in nature would require new occupancy permits and modification to buildings as required by the new occupancy type. Changes of this magnitude would require the buildings be brought up to all modern code requirements. Under these circumstances, with buildings as old as the ones at Monroe and Walla Walla, it is generally cheaper to demolish and replace buildings rather than upgrade them.

Each closure option also has limitations, particularly those for McNeil Island and Monroe. As noted above ("Why Isn't Full Closure of McNeil Island and Option?"), the deed conveying the island to the State of Washington explicitly requires the property be used as a correctional facility in perpetuity or else revert to the federal government. At Monroe, even if the reformatory is closed for purposes of housing inmates, the hospital and kitchen would still be in operation. The entire Reformatory property is, in effect, within the boundaries of a minimum security facility. Finally, the financial advantages of the options for Monroe and Walla Walla include large capital cost avoidance. Continued use of these facilities would require additional capital expense.

Renting Beds

Many correctional agencies – federal, state and local – contract for beds from other jurisdictions or private operators. DOC contracts for space in county jails to house offenders who violate terms of their community supervision. DOC also rents prison beds in other states and is expected to continue to do so, at least for close custody inmates, for some years. On the other hand, DOC doesn't need to rent medium security beds because it has surplus capacity at that security level.

Since it has surplus capacity, couldn't DOC go into the business of renting prison bed? DOC has, in fact, rented beds to the federal government and other jurisdictions in the past. Keeping facilities open by renting them to other jurisdictions would save jobs and eliminate adverse economic impacts to local communities.

The major closure options discussed here save substantial dollars by nature of their size and through downgrading the security level of the institutions. Offsetting those savings would require renting more than 700 medium security beds for any of the three scenarios. If fewer beds are rented, the cost per bed increases dramatically because the living unit and, more importantly, everywhere outside the living unit, must be staffed for medium security.

There is a competitive national market for renting prison beds and renting beds must be justifiable on a financial basis. DOC currently rents close custody beds from the Corrections Corporation of America (CCA) for $68.24 a day. This is less than $25,000 per inmate per year. DOC cannot breakeven at this price point.

With a federal court order to reduce prison population in California by 40,000, the demand for prison rental beds may soon become dramatically larger. A larger demand could drive up prices.

On the other hand, California has been paying bills to vendors with IOUs lately. We recommend caution before going down this path.

In conclusion, renting prison beds appears to be the only possible alternative use for closed DOC facilities. However, unless a large customer with cash emerges, we believe it is unlikely that DOC can rent enough beds at a high enough rate to make financial sense.

THE EFFECTS OF CLOSURE

THE EFFECT OF CLOSURE ON EMPLOYEES

This section is a summary of findings described in detail in Appendix 2 to this report.

There are two important issues to understand as we examine the effect of each scenario on DOC employees: (1) how employees are categorized and (2) the process by which employees may continue employment with DOC.

Employee Job Classifications and Categories

The project team estimated the changes in FTEs by state job class for each closure or downsizing component of each scenario. While estimated changes for every job class are included in the appendix, three summary job class categories were created for more streamlined discussion here. Each of these categories includes multiple positions, classes, and series. The categories are:

- *Custody*: Custody employees fall under four specific job classes: Captain, Lieutenant, Sergeant, and Correctional Officer.
- *Non Custody:* Employees in this category provide a number of services, including administration, business functions, offender programs, and facility maintenance.
- *Healthcare:* Healthcare employees provide inmates with medical, dental, and mental health services. This category includes healthcare professionals (such as nurses, mental health counselors, and dental hygienists) as well as management and administrative support for healthcare activities.

It should be noted that correctional Industry (CI) employees are not included in this analysis because there is no change in CI employment due to the scenarios studied.

All Scenarios Result in Layoffs of DOC Employees

In the DOC scenarios studied employees and employment opportunities are affected in different ways. While employment increases at some locations, on balance, there are net job losses. The following changes occur:

- Elimination of FTEs as a result of partial facility closure
- Elimination of FTEs as a result of a full facility closure
- Creation of new FTEs at institutions as a result of relocating inmates from a downsized or closed facility

The Formal Option Process

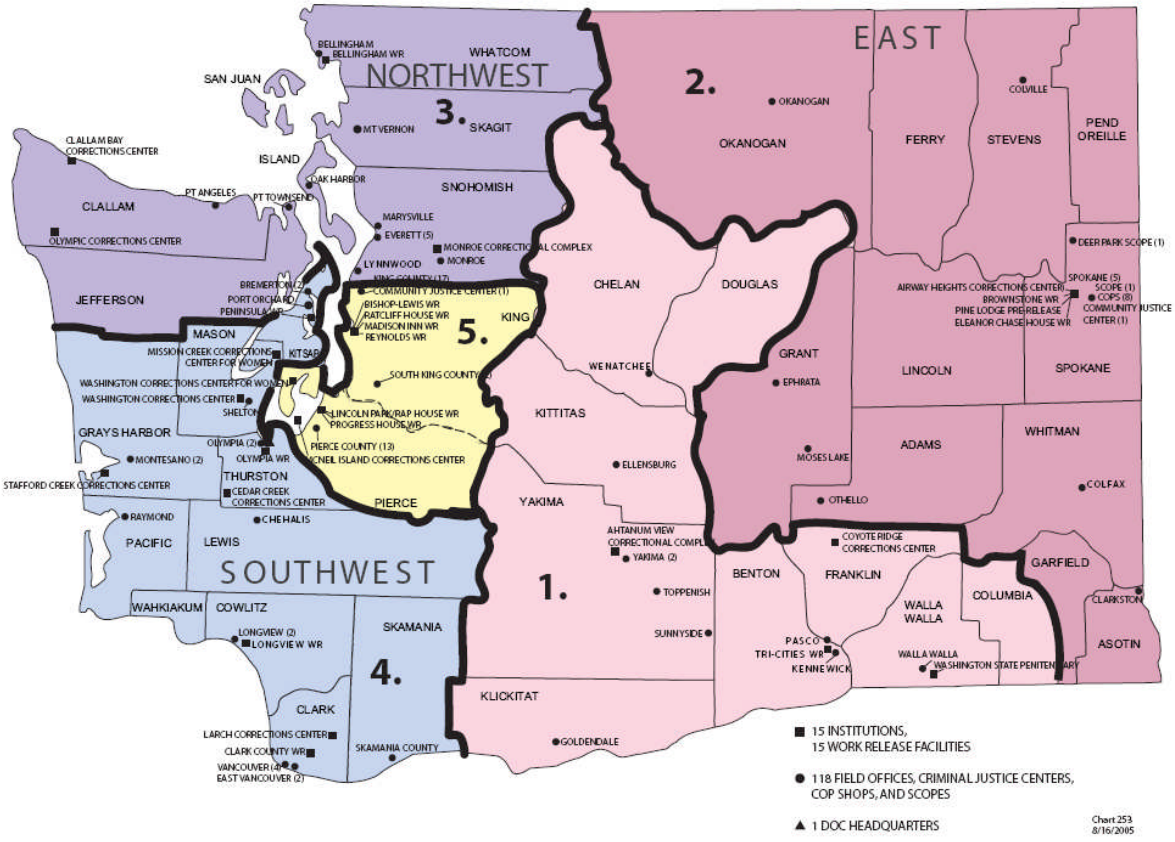
Closures of DOC facilities will result in a reduction in positions and employee layoffs. By civil service rules and union agreements, these employees have different options available to them for

continued employment within DOC. This section presents an overview of the types of processes used for continued employment opportunities.

Under the State layoff process the State is under obligation to find and offer employment opportunities for permanent employees laid off in a facility closure or downsizing. This is called the **formal option process**. In this process, permanent employees being laid are offered a comparable position for which they have the required job skills within a designated "layoff unit." A layoff unit is the geographic boundary used for determining available positions. There are three tiers of layoff units:

- *County:* Employees are first considered for positions for which they are eligible in their current county of employment.
- *Region:* If there are no eligible positions in the county, the process extends to a regional level. These regions are defined by the agency and are illustrated in Exhibit 24.
- *State:* If there are no eligible positions in the region, the process then extends statewide.

Exhibit 24: DOC Regions



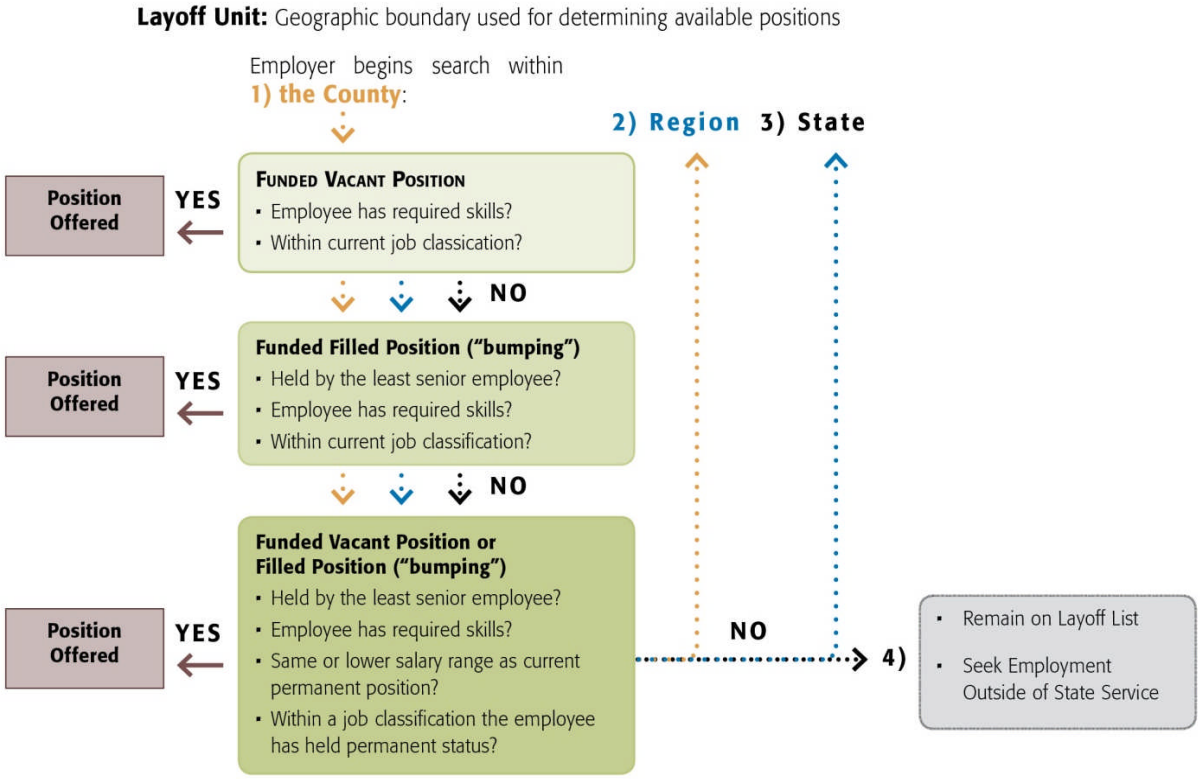
Within each successive layoff unit (first county, then regional, then statewide), employees are considered for the following types of positions in the following order:

- A funded vacant position in the same job class
- A funded position in the same job class that is currently filled by a more junior employee

- A funded vacant or filled position in a job class held by the employee in the past

This process is illustrated in Exhibit 25 and described in the Technical Appendix to this report.

Exhibit 25: The Formal Option Process



A Note about DOC Facilities and Divisions

DOC operates 15 State prisons in Washington. Employment options through the processes described below may be offered at any of these facilities. In addition, permanent employees may also be offered employment at DOC Headquarters, in the DOC's Community Corrections Division (which supervises offenders in the community), or in work release facilities across the State. Community Corrections is comprised of six regions: (1) King County, (2) Pierce County, (3) East Section 1, (4) East Section 2, (5) the Northwest Region, and (6) the Southwest Region. There is, however, little overlap in the job classes employed at state prisons and the job classes employed at Headquarters and Community Corrections; employees most likely to receive employment options at Headquarters or Community Corrections generally serve in non-custody roles.

Summary of Employee Impacts

The numbers of FTEs reduced and created under Scenarios 1, 2, and 3 – as well as the net change in FTE count – are summarized in the following table.

Table 10: Summary of Changes in FTE Counts, FY11 and FY 12

Scenario	DOC Staff Reduced at Closed and Downsized Facilities	Demand for Staffing Created Elsewhere[10]	Net Change in DOC FTE Count, FY09 to FY12
Scenario 1: **- Downsize MICC** **- Close AVCC** **- Downsize LCC**	-357.8 FTE	67.2 FTE	-290.6 FTE
Scenario 2: **- Close WSRU at MCC** **- Close AVCC**	-268.3FTE	57.5 FTE	-210.8 FTE
Scenario 3: **- Close MI at WSP** **- Close AVCC** **- Downsize LCC**	-317.6 FTE	67.2 FTE	-250.4 FTE

As Table 10 demonstrations, over the first two years, Scenario 1 causes the largest number of FTE reductions and results in the largest net reduction of staff. Scenario 2 has the fewest employee impacts over the same period. While employment under Scenario 1 increases in later years at McNeil Island, this increase is sufficiently delayed so there would be no benefit to staff laid off during the first two years of scenario implementation.

Exhibit 26, on the following page, summarizes employment options for laid off employees within and outside of DOC and highlights the following key findings:

- Under all three scenarios, laid off staff who cannot "bump" into a position at the institution being downsized would most likely have to relocate if they were to stay employed by DOC. Some exceptions might occur with Scenario 1 where more senior staff might be able to obtain employment at the Washington Corrections Center for Women. At Ahtanum View, where the entire facility is closed, relocation (or a very long commute) is probably the only option.
- Very laid off employees will be eligible for newly created positions at the regional level. These instances include: Washington State Penitentiary employees eligible for Coyote Ridge Corrections Center positions (Scenario 3), Ahtanum View Corrections Center employees eligible for positions created at Coyote Ridge (Scenarios 1, 2, and 3), and Larch Corrections Center employees eligible for positions at the Washington Corrections Center (Scenarios 1 and 3).
- At the statewide level, vacant positions will be scarce because of system-wide reductions. Opportunities to bump more junior employees will depend upon seniority, work history, and skill set. Almost all such options would require relocation and would likely result in the displacement of more junior staff.

[10] It is projected that additional staff will be needed at Coyote Ridge, the Washington Corrections Center, and the Monroe Correctional Complex during FY11 and FY12. See Exhibit 16.

In terms of employment outside of DOC, employees at McNeil Island (Scenario 1) and Monroe (Scenario 2) have relatively easier access to large job markets. Employees at the Washington State Penitentiary (Scenario 3), Ahtanum View Corrections Center (Scenarios 1, 2, and 3), and the Larch Corrections Center (Scenarios 1 and 2), are more likely to have to accept long commutes or relocation to find employment outside of DOC.

Exhibit 26: Summary of Employment Options

Scenario & FTE Reductions (FY11-12)	Within DOC		Outside DOC
	Newly Created Positions	**"Bumping" Opportunities**	
Scenario 1: **- Downsize MICC** **- Close AVCC** **- Downsize LCC** *357.8 FTE reduced*	*Coyote Ridge Corrections Center* (35.2 FTE) *Monroe Correctional Complex* (12.9 FTE) *Washington Corrections Center* (22.3 FTE) All newly created positions are farther than reasonable commutes from closing/downsizing facilities (most are 100 to 200 miles away), other than WCC, which is approx. 40 miles from MICC (Steilacoom)	MICC staff may receive options at WSP or CRCC, both requiring relocation and possibly bumping more junior staff. AVCC staff may be offered options to new positions at WSP or CRCC, or may bump less senior employees at these facilities. Either would require relocation and CRCC would likely be undesirable because the employee would lose union seniority in the "post and bid" process LCC staff may receive options at a number of facilities, including for new positions at WCC. Relocation would be required and options other than new positions at WCC may displace junior staff.	MICC employees have relatively easy access to large job markets in the Olympia/Tumwater/Lacey area as well as Tacoma (15 miles) and Seattle (45 miles) AVCC staff seeking employment outside of DOC will be challenged by the region's relatively higher unemployment and the lack of large employment centers within easy commuting range LCC employees may need to drive 30-40 miles to access larger job markets; the area has relatively higher levels of unemployment
Scenario 2: **- Close WSRU at MCC** **- Close AVCC** *268.3FTE reduced*	*Coyote Ridge Corrections Center* (35.2 FTE) *Washington Corrections Center* (22.3 FTE) All newly created positions are farther than reasonable commutes from closing/downsizing facilities (100-200 miles)	More senior MCC staff may receive options at Clallam Bay or Olympic Corrections Centers, requiring relocation and, in the case of filled positions, displacing more junior staff. See Scenario 1, above, for AVCC	MCC employees have access to Everett, the Eastside, and Seattle within 30 miles of driving See Scenario 1, above, for AVCC

Scenario & FTE Reductions (FY11-12)	Within DOC		
	Newly Created Positions	**"Bumping" Opportunities**	**Outside DOC**
Scenario 3: **- Close MI at WSP** **- Close AVCC** **- Downsize LCC** *317.6 FTE reduced*	*Coyote Ridge Corrections Center* (35.2 FTE) *Monroe Correctional Complex* (12.9 FTE) *Washington Corrections Center* (22.3 FTE) All newly created positions are farther than reasonable commutes from closing/downsizing facilities (80-335 miles)	Senior WSP employees would be eligible for new positions created at CRCC, and others may fill vacant positions or bump more junior staff. Acceptance of an option at CRCC would require relocation. See Scenario 1, above, for AVCC and LCC	WSP employees have relatively fewer nearby options than other DOC employees: the region has relatively higher unemployment and outside of Walla Walla itself, large job markets are reached only with a considerable drive See Scenario 1, above, for AVCC and LCC

THE EFFECT OF CLOSURE ON THE HOST COMMUNITY

This section is a summary of findings described in detail in Appendix 2 to this report.

Purpose

Significant downsizing and/or closures of state facilities would have economic and fiscal impacts on the local communities that are home to these facilities. The primary impacts would be a result of lost employment, lost purchases of goods and services within the community, and the loss of taxes paid to the host jurisdiction.

As a result of shifting the populations from closed or downsized facilities to other locations, "receiving communities" will experience some positive economic and fiscal impacts from increased employment, additional purchases of goods and services, and increased tax revenue to the host jurisdiction. Because the State is considering making these changes in an effort to improve efficiency and ultimately decrease spending, one would expect the increased expenditures (and impacts) in the receiving communities to not fully offset the losses in the communities where facilities are closed or downsized.

The purpose of this analysis, which is represented in more detail in the accompanying Technical Appendix, is to:

- Estimate the direct, indirect, and induced economic impacts on the local region from the changes in employment and purchases of goods and services for communities either losing or gaining economic activity associated with the studied facilities
- Estimate the fiscal impacts (change in tax revenue) to the local jurisdictions losing economic activity associated with the studied facilities

Methodology and Limitations

An assessment of **economic impacts** concerns itself with effects on patterns of commerce. *What shift in economic activity (business activity, income, or wages) can be attributed to a given action or investment?* An economic impact is characterized by a net new change in economic activity, that is, economic activity that would otherwise not occur.

Our goal in this analysis is to estimate 1) the full impact on the regional economy of the change in economic activity if a facility were closed or downsized, and 2) the full impact of additional economic activity in receiving communities.

IMPLAN (short for IMpact Analysis for PLANning) software was used for this analysis. IMPLAN is an input/output model that uses county-level data to trace the ripple effects (direct, indirect, and induced effects) of an expenditure that occurs within the economy.

One of the limitations of this analysis is that it is performed as a snapshot in time. It compares the impacts of a facility's current expenditures with the likely impacts under a contemplated scenario. Although many of the scenarios discussed in this report transition over a period of time, for the economic analysis we have a chosen a future point in which the changes are anticipated to have been completed and the facility's operations are relatively static. All dollars used in this portion of the analysis are 2009 dollars.

Another important issue to note is that these analyses describe the economic impacts to the local *region*, not the local *jurisdiction*, because the facility may draw employees, goods, and services from the larger area. *The impacts to the local jurisdiction may be much greater relative to its local economy than that shown for the larger region.* In some of the scenarios analyzed in this report, employees and residents of a facility are assumed to move to other locations within the same study region, minimizing the economic impacts shown in our analysis. However, they may be moving outside of the local jurisdiction, which can have significant impacts to that local community. The ripple effects from the loss of employees and residents at the facilities can have a profound impact in particular on cities of smaller size. If employees and residents relocate, the indirect and induced effects from the lost spending of wages and facility purchases can be devastating on a small local economy. The importance of this issue as it pertains in particular to smaller communities that currently host facilities being considered for downsizing or closure should not be underestimated by the reader.

Reading the Economic Impact Tables. Each economic impact discussion in this report includes a table showing the results of the analysis similar to the one shown in Table 11 below. The information highlighted in gray comes directly from the facilities or work done by the project team for this study. The remainder of the table, in white, is a result of the analysis done with IMPLAN. The title of each table contains the region analyzed for that facility.

The table begins on the left with the expenditure categories. The second column shows expected change in facility expenditures due to the system changes being considered in the scenario. The third column shows the estimated *direct impacts* to economic output resulting from these expenditures (or reduction of expenditures), i.e. those dollars spent by the facility that are assumed to be local to the study region. The multiplier in the next column accounts for the *indirect and induced impacts* and is used to estimate the *total impacts* to economic output in the

study area. The estimated number of jobs supported within the community by these expenditures is shown in the sixth column, followed by impacts on labor income. Estimated jobs in the Facility Salaries/Benefits category (and School District category for the JRA analysis) include the actual number of FTEs to be laid off and/or gained at a facility plus induced jobs resulting from the change in household spending (there are no indirect jobs in this spending category since there is no industry purchase occurring in the economy here, only wages being spent).

Table 11: Example of the Annual Economic Impact Tables Used in this Report

Expenditure Categories	Annual Reduction in Expenditures	Output Direct Impact	Output Multiplier	Output Total Impact	Total Community Job Loss	Total Labor Income Lost
Food	$ 244,463	$ 68,278	1.55	$ 106,028	1.2	$ 46,940
Goods	$ 848,033	$ 214,265	1.54	$ 329,601	3.9	$ 145,061
Services	$ 825,046	$ 462,603	1.65	$ 761,155	9.4	$ 332,078
Utilities	$ 215,436	$ 215,436	1.67	$ 359,276	2.0	$ 120,049
Salaries/Benefits	$ 7,476,080	$ 7,476,080	1.48	$ 11,077,502	166.8	$ 7,932,450
Capital (Annual Avg)	$ 676,320	$ 676,320	1.61	$ 1,088,864	7.8	$ 453,172
Total	**$ 10,285,379**	**$ 9,112,983**	**1.51**	**$ 13,722,427**	**191.1**	**$ 9,029,749**

Fiscal Impacts: In addition to the impacts on the local and regional economy, the downsizing and/or closure of state facilities will have a direct impact on the host jurisdiction's finances. The Technical Appendix of this report discusses each of the following potential revenue sources in more detail: utility and sales taxes, State shared revenues (including Motor Vehicle Fuel Tax, Liquor Board Profits and Excise Tax, and Criminal Justice Revues), Criminal Justice Sales Tax, and Public Safety Sales Tax.

With the exception of the Gas Tax, the revenues discussed above are generally part of each city's General Fund. To give a sense of the impact of lost revenues we have shown the portion of total General Fund revenues estimated to be lost through closure or downsizing of each facility. It is important to note that each facility studied in this report has a unique relationship with the jurisdiction in which it is located. In many cases the facilities function as an integral part of the local community and there is a mutually beneficial relationship that exists. Throughout the discussion of impacts to the communities we have tried to characterize some of the ways in which the facilities interact with their local communities. However, these relationships are complex and varied and the scope of this analysis does not capture the full extent of the interaction and mutual reliance between each facility and its community

Summary of Economic Impacts

Table 12 summarizes the estimated annual loss of economic activity in the local communities affected by facility closures or downsizing in the three scenarios. This table takes into account both direct job loss from facility closure or downsizing as well as induced job loss due to the effect such a change has on the local economy. Detailed descriptions may be found in the appendix to this report.

In instances in which a facility closure or downsizing results in the transfer of inmates to a facility not listed below, the *positive* economic impacts of this transfer have not been calculated. These impacts would occur because of the increased staffing and spending needed to support the increase in the local prison population.

Table 12: Summary & Comparison of Annual Estimated Economic Impacts
All Scenarios

Scenario/Area Definition	Output Total Impact	Total Community Job Change	Total Labor Income Change
Scenario 1 – Downsize MICC			
King, Kitsap, Mason, Pierce & Thurston	$ (27,193,730)	(354)	$ (18,369,474)
Scenario 2 – Close WSRU at Monroe			
King & Snohomish	$ (27,554,993)	(318)	$ (16,266,532)
Scenario 3 – Close MI at WSP			
Walla Walla (1st 4 years)	$ (14,103,564)	(237)	$ (12,501,675)
Walla Walla (after 4 years)	$ (21,322,511)	(302)	$ (15,162,675)
Scenarios 1, 2, 3 – Close AVCC			
Kittitas & Yakima	$ (12,947,578)	(139)	$ (8,592,289)
Scenarios 1 & 3 – Downsize LCC			
Clark	$ (2,899,213)	(45)	$ (1,999,130)

Losses in total economic output are similar for the downsizing of McNeil Island Corrections Center and the closure of Washington State Reformatory Unit at Monroe. The initial impact of Scenario 3 on Walla Walla is reduced by the positive effect of new construction associated with this scenario. The impact on Walla Walla County increases once construction is completed.

Even though the job loss and other indicators are less in Walla Walla County when compared to the other major closure/downsizing options, because the local economy is small, loss of 302 jobs represents an increase in county unemployment of 1.1 percent. For Pierce and Snohomish Counties, the increase in unemployment is less than 1/10 of 1 percent. Even this exaggerates the impact of Scenarios 1 and 2 because the regional economy extends beyond the county line for both of these scenarios.

Because Ahtanum View and Larch Corrections Centers are smaller facilities, the impacts of changes to these facilities are also smaller. The closure of Ahtanum View would cause an estimated total economic output loss of approximately $13 million annually and the reduction of 139 jobs within the study area. The downsizing of Larch Corrections Center would cause an estimated loss in total economic output of approximately $3 million annually and a reduction of 45 jobs within the study area. The annual impacts from changes at Larch Corrections Center would be seen for six years in Scenario 1 and three years in Scenario 3.

Summary of Fiscal Impacts

Table 13 shows the comparison of the estimated revenue loss to each jurisdiction's operating funds for all facility options included in the three scenarios.

Table 13: Summary and Comparison of Estimated Annual Fiscal Impacts
All Scenarios

	Estimated Reduction in Revenue	Percent of General Fund
Scenario 1 – Pierce County	$57,100	0.02%
Scenario 2 – City of Monroe	$118,600	1.10%
Scenario 3 – City of Walla Walla	$112,700	0.40%

The City of Monroe is estimated to see the greatest loss in revenue from the downsizing of MCC with an impact of approximately 1.4% on its General Fund. The fiscal impacts to Pierce County and the City of Walla Walla are small, with Walla Walla (the larger of the two) experiencing a General Fund impact estimated at approximately half of one percent.

PROGRAMMATIC IMPACTS

Downsize the McNeil Island Corrections Center

One of the major concerns expressed by staff regarding the potential closure of the McNeil Island Corrections Center is preservation of the mental health program. The McNeil Island Corrections Center has a unique program in that mentally ill inmates can progress from maximum security all the way to work release. Mental health staff members are in direct contact with the staff of the Rap/Lincoln work release facility that specializes in mental health offender re-entry services.

It should be noted that the mental health staffing is preserved in the closure scenarios for McNeil Island Corrections Center. This way, if the facility is down-sized, the program can remain. It should also be mentioned that the McNeil Island Corrections Center has a long standing relationship with the University of Washington nursing program and currently has two doctoral level interns: One in Pharmacy and one in mental health. Although these programs could be transferred, they took years to develop.

The McNeil Island Corrections Center also supports a number of other correctional facilities. For example, it provides healthcare and dental services for the Rap/Lincoln work release and provides pharmacy services for the Washington Correction Center for Women. It also serves as back-up for suicide prevention of inmates from the Washington Correction Center in Shelton.

Close the Washington State Reformatory Unit at Monroe

The Monroe Correctional Complex has an active and positive association with the community. This are nearly a thousand volunteers who work at the complex, a unique program called the University Behind Bars, and the Matthew House. The latter is an apartment where families of inmates can stay while visiting an inmate. Matthew House has also developed a transportation service for families to visit inmates around the entire state of Washington.

Although there would be no reason that these services would not continue at the other facilities within the complex, the volunteer representatives we spoke with mentioned that the proximity to

Seattle is what makes these programs possible. For example, the Monroe Correctional Complex has the ability to draw from large universities where professors are willing to donate teaching time, from groups in Seattle such as the Black Prisoners Caucus that requires inmates involved in the program to "hold each other accountable as active parents", and for the ability to connect with teachers of children of inmates in the Seattle School District. If hundreds of inmates were transferred from Monroe, they would lose these services and volunteers who have developed personal relationships with specific inmates might stop coming to Monroe.

Other qualitative issues that were expressed in a community meeting in Monroe include concerns about the impact on the local school district and children of inmates who attend school there, the belief among many that the quality of volunteer programs makes the community safer through reduced recidivism, and the fact that the community has already been hit hard by the economic down-turn. It is believed that the further loss of quality local jobs would likely cause additional businesses to close.

Close the Main Institution at Washington State Penitentiary

The Washington State Penitentiary currently has the full range of security levels. Closing the Main Institution would temporarily eliminate all medium security beds and produce a gap between close and minimum security. This would require that inmates transfer when they reach medium security. This is contrary to a department initiative expressed by the Prisons Director which is to reduce the number of transfers throughout the system. It costs less and is more family friendly if an offender does not move during his/her incarceration. In some cases, it means their children do not have to change schools. Staff also expressed the belief that having medium security beds on site is an incentive for close custody inmates to behave properly and worked towards the lower security levels.

Closure of the Main Institution would also adversely affect the education program and the employees who work there.

Close the Ahtanum View Corrections Center

The programmatic issues facing the closure of the Ahtanum View Corrections Center are primarily focused on the quality of life of the inmates. The Ahtanum View Corrections Center has an environment unlike any other in DOC. It is more like a geriatric nursing environment than a typical prison environment. This is likely due to the fact that, with the exception of the 30 healthy inmate workers that support the facility, the Ahtanum View Corrections Center's entire inmate population is somewhat medically fragile. If the program is transferred to Monroe, the Ahtanum View inmates, while they would have their own living unit and separate outdoor area, would share the compound with the general population. They would also utilize the infirmary at Washington State Reformatory Unit where there are inmates of all security levels and criminal sophistication.

The Ahtanum View staff interacts with these medically fragile inmates in ways not seen at other correctional facilities. For example, inmates with Alzheimer's disease are able to move within the building. This would not be the case if they could wander to areas where there are general population inmates. In another environment they might need to be confined to their rooms more often. Also, almost every inmate at Ahtanum View is considered capable of working. One

example seen when visiting the facility was a mentally challenged inmate whose job is to clean doorknobs all day. This reduces idleness, promotes daily functioning and probably contributes to the hygiene of the facility.

The Ahtanum View Corrections Center also has a strong component of community volunteers that are interested in this specialized population. Although the Monroe Correctional Complex also has a huge contingency of volunteers, a program for this specific population will need to be developed.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Significant savings from facility closure or downsizing only occur if an entire institution, or major component thereof, can be closed. Major savings also accrue if the security level of an institution is downgraded. The options considered in this study do both.

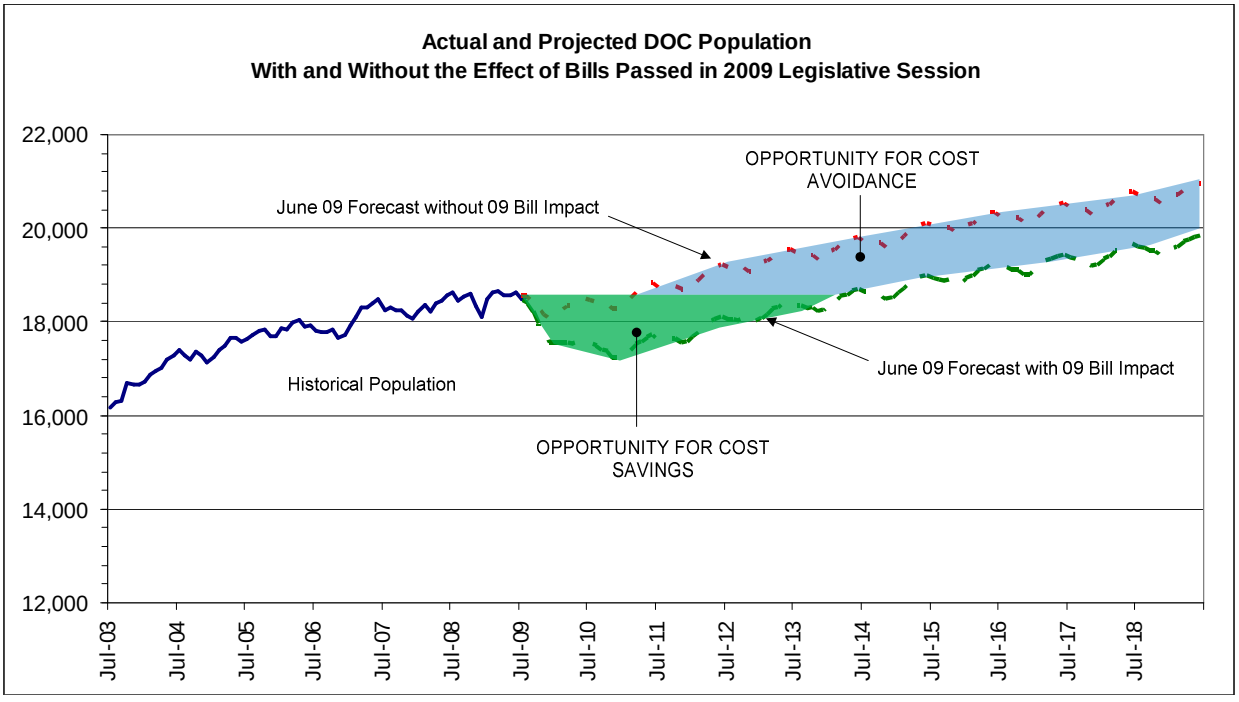
The opportunities for eliminating beds are mainly found at medium security. DOC cannot reduce beds at higher security levels and will, within a short period of time, need additional close security beds. DOC has already closed beds for female offenders. There are no additional opportunities for closing female prison beds.

We do not recommend complete closure of the McNeil Island Corrections Center. The presence of the Special Commitment Center on the island makes this an undesirable alternative.

Cost Savings are Temporary – Cost Avoidance Permanent

By reducing the need for prison beds, a window of opportunity is created during which real cost savings are possible. Over time that window closes. After that, the number of offenders in prison remains lower than it otherwise would have been – thereby permanently reducing future costs.

Exhibit 27



All Major Options Save at Least $12,000,000 in Operating Costs per Year

After the first year, all of the scenarios save at least $12,000,000 per year. First year savings are less because full closure is not realized immediately. Second year savings range from

approximately $18 million for Scenario 2 (primary action: close the Reformatory Unit at Monroe) to $22 million for Scenario 1 (primary action: downsize the McNeil Island Corrections Center). At nearly $20 million, second year savings for Scenario 3 (primary action: close the Main Institution at the Penitentiary) are between those for Scenarios 1 and 2.

Eliminating 1,580 DOC Beds

As of the date of this report, DOC has already closed 267 beds. This includes 187 at the Pine Lodge Corrections Center for Women and 80 reception beds at the Washington Corrections Center.

The projected decrease in prison population is smaller than anticipated when ESHB was passed. Population reduction bills in the last legislative session are projected to reduce the population by about 1,100. While significant bed reductions and dollar savings are possible, without a further decrease in prison population it is not possible to close 1,580 beds at this time.

The following table summarizes what the three scenarios are able to accomplish. It is important to note that, other than the beds associated with closing Athanum View and moving its program to Monroe, none of the minimum security beds are permanently closed. Under Scenario 1, medium security beds are eventually reopened at McNeil Island. Because Scenarios 2 and 3 permanently close medium security beds, both of these options require additional construction of medium security beds by 2018. While none of the major options can be done simultaneously, they could be done sequentially.

Table 14: Eliminating 1,580 Adult Corrections Beds

	Scenario 1 Downsize MICC	Scenario 2 Close WSRU at MCC	Scenario 3 Close MI at WSP
Beds Closed by DOC since the legislation passed			
Close Unit 2 at Pine Lodge	187	187	187
Close R-2 at WCC	80	80	80
Impact of Evaluated Options			
Close medium security beds	481	772	648
Close minimum security beds	240	0	240
Impact of Athanum View Closure			
Close AVCC	120	120	120
Reduce capacity at MCC-MSU	54	54	54
Subtotal	1,162	1,213	1,329
Additional steps dependent upon policy changes (See Recommendation 3, below)	456	480	324
Total	1,618	1,693	1,653

The estimated impact of the bills not passed in the last legislative session is 452 beds. Additional steps to eliminate DOC beds can be taken if these, or similar, population reduction measures are adopted in the future.

Long-Term Capital Savings are Significant for Some Options

The options to close the Washington State Reformatory Unit at Monroe and, especially, the Main Institution at Penitentiary, result in avoidance of significant capital dollars that otherwise would have to be spent to maintain outdated structures that have long outlived their expected useful life. For example, in current (undiscounted) dollars, the 10-year net capital savings under Scenario 2 is nearly $25 million while the savings for Scenario 3 is more than $77 million.

With Some Options it Takes Money to Save Money

If a large number of medium security beds are permanently closed – as would be the case with both the Monroe and Walla Walla options – all medium security beds (including the new Coyote Ridge Corrections Center) will be full by 2018. Under both of these scenarios it would be necessary to build a new 256 bed medium security unit for occupancy in 2018. In today's dollars, this is estimated to cost approximately $18 million. This amount nearly offsets the projected capital cost savings from closing the Reformatory Unit at Monroe.

Summary of Savings over Ten Years

Table 15 summarizes the finding of the financial analysis. As can be seen from this table, Scenario 3 generates the greatest savings in FTEs, operating costs, and capital costs.

Table 15: Summary of 10 Year FTE, Operating, and Capital Budget Savings by Scenario

	Scenario 1	Scenario 2	Scenario 3
Staff Years Eliminated (10 year total)	2,259	2,741	2,855
Operating Budget Savings (10 year total)			
Current Dollars	$137,700,000	$169,000,000	$173,900,000
Net Present Value	$73,500,000	$84,200,000	$97,100,000
Capital Budget Savings (10 year total)			
Current Dollars	$9,705,000	$24,787,000	$77,221,000
Net Present Value	$4,900,000	$18,800,000	$64,100,000

It is also possible to sequence Scenarios 1 and 3. If this were done, construction required for Scenario 3 could be completed prior to closing the Main Institution at the Penitentiary.

There are several advantages to this approach in addition to increasing overall savings. First, the effects of closing the Main Institution are delayed. While essentially the same number of employees would be laid off, delayed closure could coincide with opening new close security beds in the West Complex – thereby increasing opportunities for continued local employment by more senior DOC employees. Similarly, the effect of layoffs on the Walla Walla economy would be delayed and, because of employment generated by construction at the Penitentiary, there would actually be an increase in local economic activity for the first four years.

A second advantage to sequencing Scenarios 1 and 3 is there would never be a time when the Penitentiary was without medium security beds. The ability to house all custody levels at the Penitentiary has important programmatic and management advantages to DOC.

While we did not evaluate the life cycle costs of sequencing Scenarios 1 and 3, we can estimate the operating and capital cost savings in current dollars. Table 16. Summarizes the savings associated with this strategy.

Table 16: 10-Year FTE, Operating, and Capital Budget Savings
Sequencing of Scenarios 1 and 3

	Sequencing of Scenarios 1 & 3
Staff Years Eliminated	3,632
Operating Budget Savings (current dollars)	-$215,844,000
Capital Budget Savings (current dollars)	-$82,421,000

Effect on DOC Employees

Under the State layoff process permanent employees being laid are offered a comparable position for which they have the required job skills within a designated "layoff unit." There are three tiers of layoff units: the county, region, and state.

Under all three scenarios, laid off staff who cannot "bump" into a position at the institution being downsized would most likely have to relocate if they were to stay employed by DOC. Some exceptions might occur with Scenario 1 where more senior staff might be able to obtain employment at the Washington Corrections Center for Women. At Ahtanum View, where the entire facility is closed, relocation (or a very long commute) is probably the only option. The number of staff who would have to relocate due to closing the Main Institution at the Penitentiary would be somewhat less if Scenarios 1 and 3 are sequenced and closure is delayed until construction of additional close security beds at the Penitentiary is completed.

Very few laid off employees will be eligible for newly created positions at the regional level. Some laid off employee at the Washington State Penitentiary or Ahtanum View could be eligible for Coyote Ridge Corrections Center positions. Some employees at the Larch Corrections Center could be eligible for positions at the Washington Corrections Center.

At the statewide level, vacant positions will be scarce because of system-wide reductions. Opportunities to bump more junior employees will depend upon seniority, work history, and skill set. Almost all such options would require relocation and would likely result in the displacement of more junior staff.

In terms of employment outside of DOC, employees at McNeil Island (Scenario 1) and Monroe (Scenario 2) have relatively easier access to large job markets. Employees at the Washington State Penitentiary (Scenario 3), Ahtanum View Corrections Center (Scenarios 1, 2, and 3), and the Larch Corrections Center (Scenarios 1 and 2), are more likely to have to accept long commutes or relocation to find employment outside of DOC.

Effect on Host Communities

The economic effects on the host community of the major closure/downsizing options are similar. Direct and induced local job loss range from 302 in Walla Walla County to 354 in the

areas affected by downsizing of the McNeil Island Corrections Center. Smaller job losses and associated economic effects would occur in relation to closure of the Ahtanum View Corrections Center of downsizing of the Larch Corrections Center. However, because the Walla Walla economy is so much smaller than the economies potentially affected by downsizing the McNeil Island Corrections Center or closing the Washington State Reformatory Unit at Monroe, the impact would be much greater. In the case of Walla Walla County, losing 302 jobs means an increase in unemployment of more than one percent. Loss of 354 jobs associated with downsizing the McNeil Island facility would increase regional unemployment by approximately 2/100th of one percent. A similarly small impact would be felt if the Reformatory Unit at Monroe is closed.

If closing the Main Institution at the Penitentiary is delayed until construction associated with this option is completed, there would be a four year increase in employment in Walla Walla County.

RECOMMENDATIONS

Completion of the community impact analysis has caused us to modify the recommendations of the draft report to include an option to sequence Scenarios 1 and 3. Our final recommendations are as follows:

1. Our first recommendation depends on the availability of capital dollars and the priorities of the executive and legislature. We recommend:

    a. If capital dollars are not available to make the necessary improvements at the Washington State Penitentiary it is recommended that Scenario 1 be implemented.[11] This scenario includes downsizing the McNeil Island Corrections Center, closing the Ahtanum View Corrections Center, relocating the Ahtanum View program to Monroe, and a six year closure of one living unit at the Larch Corrections Center.

    In current dollars, this alternative would save the state approximately $138 million in operating costs, and a little less than $10 million in capital expenditures, over ten years.

    b. If capital funds are available for a new medium security housing unit, West Complex kitchen expansion, and close security housing unit at the Washington State Penitentiary, it is recommended that Scenarios 1 and 3 be implemented sequentially. Under this strategy, the Main Institution at the Penitentiary would continue operation as a medium security facility until construction of the elements listed above was completed. After that, the Main Institution would close. In current dollars, the cost of these three projects is estimated to be approximately $41,000,000. Not all capital dollars would be needed immediately – it would be possible to begin with an appropriation for design, engineering and site work and follow with a larger appropriation for the remainder of the project.

[11] Approximately $18.8 million for close security housing at the Penitentiary is needed even if none of the scenarios are implemented.

This alternative achieves the greatest savings. In current dollars it is estimated that sequential implementation of Scenarios 1 and 3 would save the state over $215 million in operating cost, and over $82 million in capital expenditures, over ten years.

c. If for some reason it is decided that Scenario 1 should not be implemented, it is recommended that Scenario 3 be implemented. This scenario includes the temporary downsizing of the Main Institution at the Penitentiary, closing the Ahtanum View Corrections Center, relocating the Ahtanum View program to Monroe, and a two year closure of one living unit at the Larch Corrections Center.

   In current dollars, this alternative would save the state approximately $174 million in operating costs, and $77 million in capital expenditures, over ten years.

2. Additional recommendations are necessary in order to reach the legislative mandate to close 1,580 adult corrections beds. We want to strongly emphasize that – absent policy changes – the following recommendations are not feasible.

With Scenario	Rent Out of State Close Custody Beds	Take Action to Reduce Minimum Custody Population
1 – Downsize MICC	WSP – close two BAR[12] Units (216 beds)	LCC - close second living unit (240 beds)
2 – Close WSRU at MCC		LCC – close facility (480 beds)
3 – Close MI at WSP	WSP – close three BAR Units (324 beds)	No further action needed

   The BAR Units (Adams, Baker, Rainier) at the Washington State Penitentiary are the most expensive close security beds in the state. On a per inmate basis, they cost approximately twice as much as DOC currently pays for out of state beds. A significant complication in closing these units is that they primarily house mentally ill and protective custody inmates. Vendors who rent prison beds will not take inmates with significant mental health issues. Consequently, in order to close these units it would be necessary to identify other close custody inmates who could be sent out of state and rearrange how close security living units are used so that one to two 198-bed living units in the West Complex could be used by the inmates currently occupying the BAR units.

3. We recommend that a highest and best use study be conducted to determine the future of the Washington State Reformatory and the Main Institution at the Washington State Penitentiary. This study should include an architectural, engineering, and programmatic evaluation of all buildings within the walls at both institutions to determine which, if any, should be preserved for future use. A long-term plan for additional development of the Monroe Correctional Complex and the Penitentiary Complex should be included in the high and best use study.

[12] The BAR Units are Adams, Baker and Rainier in the South Complex at WSP

IMPLEMENTATION PLAN

This implementation plan assumes that the caseload forecast for adult corrections inmates remains reasonably accurate for the years covered by this implementation plan. It further assumes that capital dollars are available for required construction at the Washington State Penitentiary and that there are no impediments to downsizing the McNeil Island Corrections Center.

FY 2010

1. Request and obtain funds for design, engineering, and site work for construction of 256 medium security beds, 198 close security beds, and expansion of the West Complex kitchen at the Washington State Penitentiary. For maximum savings, consultant selection and all subsequent work should be fast tracked.
2. Hire and train staff and open a fourth living unit at Coyote Ridge in spring 2010 as planned.
3. Prepare half of one minimum security housing unit at the Monroe Correctional Complex to receive disabled and medically fragile inmates from Ahtanum View Corrections Center.

FY 2011

4. Hire and train staff and open a fifth living unit at Coyote Ridge no later than the end of calendar year 2010.
5. Relocate all McNeil Island medium custody/MI3 inmates to Coyote Ridge and other vacant medium security beds throughout the system. This will require used of most emergency beds as well as all funded medium security operational capacity.
6. Move 256 minimum security inmates to a living unit at McNeil Island. Relocate minimum custody inmates as necessary and close one living unit at the Larch Corrections Center.
7. Move Ahtanum View inmates to the converted living unit at Monroe.
8. Close the Ahtanum View Corrections Center. Move the Ahtanum View Work Release into the vacated corrections center building. Close the old work release facility.
9. Begin site work at the Washington State Penitentiary
10. Request and obtain funds for construction of projects at the Penitentiary. Bid projects and begin construction when site work is completed.

FY 2012

11. Hire and train staff and open a sixth living unit at Coyote Ridge
12. Reopen R2 at the Washington Corrections Center
13. Increase out of state rental beds for close custody inmates as necessary
14. Continue construction at the Washington State Penitentiary

FY 2013

15. Hire and train staff and open a seventh living unit at Coyote Ridge
16. If necessary, temporarily house excess minimum custody inmates in MI3 beds
17. Increase out of state rental beds for close custody inmates as necessary
18. Continue construction at the Washington State Penitentiary

FY 2014

19. Complete construction at the Washington State Penitentiary

20. Open 198 close security beds at the Penitentiary and return all out of state close custody inmates
21. Open 256 medium security beds at the Penitentiary. Move all medium custody inmates out of the Main Institution at the Penitentiary to the new medium security living unit and other available beds in the system.
22. Close the Main Institution at the Penitentiary

FY 2015
No changes necessary

FY 2016
23. Reopen 256 medium security beds, and 44 IMU beds, at McNeil Island
24. Begin reopening minimum security beds at the Larch Corrections Center

FY 2017
25. Complete reopening of minimum security beds at the Larch Corrections Center

Throughout this period it will likely be necessary to increase jail rental beds for violators from time to time. Additional work release beds may be needed towards the end of the decade.

FEASIBILITY STUDY FOR THE CLOSURE OF STATE INSTITUTIONAL FACILITIES

Part 2: Juvenile Rehabilitation Facilities

November 1, 2009

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EXECUTIVE SUMMARY

In the 2009 legislative session, the Washington State Legislature directed that a feasibility study of closing state institutional facilities be conducted. The proviso specifically required study of Maple Lane School and Green Hill School and a plan to eliminate 235 beds in Juvenile Rehabilitation Administration (JRA) facilities.

ISSUES AFFECTING THE FEASIBILITY OF CLOSING 235 JRA BEDS

JRA currently has 243 vacant or underutilized beds in its institutions. This includes 112 beds in vacant buildings and 131 non-funded beds in partially occupied buildings with reduced staffing. Combining this surplus capacity with a projection of a smaller number of youth in JRA residential facilities suggests it should be easy to eliminate 235 JRA beds. Unfortunately, there are a number of complicating factors.

The first complicating factor is the location of surplus capacity. All of the vacant beds, and more than half the non-funded beds, are at two facilities: Maple Lane and Echo Glen. Closing Maple Lane eliminates more than one-third of the currently vacant and non-funded beds in the system. Furthermore, all non-funded beds at Echo Glen are in cottages for females and younger males which consequently cannot be used by older males. Since Maple Lane and Green Hill only house older males, youth displaced due to closure of either facility can't make use of Echo Glen's non-funded capacity. Including the limitation at Echo Glen, if Maple Lane were closed there would be only 123 vacant and potentially usable non-funded beds in the system. The situation is a little better if Green Hill were closed, but there would still only be 165 vacant and non-funded beds in the system – far fewer than elimination of 235 beds as required by the proviso.

A second complicating factor is the diverse nature of the youth in JRA institutions. We found compelling objective evidence from multiple sources – including sources outside JRA – that there are significant differences between youth at Maple Lane and Green Hill. This diversity means there are a variety of subpopulations within JRA which should not be housed together. This does not mean that diverse youth can't reside at the same institution; it simply means they should not be in the same living unit or, in some cases, the same classroom or other common area. In addition to separating youth by gender and not housing older and younger youth together, it is necessary to keep youth with significant mental health problems and youth in sex offender treatment in separate living units. Accommodating these different needs reduces flexibility in how bed capacity can be used.

A third complicating factor is that specialized high security buildings – JRA's Intensive Management Units (IMU) and Intake Units – are located at both Green Hill and Maple Lane. Currently there is sufficient IMU and Intake capacity for all older males in the system. If one of these institutions is closed, additional high security buildings would have to be constructed at the institution that remains open.

A fourth complicating factor is that the number of youth in JRA institutions currently exceeds funded capacity. In the discussion above, non-funded capacity is treated as surplus capacity. However, because the current population exceeds funded capacity, some non-funded beds are

already occupied. It is one thing to eliminate a vacant bed. Eliminating an already occupied bed means you have to find another bed elsewhere.

The last major complicating factor is the population projection itself. The analysis in this study is based on the long range population forecast for JRA updated in June 2009. To work, the closure plans outlined in this report require use of all vacant and usable non-funded beds plus the decline in residential population as projected in the June forecast. Unfortunately, these closure plans no longer work with the November 2009 caseload forecast.[13] In this latest forecast, the average JRA residential population is 27 higher for FY2010, and 84 higher for FY2011, than the June forecast. With caseloads increasing, rather than decreasing, closure of Green Hill or Maple Lane anytime in the foreseeable future is not possible. In fact, rather than closing an institution, the state may have to open one or more currently closed living units.

CONCLUSIONS

1. *JRA's residential population is diverse, but there are ways to accommodate this diversity at a single institution.* JRA has long argued Maple Lane and Green Hill youth are significantly different and that they cannot be housed at a single institution. We agree with the first half of this statement, but not the second. There are challenges in combining populations at one institution but these challenges can be met by having separate living units, separate classrooms, and time separations in the use of common spaces.
2. *Closing either Maple Lane or Green Hill would result in fewer staff and create significant savings.* Closing Maple Lane School would result in an estimated net reduction of 111 FTEs and an annual savings in salaries and benefits of approximately $7.1 million. Closing Green Hill School would result in 89 fewer FTEs and approximately $5.4 million per year savings. From this we conclude that it is not possible to save $12 million per year as assumed in budget language associated with the proviso to close 235 JRA beds.
3. *Closing either institution would require significant capital expenditure.* Closing either institution requires in excess of $35 million in new capital expenditures. Some of this cost is offset by eliminating the need for future capital projects at the closed facility. When avoided future capital costs are taken into consideration it is somewhat less expensive to close Maple Lane than Green Hill.
4. *The need for capital construction means full closure and associated savings cannot occur for at least three years.* Even if aggressive fast track schedules are followed for the various capital projects needed due to closure of either facility, full closure could not occur before FY 2013.
5. *Closing Maple Lane School results in greater job loss than closing Green Hill School.* Maple Lane employees are relatively less senior than other JRA employees and may be less able to bump into filled positions elsewhere in the agency than employees from Green Hill. Local school districts would also lose teachers and other staff.
6. *Lewis and Thurston Counties would experience economic loss with closure of either facility. Closing Green Hill School could have a significant impact on the City of Chehalis and immediately surrounding area.* Economic gains would occur elsewhere due to more youth

[13] The November caseload forecast was released after all of the analysis in this report was completed.

being housed at Echo Glen Children's Center (King County) and Naselle Youth Camp (Pacific County).

7. *Overall, the facts do not support closure of either facility.* It is our conclusion that the data do not support closing either Green Hill or Maple Lane. Without new construction there is insufficient capacity in the rest of the system to accommodate all youth and closure of either facility would be accompanied by a significant probability of doing serious harm to a quality program. The closure plans outlined in this report are not compatible with the November 2009 caseload forecast for the JRA residential population.

RECOMMENDATIONS

Legislative language mandating this study requires that "the report shall provide a recommendation and a plan to eliminate … 235 beds from juvenile rehabilitation facilities."

While we believe the facts do not support closing either facility and that such an action would be a bad idea, if a facility is to be closed, the logical choice is Maple Lane School. There are three reasons for selecting Maple Lane over Green Hill: 1) closing Maple Lane reaches the target of eliminating 235 beds (whereas closing Green Hill does not), 2) closing Maple Lane saves more FTEs and therefore achieves a greater savings in operating costs, and 3) net capital expenditures are somewhat less if Maple Lane is closed.

BACKGROUND AND CONTEXT

STUDY REQUIREMENTS SPECIFIC TO JRA

In the 2009 legislative session, the Washington State Legislature directed the Office of Financial Management to contract with consultants to conduct "a study of the feasibility of closing state institutional facilities and a plan on eliminating beds in the state institutional facility inventory." Proviso language specifically identifies Green Hill School (GHS) and Maple Lane School (MLS) as the juvenile rehabilitation facilities to be studied. The bill further requires that the report provide a recommendation and a plan to eliminate 235 JRA beds. Budget language assumes that closure of these beds will save $12 million in fiscal year 2011.

The work plan for the study of JRA facilities involves the following major activities:

1. Review of the facilities, mission, and population of JRA facilities
2. Analysis of the population forecast and projected future needs for JRA facilities
3. Identification of the capacity of JRA facilities to accommodate the needs of the projected future population
4. Identification of ways in which youth can be safely redistributed to remaining facilities after closure of either Green Hill or Maple Lane
5. Estimation of the impact on staff of facility closure and redistribution of youth, including effects of the Reduction in Force (RIF) process, job loss, and opportunities for reemployment
6. Estimation of the capital costs and savings associated with facility closure and redistribution of youth
7. Identification of programmatic impacts and other considerations related to facility closure
8. Identification of the impact of facility closure on the host community, including direct and indirect job loss and local purchases

To accomplish these tasks, the consultant reviewed data and information provided by JRA and others; toured facilities and talked with staff and youth; conferred with labor organizations and with representatives from the Washington Association of Counties, the Washington Association of Sheriffs and Police Chiefs, and the Washington Association of Prosecuting Attorneys. The consultant team's extensive experience and knowledge of juvenile justice in Washington and other states facilitated understanding of the issues and informed their analysis.

THE ROLE OF JRA

JRA is responsible for the care and custody of youth committed to it by the juvenile courts of Washington, both in state institutions and, for some, on juvenile parole. JRA also houses youth adjudicated as adults until their 21st birthday or the expiration of their sentence, whichever occurs first. This latter group is commonly referred to as "youthful offenders."

No discussion of juvenile rehabilitation in Washington is complete without an acknowledgement that the State of Washington operates one of the finest juvenile justice systems in the country. From the local level, with the use of evidence-based programs and validated risk/needs assessment in every part of the state, to JRA with its widely acclaimed skill building system (the

Integrated Treatment Model), Washington is a nationally recognized leader. JRA facilities are routinely visited by juvenile justice professionals from many parts of the country and even internationally – not for its buildings, but for what JRA does for youth.

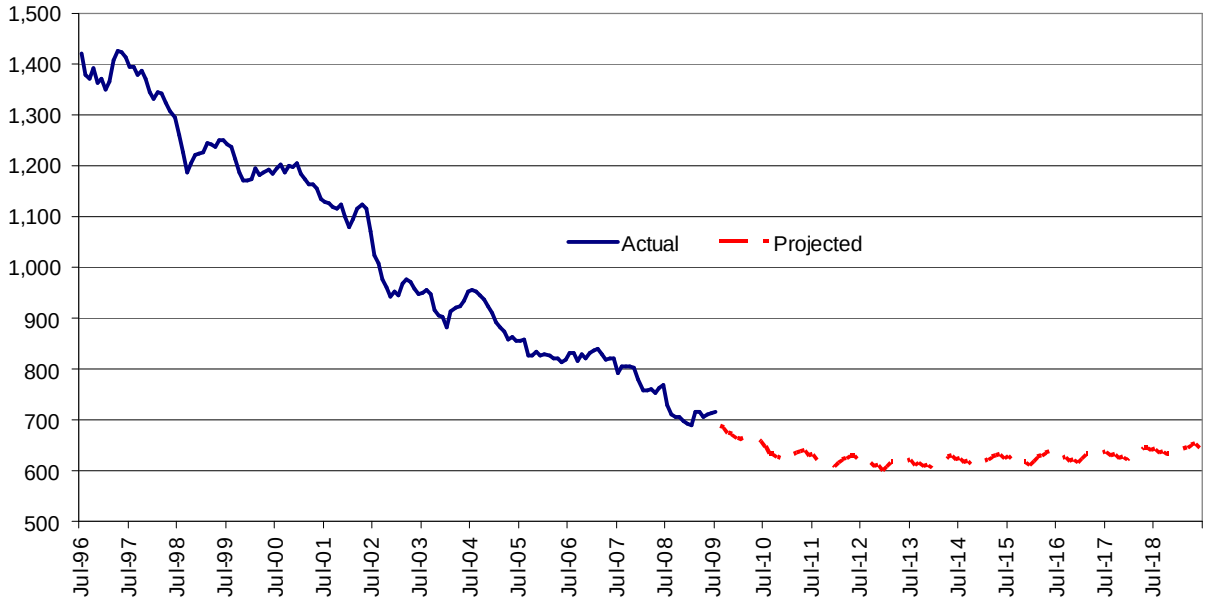
While JRA is a national leader, it is far from the most expensive state system. That dubious distinction undoubtedly falls to California where the cost per youth in state institutions is more than $200,000 a year.

Given what exists in Washington, the first principle in considering how to consolidate and downsize JRA institutions should be to do no harm. This does not, of course, mean that improvements can't be made or taxpayer dollars used more efficiently.

POPULATION HISTORY AND FORECAST

The number of youth in JRA facilities has steadily decreased for many years. The long-range population projection prepared by the Caseload Forecast Council forecasts that this trend will continue for a few more years, flatten out, and then increase slightly.[14]

Figure 1: JRA Actual and Projected Residential Population
July 1996 – June 2019



The average monthly population in JRA facilities in FY09 was 707. The lowest average monthly population forecast for the next decade is 615, a reduction of about 90 youth. The period of lowest demand is projected to occur during FY13 and FY14. After that, the population is expected to slowly increase and reach an average monthly population of about 640 ten years from now.

[14] The long range forecast was last updated in June 2009.

This is important because it is current excess institutional capacity, plus the projected decrease in population, that provides – and limits – the opportunity to consolidate JRA institutional operations.

JRA'S DIVERSE POPULATION

JRA institutions house male and female youth between the ages of 12 and 21. Almost all females, and younger males, are housed at Echo Glen Children's Center in east King County. Together, females and younger males constitute about 20 percent of the JRA institutional population. A little less than 10 percent of JRA youth are in community residential facilities.

Almost all older males are housed at JRA's other major facilities: Maple Lane School, Green Hill School, and Naselle Youth Camp. JRA's basic training camp, Camp Outlook, houses about a dozen older males and four to five females.

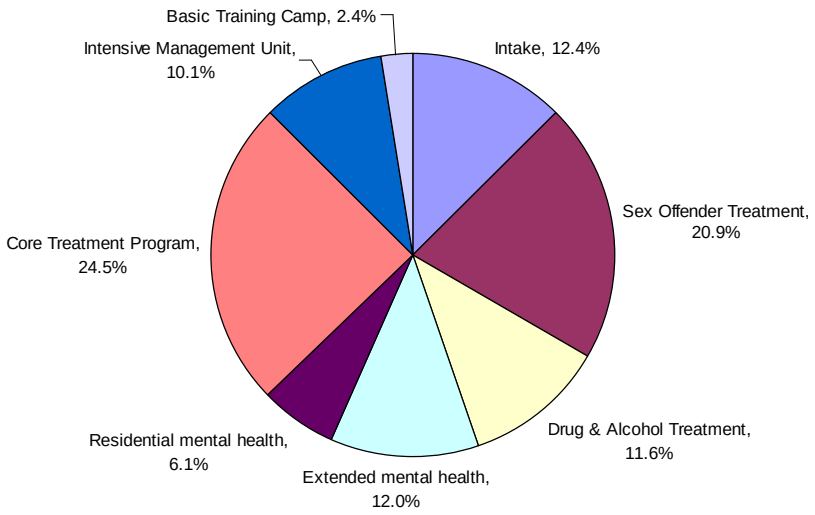
With a little less than 10 percent of the population in community residential facilities (CRFs), this implies that during the lowest years of the population projection, approximately 555 youth will be in institutions and 60 in CRFs. Following the same logic, by the end of 10 years, there will be approximately 578 youth in institutions and 62 in CRFs. Table 1 shows how this is projected to be distributed between older males and the female/younger male population.

Table 1: Projected Population by Cohort and Facility Type

Time Period	Older Males		Females/Younger Males		Total	
	Institutions	CRFs	Institutions	CRFs	Institutions	CRFs
Low 2 years	431	49	124	11	555	60
2019	449	51	129	11	578	62

Figure 2 shows there are a large number of treatment and other groups that make up the older male population, none of which is particularly large. Similar diversity is found in the female and youthful male population.

Figure 2: Composition of the Older Male Population in JRA Facilities



This diversity significantly reduces flexibility for relocating JRA youth. Youth in many programs, including sex offender treatment, residential and extended mental health, Intensive Management Unit (IMU), and most youth in intake require single cells/rooms. Those in the most intensive mental health program (Residential Mental Health) cannot be safely housed with most other youth – although there is no bright line between Residential Mental Health and Extended Mental Health youth. Gang involved youth are an increasing problem in JRA but it has not yet become the very difficult issue it is for adult corrections in Washington or juvenile programs in some other states.

Another group of older males is the youthful offender population. As noted above, these are youth who have been convicted as adults but serve at least part of their sentence in a JRA facility. This group is a growing part of the JRA institutional population. In the current cohort of youthful offenders, more than three-quarters of them will finish their sentences prior to turning 21.

When JRA first assumed responsibility for youthful offenders the prevailing belief was that they would have to be separated from other JRA youth. Experience has proved this assumption wrong. As of July 1, 2009 there were 61 male youthful offenders – all housed at Green Hill School. There they participate in education and other programs and activities along with the rest of the population.

There are good reasons for retaining these youth in JRA facilities, particularly if they will complete their confinement sentence before age 21. Legal requirements for sight and sound separation between youthful and older offenders and the requirement to provide educational services are factors that make accommodating the younger portion of this population difficult and expensive in adult prisons. Furthermore, while the Department of Corrections offers programs to help offenders turn their lives around, there is no question that the chances for rehabilitating these youth are much greater if they remain with JRA and avoid adult prison.

THE CURRENT CAPACITY OF JRA FACILITIES

The ability to close a JRA facility is dependent upon the capacity of the system to appropriately house the current and projected population. Capacity, in turn, depends on the standards used to measure it.

Given the principle of "do no harm" articulated above, capacity in this analysis is measured according to American Correctional Association (ACA) standards. While more youth can be accommodated in the same space if these standards are exceeded, at some point crowding leads to more violence and worse outcomes. Where does one draw the line? In this study, we rely on the consensus of juvenile justice experts as expressed in the ACA standards.

Even using ACA standards does not entirely simplify the calculation of system capacity. By ACA standards – and common sense – there are certain youth who should not be in multiple occupancy rooms (e.g. sex offenders and particularly vulnerable youth). Consequently, the capacity of a living unit is, in part, dependent upon the type of youth who are housed there.

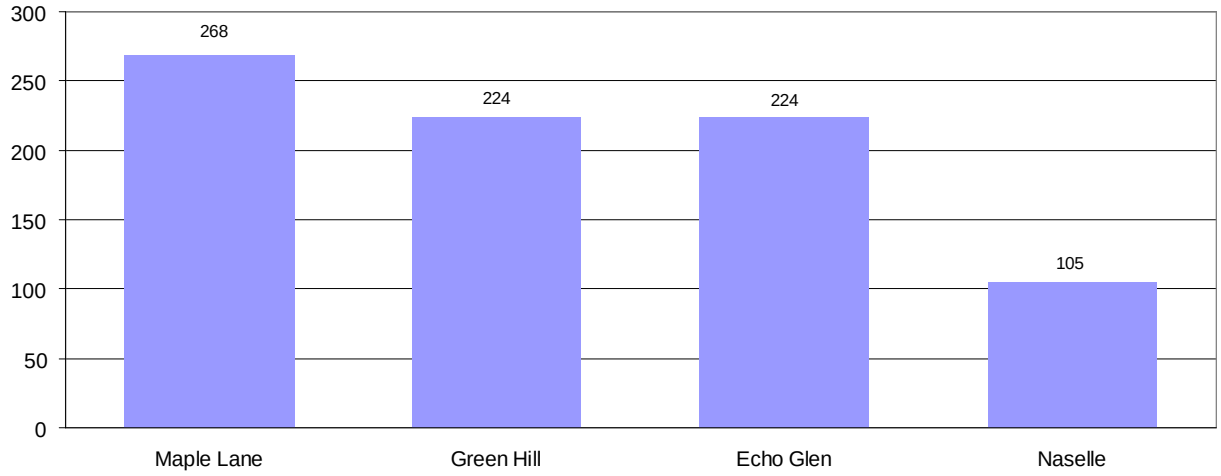
With this caveat, the maximum capacity of JRA institutions is 837. This includes 594 funded beds, 112 beds in vacant buildings and 131 non-funded beds in partially occupied buildings with reduced staffing.[15] JRA also has 95 beds in six community residential facilities. This includes 69 funded beds, 16 beds in a vacant building, and 10 non-funded beds. Since the downsizing of community residential facilities following a rape and murder by a JRA youth in 1997, JRA has been unable to keep these facilities fully occupied.

Figure 3 shows the consultant team's calculation of the ACA capacity of each of JRA's major institution: Maple Lane School, Green Hill School, Echo Glen Children's Center, and Naselle Youth Camp.[16]

[15] This total includes 16 beds at Camp Outlook, JRA's basic training camp. The basic training camp does not lend itself to capacity measurement by ACA standards so its funded capacity is used instead. There are also 16 non-funded beds in a building at Naselle Youth Camp which are excluded because the building has been recommended for demolition in multiple studies.

[16] These calculations represent the maximum capacity of JRA facilities. Certain types of youth (e.g. significantly mentally ill youth and sex offenders) require single occupancy cells. If a living unit has some cells/rooms large enough for two occupants but is used for these types of youth, its capacity would be less.

Figure 3: ACA Capacity of JRA Institutions
(Including vacant buildings and non-funded capacity)



The number of beds at Maple Lane and Green Hill presents a challenge for closing either institution. If Maple Lane is closed, the system has a maximum of 569 beds. If Green Hill is closed, there are 613 beds. As shown in Table 1, there is projected to be 555 youth in institutions in 2013/2014 and 578 by the end of ten years.

There are two other complicating factors. The first has to do with Echo Glen. Despite the fact there is projected to be only 124 to 129 females and younger males in the system over the next ten years, this cohort will require nine of the 13 living units at Echo Glen throughout this time period. (Some of which will have non-funded but unusable beds.) This is due to the diverse needs of this population – such as the need to keep young male sex offenders away from females. This leaves only four 16-bed living units at Echo Glen – 64 beds in total – that could be used by older males.

Taking Echo Glen needs into account, if Maple Lane is closed, there will be 393 beds for older males (224 at Green Hill + 105 at Naselle + 64 at Echo Glen). If Green Hill is closed, there will be 437 beds for older males (268 at Maple Lane + 105 at Naselle + 64 at Echo Glen).

The second complicating factor is the youthful offender population. This cohort must be confined in a secure environment. If Green Hill is closed, this leaves Maple Lane as the only secure JRA institution. The necessity of providing 60 to 70 secure beds at Maple Lane severely restricts what can be done with other parts of the facility.

The conclusion of this analysis is that closing either Maple Lane or Green Hill will require finding or building additional capacity elsewhere.

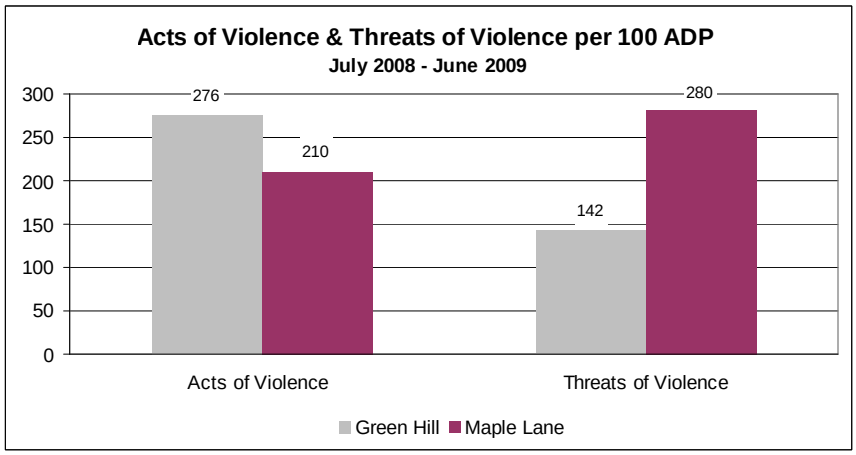
CAN GREEN HILL AND MAPLE LANE YOUTH BE HOUSED AT THE SAME FACILITY?

In addition to the challenge of finding space for displaced youth if one of these facilities is closed, there is the question of mixing the two populations. In the past JRA has maintained that the youth at the two facilities are sufficiently different that they cannot be safely mixed. There are actually two questions here: 1) are the youth really different, and 2) can they be safely housed at the same facility?

Information was obtained from three different sources which address the first question. This included data from JRA on incidents of aggression, mental health target population, suicide precaution events, Integrated Treatment Plan target behaviors, and the number of youth on psychotropic medication. We also looked at the results of diagnostic mental health screenings that are done primarily at the county level, and at data on special education students as reported by the Office of the Superintendent of Public Instruction (OSPI). All of these measures show significant differences between youth at Maple Lane and Green Hill.

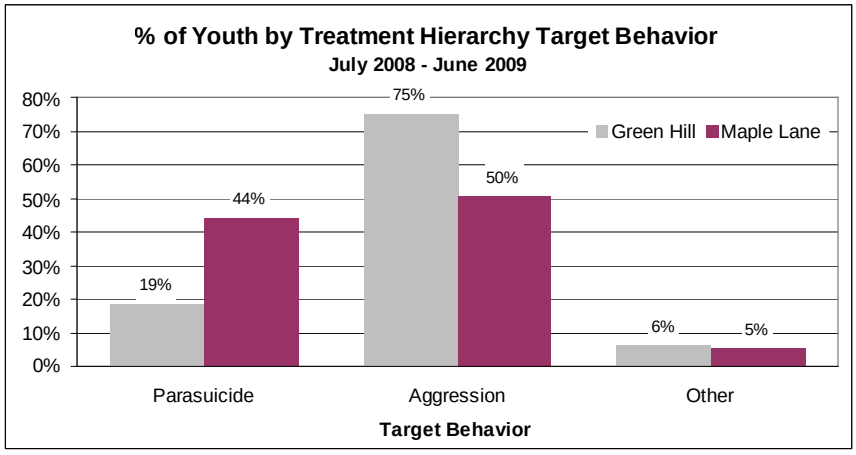
Incidents of aggression in JRA's data system include fights, assaults, group disturbances, sexual misconduct, and threats of violence. When total incident rates are compared, Maple Lane looks more violent than Green Hill. However, total incidents at Maple Lane look high because of *threats of violence*. Green Hill has more *acts of violence* than Maple Lane. (See Figure 4)

Figure 4



JRA uses a hierarchy to identify the most important negative behaviors to be targeted in a youth's treatment plan. At the top of the list is self-injurious behavior (suicide ideation, suicide attempts, self-mutilation). Aggressive behavior is second. These are followed by escape ideation and other factors.

Figure 5



Consistent with the incident data in Figure 4, aggression is the number one target behavior at Green Hill. While aggression is also a significant target behavior at Maple Lane, Figure 5 shows that suicide and other self-injurious behavior are much higher at Maple Lane than at Green Hill.

Identification of mental health issues in the JRA population begins with the Diagnostic Mental Health Screen (DMHS). This screening tool is used to triage potential mental health needs. The higher the level, the higher the probability the youth needs mental health services. Except in smaller counties (where JRA staff do the screening) the DMHS is administered by juvenile court personnel prior to the youth's transfer to JRA. Even at this early stage, there is a clear difference between the mental health needs of the Maple Lane youth and those at Green Hill. (see Figure 6)

Consistent with the differences identified in the preliminary screening, a higher percentage of youth at Maple Lane meet the criteria used by JRA to identify its target mental health population. This is illustrated in Figure 7.

As shown in Figure 8, these differences are also seen in the percentage of youth on psychotropic medications. JRA reports that youth who start out at Maple Lane and respond well to medication will often be transferred to Green Hill. Conversely, if a Green Hill youth decompensates, he may be transferred to Maple Lane until he is stable again.

Figure 6

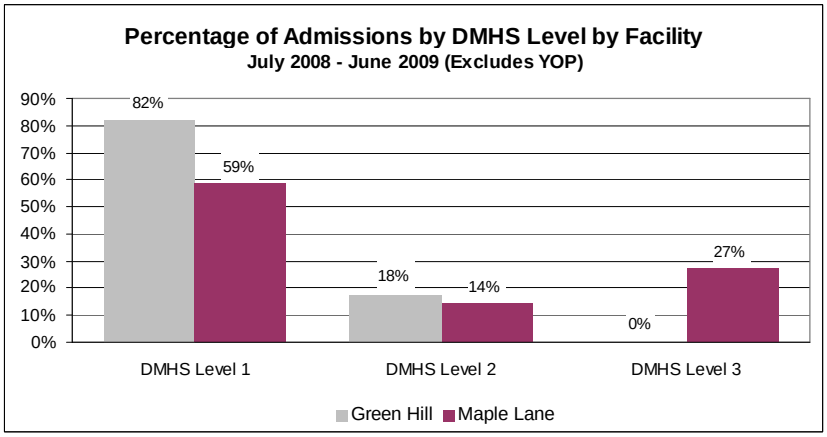


Figure 7

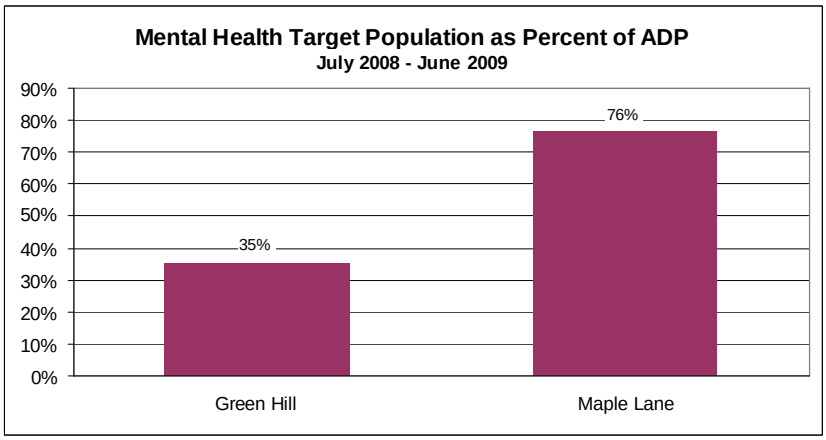
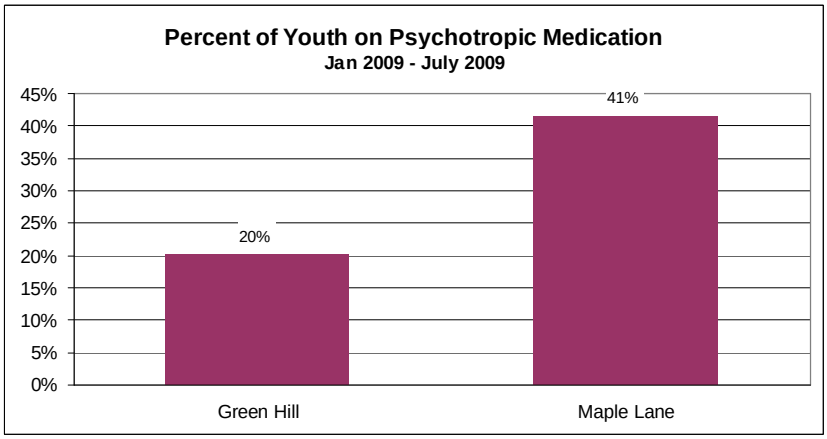
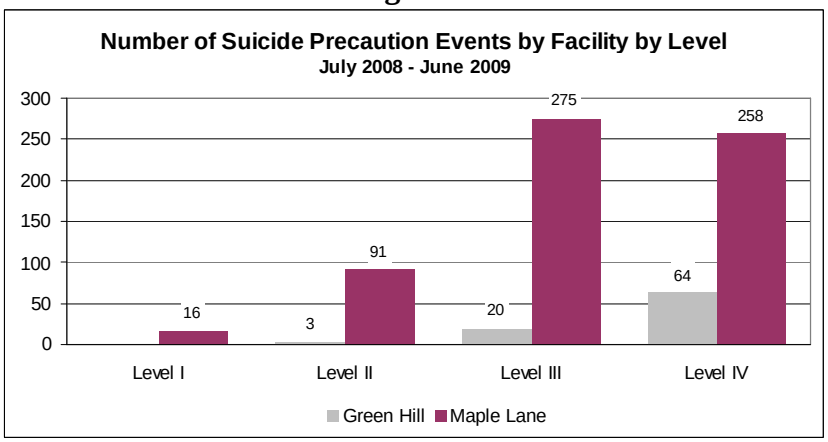


Figure 8



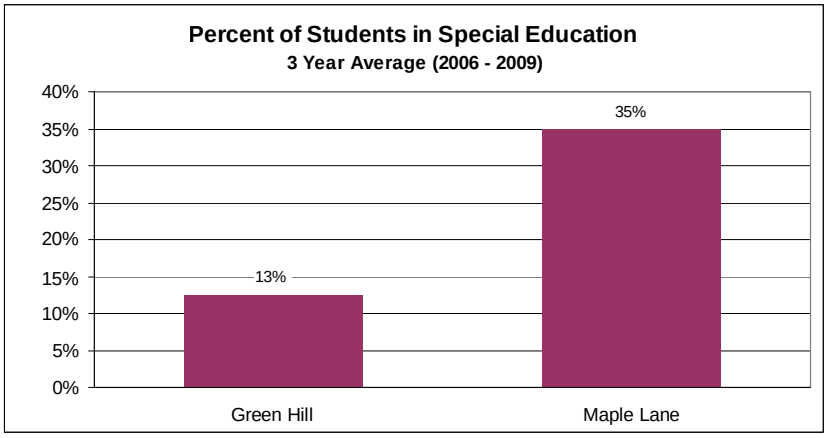
Suicide precaution events are those occasions when special procedures are invoked by JRA staff because a youth presents a heightened risk of self-harm. In the most dangerous situations, (Level I) there is constant one-on-one supervision for a period of time. As Figure 9 shows, the frequency of these events is much greater at Maple Lane. (It should be noted that one individual can be involved in multiple suicide precautions during a year. There are not hundreds of suicidal youth at Maple Lane.)

Figure 9



In addition to aggression and mental health, youth at the two facilities have other demonstrable differences relating to special needs. The data for the chart at the right comes from the Office of the Superintendent of Public Instruction. As these data show, there are nearly three times as many special education students at Maple Lane than Green Hill.

Figure 10



The conclusion of this analysis is there are clearly important differences between youth at the two facilities. The frequent characterization by JRA that youth at Green Hill are generally more sophisticated and aggressive, and youth at Maple Lane generally less mature and more vulnerable, is supported by evidence from JRA, county juvenile courts, and OSPI.

The second issue, can youth from the two facilities be housed at the same institution, is a different question. While it is clear that that the two groups should not come into close or regular contact, there are different ways to accomplish this. Separating them by miles – as is currently done – is obviously an effective solution. Another example is the method used by the Department of Corrections. DOC routinely houses different groups and individuals at the same institution who might otherwise harm or even kill one another. This is done through physical design, movement control, and time separation.

We are not advocating that JRA become more like DOC. In fact, JRA does some of this now. For example, the most seriously mentally ill youth at Maple Lane – those in the residential mental

health program – eat meals in their living unit rather than in the central dining hall. Passing times between classes in some of JRA schools are staggered so that youth in one classroom don't come into contact with youth in another.

In short, there are logistical challenges – not insurmountable impediments – in housing the two populations in close proximity. In some circumstances these challenges can require additional cost – including new capital construction. The bottom line is: are there other solutions that can safely address this issue at less cost than operating two separate facilities? This brings us to the central question of the feasibility study.

CLOSURE OPTIONS

OPTION 1 – CLOSE MAPLE LANE SCHOOL

Relocation of Youth

Under this option, it is recommended that all of the Maple Lane youth in the residential mental health program, and most of the youth in extended mental health, go to Echo Glen. There they would occupy four 16-bed cottages at the south end of the campus that are currently (or will soon be) vacant. This relocation would require renovation of the cottages and construction of ancillary space as described below.[17] The remainder of the residential mental health population would be relocated to a new building constructed at Green Hill.

Maple Lane youth in sex offender and drug and alcohol treatment programs would be consolidated at Green Hill and Naselle. This option requires the use of all living units at Naselle (excluding Eagle Lodge which is recommended for demolition). Mariner Lodge, currently vacant, would have to be renovated for this purpose.

Intake and IMU youth would be relocated to Green Hill School where an additional IMU facility would have to be built.

JRA reports that Camp Outlook (the basic training camp) will likely cease operation at its current location after Fiscal Year 2011.[18] If this is the case, a replacement facility for the basic training camp would be constructed at Green Hill.

The option to close Maple Lane School assumes that funded capacity at the Community Residential Facilities will be increased by nine.

Because of the need to renovate other facilities and construct new buildings, Maple Lane School would remain in operation at least until 2013. A 2013 closure date is only possible if aggressive fast track scheduling is used for all required capital improvements. Less aggressive schedules or unforeseen complications could delay full closure until 2014 or later.

Capital Costs

There are both capital costs and future capital savings associated with this option. The capital costs include the following. All estimates are for total project costs in 2009 dollars.

[17] It should be noted that relocation of older males with significant mental health issues to Echo Glen provides additional challenges in managing crisis episodes for these youth. Currently, acute care is provided at Maple Lane in a portion of the Maple Lane IMU. The only capacity available for this function at Echo Glen would be two secure rooms in the clinic where there are nurses and security officers 24 hours a day.

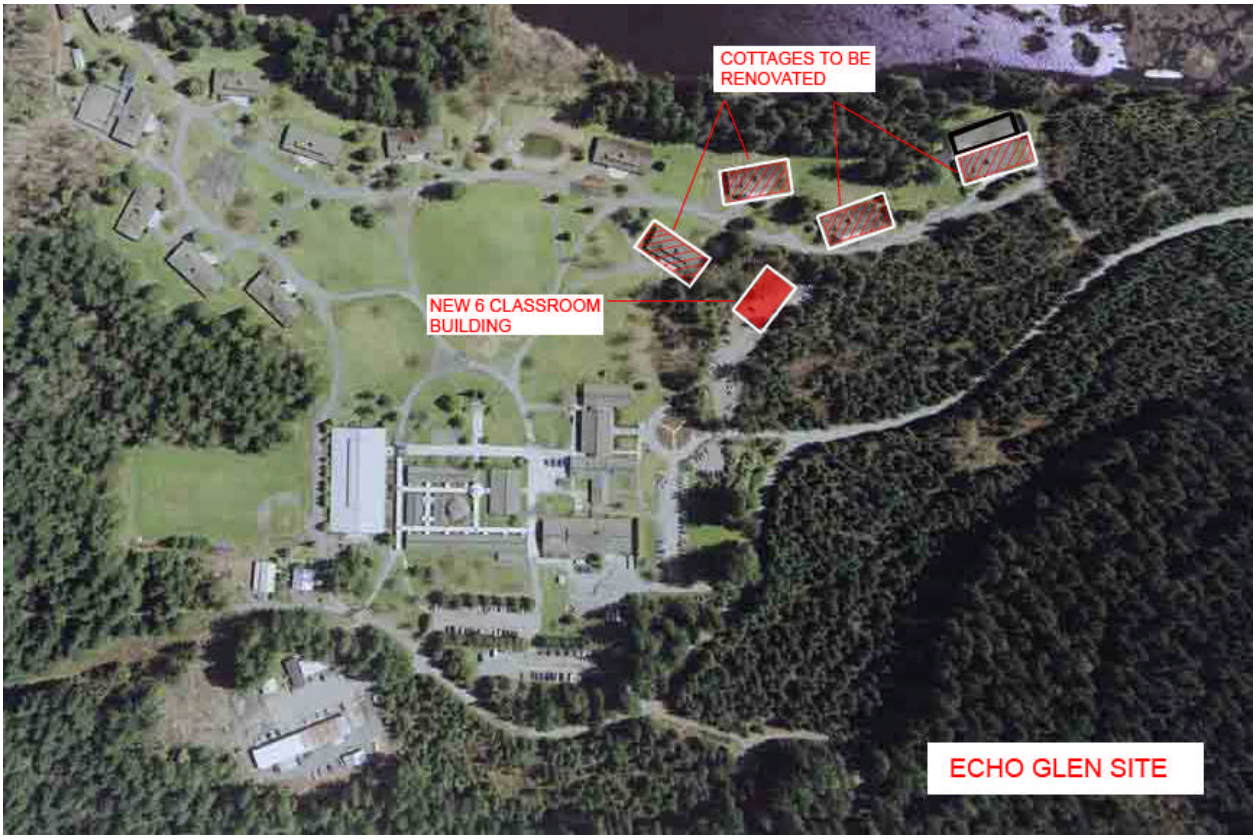
[18] Camp Outlook is operated by Pioneer Human Services under contract with JRA. It is reported that Pioneer Human Services is unwilling to continue the contract at the current location due to cost.

- Cottages 1 – 4 are located at the southern end of the EGCC site and can be isolated from the rest of the institution. Unlike most of the other cottages, these buildings have not been renovated. Renovation includes hardening of the walls, doors, and locks; construction of a secure "time out" room in each building; and other renovation required due to the age of the buildings. JRA's estimated cost for renovating these four cottages is exceptionally high (in excess of $580 per square foot). If they cannot be renovated for their replacement cost ($1,722,800 per "maximum security" cottage according to DSHS's fixed asset inventory), they should be demolished and replaced. We use the replacement cost (4 x $1,722,800 = $6,891,000) as the estimated cost of this work.

- Youth in the residential mental health program require "self-contained classrooms." Self-contained classrooms are classrooms that can be operated independent of the regular school. They are generally in, or adjacent to, the living unit. Rather than youth going to the teacher, the teacher comes to the youth. Because all of the youth transferred from Maple Lane would be older males, it is recommended that stand-alone classroom space be provided for all four cottages. The estimated project cost for an 8,450 sq foot building with six classrooms is $2,646,000.

  These capital improvements are illustrated in the following figure.

Figure 11: Proposed Capital Improvements at Echo Glen

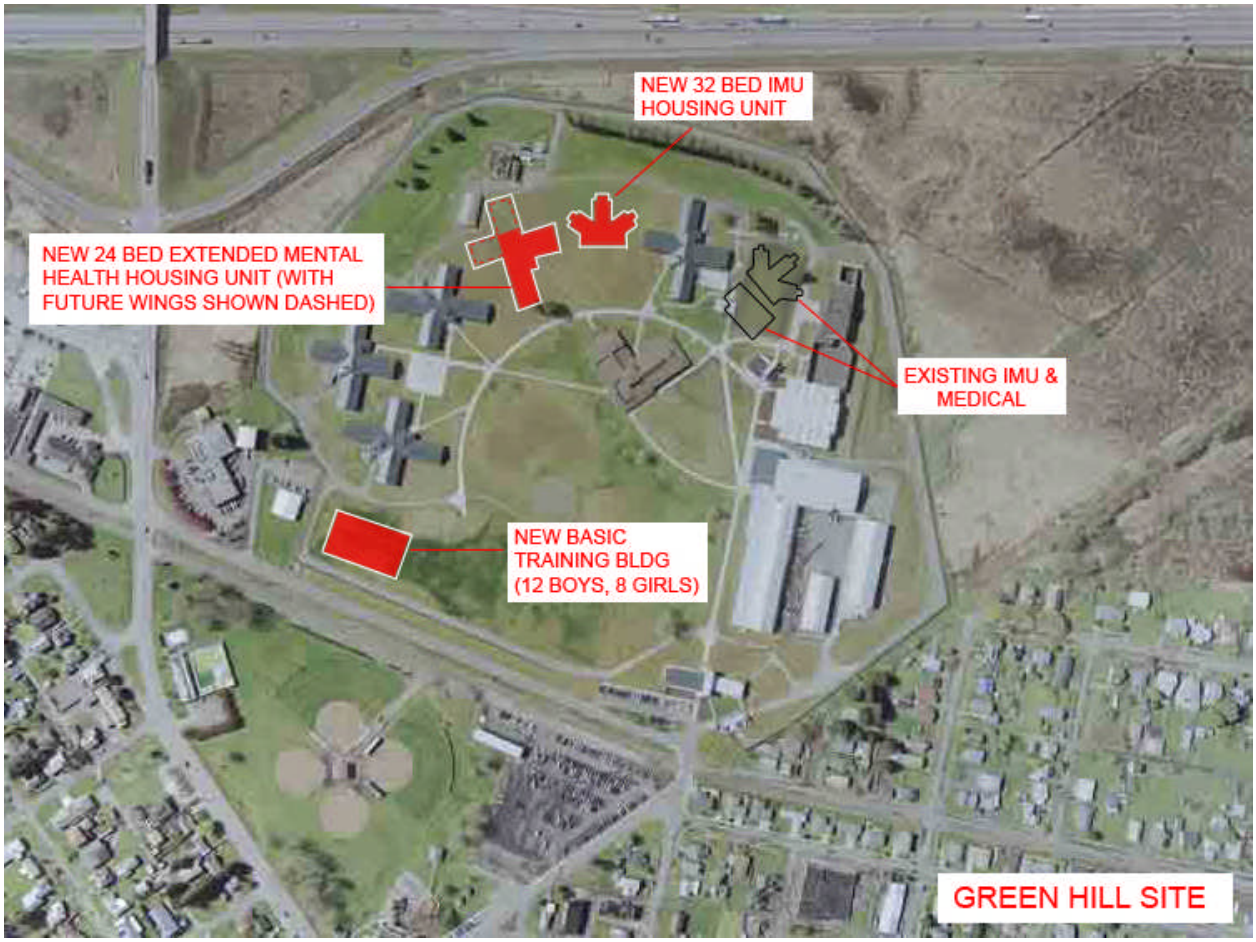


Green Hill School Capital Improvements

- The infrastructure at Green Hill School was constructed for a population of 400. Two building sites exist on the campus with utilities already in place. A 32-bed IMU and 24-bed Extended Mental Health unit would be constructed on one of these sites. A 20-bed Basic Training Camp would be constructed elsewhere on the campus along with adjacent parade ground and outdoor challenge course. The Basic Training Camp is a dormitory facility with one dorm for males and a smaller one for females. The structure also includes office, classroom, program, and other support space. The estimated project cost for these three buildings is $20,664,000.

  These improvements are illustrated in the following figure:

Figure 12: Proposed Capital Improvements at Green Hill



Naselle Youth Camp Capital Improvements

- Mariner Lodge is a currently vacant 6,268 square foot building constructed in the late 1970's. The estimated project cost for renovating this building is $1,750,000.

Capital Cost Avoidance

There is a fairly lengthy list of capital projects for Maple Lane School in DSHS's Ten Year Capital Plan. This includes four major projects plus a number of preservation and maintenance projects that could be postponed or eliminated if the facility were closed. However, because we are recommending a warm closure – i.e. preservation of the facility for possible future use – some preservation and maintenance projects would still be required at Maple Lane even if the facility is closed.

There are 83 major projects in DSHS's Ten Year Capital Plan. Except for a proposed acute care facility (priority 24), all of the major capital projects listed for Maple Lane have relatively low priority. These lower priority projects include renovation/expansion of the Health and Essential Services Building (priority 44), a new Entry, Security, and Visitation Building (priority 73), and Renovation of the Recreation Building (priority 76). There is only one major capital project identified for Green Hill School during this time period. That project, Renovation of the Recreation Building at Green Hill in FY17 is identified by DSHS as priority 78.

DSHS's Ten Year Capital Plan also includes funds to renovate the four Echo Glen cottages discussed above, albeit at a somewhat later date than proposed in this plan. In theory, renovating these buildings earlier should result in an avoided capital cost later. However, the long range forecast for JRA residential population used in this analysis does not support the need for these buildings anytime during the next ten years for the female and younger male population historically served at Echo Glen. In other words, unless part of Echo Glen is used for older males, there is no compelling need to renovate these buildings. Consequently, we assume no avoided future capital cost at Echo Glen if these cottages are renovated as a consequence of closing Maple Lane School.

Given the lower priority numbers for Maple Lane and Green Hill projects it is assumed for purposes of this analysis that none of the major projects at these two facilities will be funded during the next ten years with or without facility closures. Consequently, we assume no avoided capital costs associated with major projects resulting from closure of Maple Lane School.

Because the Basic Training Camp at Connell is scheduled to close in FY2011, replacement of this facility is necessary with or without facility closures. Consequently, the $4.7 million DSHS has in its Ten Year Capital Plan for this purpose is an avoided future cost due to its accelerated replacement under this option at Green Hill School.

While there are few avoided capital costs from major projects, the same is not true for minor capital/preservation projects. While some of this is offset by the preservation projects needed for warm closure of Maple Lane School, all future minor projects at Maple Lane could be postponed or eliminated if Maple Lane were closed. The cost of cumulative cost of these minor projects is approximately $5,246,000. These projects are listed in the appendix.

Preservation Projects at Maple Lane and Green Hill

Projects necessary to prevent the rapid deterioration of buildings at Maple Lane that may be needed in the future are limited to roofing and other projects to prevent water damage. In addition, several minor projects, including elimination of code deficiencies in the kitchen and

replacement of ceiling tiles in the dining room, should go forward because the facility will continue to be occupied for at least three years. The total cost of these minor/preservation projects is approximately $560,000.

All minor capital/preservation projects would continue at Green Hill School.

Summary of Capital Costs – Incurred and Avoided

Table 2A summarizes the capital costs for new construction, renovation, and facility preservation required by closure of Maple Lane School. Table 2B summarizes avoided capital costs if Maple Lane is closed. Additional detail on these capital costs may be found in the appendix.

Table 2A: Capital Costs: Option 1 – Close Maple Lane School[19]

DESCRIPTION	FISCAL YEAR				TOTAL
	2011	2012	2013	2014	
EGCC Renovate 4 Cottages	$1,378,240	$5,512,960	$0	$0	$6,891,200
EGCC – Construct 6 classroom education building	$529,200	$2,116,800	$0	$0	$2,646,000
NYC - Renovate Mariner Lodge	$700,000	$1,050,000	$0	$0	$1,750,000
GHS-Construct 32 bed IMU	$2,942,800	$5,885,600	$5,885,600	$0	$14,714,000
GHS – Construct 24 bed extended mental health unit	$1,327,200	$1,990,800	$0	$0	$3,318,000
GHS – Construct 20 bed basic training facility (dorms)	$1,052,800	$1,579,200	$0	$0	$2,632,000
Subtotal					$31,951,200
Preservation Projects					
Green Hill School	$1,413,500	$1,534,500	$342,000	$0	$3,290,000
Maple Lane School	$560,000	$0	$0	$0	$560,000
Subtotal					$3,850,000
TOTAL					$35,801,200

Table 2B: Capital Cost Avoidance: Option 1 – Close Maple Lane School

DESCRIPTION	FISCAL YEAR				TOTAL
	2011	2012	2013	2014	
Replace Basic Training Camp	($940,000)	($1,880,000)	($1,880,000)	$0	($4,700,000)
MLS Minor Projects	($2,975,900)	($1,810,000)	($280,000)	($180,000)	($5,246,000)
TOTAL COST AVOIDANCE					($9,946,000)

The net capital cost for this option is therefore $25,855,200 ($35,801,200 minus $9,946,000)

[19] Readers familiar with the draft report on JRA facility closure will note significant differences between the capital costs shown here and those in the earlier draft. While some of these differences are due to refinements, there were errors made in the draft report that have been corrected here.

Closure Costs

If a facility is closed and utilities disconnected for an extended period of time, two things will happen: (1) the buildings will deteriorate more rapidly and eventually become unusable, and (2) the authority having jurisdiction may invoke its abandoned building ordinance and require everything be brought up to current code requirements if the facility is reopened. The latter, particularly for an institution like Maple Lane that has a number of older buildings, would significantly delay reopening and substantially increase costs. Both of these negative consequences can be minimized or avoided if the facility is closed but preserved. This includes maintaining minimum heat, periodically operating mechanical, electrical and plumbing systems so they do not rapidly deteriorate, and continuing essential preservation projects (like reroofing) as needed. Then, if the facility is reopened sometime in the future for the same purpose, the question of occupancy permit should not arise. Because of this, we recommend a "warm closure" of Maple Lane School – at least until it is absolutely clear that the facility will never be needed by JRA again.

There are one time and on-going warm closure costs for Maple Lane School. One time costs include deactivation expense and costs associated with installing remote monitoring and operating systems so that on-site staffing costs can be reduced to a minimum. On-going costs include significantly reduced utility costs, yearly recertification of critical systems, and one maintenance staff. These costs are summarized in the following table.

Table 3: One Time and On-going Costs of Warm Closure of Maple Lane School

Description	One Time Costs	On-going Costs
Site Access: Police, Fire, Etc.		
Remote Keyless Entry - In or Out - Sally Port	$5,000	
Sally Port Equipment		$1,000
Water Supply:		
Drain, Deactivate & Store all Non-Essential Water Systems	$4,000	
Water/Sewage Usage (12% of normal)		$12,000
Fuel Tanks: Evacuation & de-activation	$3,000	
Garbage Refuse		$1,800
Wildlife & Insect Control		$2,400
Fire System:		
Remote Monitoring	$2,500	$5,000
Yearly Recertification:		
Electronic System		$8,000
Fire & Water Side		$1,500
Fire Marshall Inspections		$500
Central Plant:		
Projected Gas Use (48% of normal)		$127,000
Projected Electrical (21% of normal)		$44,000
Central Plant Remote Monitoring		$10,000
Emergency Generator		$5,000
Phone system conversion	$5,000	
Required Additional Electronic Cooling:		
Auxiliary Cooling Units for Electronic Racks	$6,000	
Deactivation & Storage of Chillers:	$3,000	
Central Kitchen:		

Description	One Time Costs	On-going Costs
Evacuate all Refrigerant Systems	$3,000	
Secure and Isolate all Gas/Fire Systems	$1,500	
Neutralize Hood Fire Suppression System	$500	
Drain, Open & Lay-Up Dining Water System	$1,500	
Gymnasium/ Recreation:		
Drain & Winterize Swimming Pool	$5,000	
Maintenance Staff (1 FTE including benefits)[20]	$69,360	$69,360
Total	$109,361	$287,561

Operating Cost Implications

Because some JRA facilities currently house more than their funded capacity, adjustments were made to current staffing levels so that assumed full staffing levels following relocation of youth due to closure of Maple Lane School are compared to full staffing in the present. The following table summarizes the estimated change in staffing levels at each institution by fiscal year as compared to the adjusted staffing level for August 10, 2009.

Table 4: Net Change in FTEs & Salaries/Benefits: Option 1 – Close Maple Lane School

JRA Institution	Aug 10, 2009		Change from Aug 10 Adjusted		
	Actual	Adjusted	2011	2012	2013
Maple Lane School	275.5	283.5	-8.3	-148.3	-283.5
Green Hill School	234.0	235.0	8.0	9.5	82.5
Echo Glen Children's Center	190.5	199.0	4.1	79.1	79.1
Naselle Youth Camp	114.0	118.0	-13.3 [21]	7.6	7.6
Community Residential Facilities	75.4	76.9	0	3.0	3.0
Net Change in FTEs – JRA	889.4	912.4	-9.5	-49.1	-111.3
Estimated Annual Savings in Salaries & Benefits			$646,638	3,124,503	$7,126,493
School Personnel	**09/10 School Year**		**Change from 09/10 School Year**		
Maple Lane	26		-1	-15	-26
Green Hill	21		2	2	8
Echo Glen			2	9	9
Naselle			0	3	3
Community Residential Facilities[22]			NA	NA	NA
Net Change - Schools			3	-1	-6

Program Implications

Every JRA facility has a number of fine programs. Maple Lane has programs specifically designed for older youth experiencing serious mental and emotional problems. The staff is trained

[20] In the preliminary draft report there were 2 FTE listed for one-time and on-going costs of warm closure. Upon further review, including how the Department of Corrections proposed to handle warm closure at its facilities, it was concluded that one FTE would be sufficient. If additional help (or coverage during vacations, sick leave, etc) were needed, this could be provided by maintenance staff from Green Hill School.

[21] Staffing at Naselle goes down temporarily because one living unit is closed while it is being remodeled.

[22] Youth at Community Residential Facilities attend local public schools. In no case is the population increase at an individual CRF more than three youth. This will not affect staffing levels at local schools.

to observe and intervene in behavior that may be leading toward self-harm or mental decompensation. Closing Maple Lane would require additional training for the staff of receiving facilities. Maple Lane also has a large inpatient chemical dependency program that would have to be replicated elsewhere.

Potential Alternative Uses

The consultant team was unable to find any suitable alternative uses for Maple Lane School. All of the housing units at Maple Lane are too small for efficient jail or other adult corrections use.

OPTION 2 – CLOSE GREEN HILL SCHOOL

Relocation of youth

A significant complicating factor for closing Green Hill School is the need to have a secure facility for housing the youthful offender population. If Green Hill is closed, the only possible location for these youth is Maple Lane. This requirement, however, adds to the cost of this option and extends the time before full savings could be realized.

Like the Maple Lane option, if Green Hill is closed it is recommended that all Maple Lane youth in the residential mental health program, and most of the youth in extended mental health, go to Echo Glen. There they would occupy four 16-bed cottages at the south end of the campus. This relocation would require renovation of the cottages and construction of ancillary space as described for Option 1 and repeated below. The remainder of the residential mental health population would remain at Maple Lane.

Baker and Chelan at Maple Lane are identical maximum security units that share classroom space and other support services. Currently, Baker is used for intake and Chelan for IMU. Under this option, Baker would be converted to IMU and a new intake building constructed at Maple Lane. All Green Hill IMU youth would be relocated to Baker and Chelan. Maple Lane and Green Hill intake youth would be consolidated in the new intake building at Maple Lane.

Green Hill youth in sex offender and drug and alcohol treatment programs would be consolidated at Maple Lane and Naselle. Mariner Lodge at Naselle is currently vacant. It would have to be renovated for this purpose.

Youthful offenders at Green Hill would be relocated to Maple Lane. Cascade, a currently empty living unit at Maple Lane would be reopened. Youthful offenders would be distributed to this and other living units at Maple Lane.

The option to close Green Hill School assumes that funded capacity at the Community Residential Facilities will be increased by six.

As noted under the Close Maple Lane School option, Camp Outlook (the basic training camp) will likely cease operation at its current location after Fiscal Year 2011. If this is the case, it is recommended that Spruce (a currently vacant and uninhabitable building at Maple Lane) be renovated as a replacement for the Camp Outlook program.

If Green Hill is closed, Maple Lane would become larger and be the only facility for older males that is reasonably accessible to most of the state. Because of this, major capital projects at Maple Lane given lower priority before would, we believe, become very important. This includes construction of an entry/security and visiting facility and renovation and expansion of the health and essential services building.

Capital Costs

There are both capital costs and future capital savings associated with this option. The capital costs include the following. All estimates are for total project costs in 2009 dollars.

Echo Glen Children's Center Capital Improvements

- Cottages 1 – 4 are located at the southern end of the EGCC site and can be isolated from the rest of the institution. Unlike most of the other cottages, these buildings have not been renovated. Renovation includes hardening of the walls, doors, and locks; construction of a secure "time out" room in each building; and other renovation required due to the age of the buildings. JRA's estimated cost for renovating these four cottages is exceptionally high (in excess of $580 per square foot). If they cannot be renovated for their replacement cost ($1,722,800 per "maximum security" cottage according to DSHS's fixed asset inventory), they should be demolished and replaced. We use the replacement cost (4 x $1,722,800 = $6,891,000) as the estimated cost of this work.

- Youth in the residential mental health program require "self-contained classrooms." Self-contained classrooms are classrooms that can be operated independent of the regular school. They are generally in, or adjacent to, the living unit. Rather than youth going to the teacher, the teacher comes to the youth. Because all of the youth transferred from Maple Lane would be older males, it is recommended that stand-alone classroom space be provided for all four cottages. The estimated project cost for an 8,450 sq foot building with six classrooms is $2,646,000.

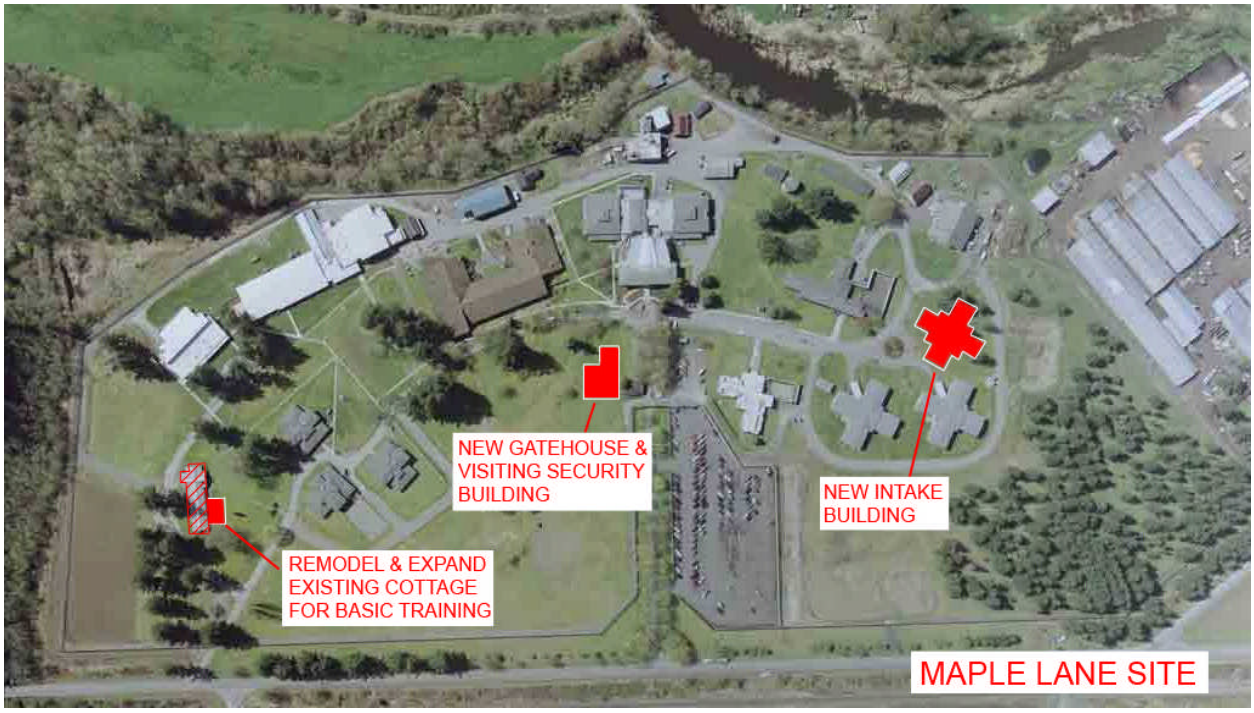
  Figure 11 (in the section discussing closure of Maple Lane School) illustrates the proposed capital improvements at Echo Glen.

Maple Lane School Capital Improvements

- If Baker and Chelan are both used as an IMU there will be a need for an intake facility to accommodate youth from both Maple Lane and Green Hill. Most rooms in the intake facility should be single occupancy and many of them should be wet cells (i.e. have a toilet and lavatory). A new building is needed for this purpose. The estimated cost of this 40-bed facility is $4,662,000.
- Spruce, now vacant, should be gutted and remodeled as a replacement for Camp Outlook. This program requires two dormitories – one for males and a smaller one for females. A classroom, program room, and office space would be part of this remodel. Adjacent land would be turned into a parade ground and challenge course for the program. The estimated cost of this remodel is $2,576,000.
- A new gatehouse/visiting center (similar to that which currently exists at Green Hill) should be constructed on an accelerated schedule. The estimated cost of this building is $5,659,000.
- The health and essential services building should be remodeled and expanded. The estimated cost of this work is $5,550,000.

Proposed capital improvements at Maple Lane are illustrated in Figure 13, below.

Figure 13: Proposed Capital Improvements at Maple Lane



Naselle Youth Camp Capital Improvements

- Mariner Lodge is a currently vacant 6,268 square foot building constructed in the late 1970's. The estimated project cost for renovating this building is $1,750,000.

Capital Cost Avoidance

For the same reasons noted in the discussion for Option 1 – Close Maple Lane School, the only major capital cost avoided because of closure of Green Hill School would be planned replacement of the Basic Training Camp.

With the exception of one minor project that should be implemented because the facility will remain open for at least three years, all other future minor projects at Green Hill could be postponed or eliminated if Green Hill were closed. The cost of cumulative cost of these minor projects is approximately $3,290,000. These projects are listed in the appendix.

All minor capital/preservation projects would continue at Maple Lane School.

Summary of Capital Costs – Incurred and Avoided

Table 5A summarizes the capital costs for new construction, renovation, and facility preservation required by closure of Green Hill School. Table 5B summarizes avoided capital costs if Green Hill is closed. Additional detail on these capital costs may be found in the appendix.

Table 5A: Capital Costs: Option 2 – Close Green Hill School[23]

DESCRIPTION	FISCAL YEAR				TOTAL
	2011	2012	2013	2014	
EGCC Renovate 4 Cottages	$1,378,240	$5,512,960	$0	$0	$6,891,200
EGCC – Construct 6 classroom education building	$529,200	$2,116,800	$0	$0	$2,646,000
NYC - Renovate Mariner Lodge	$700,000	$1,050,000	$0	$0	$1,750,000
MLS - new Intake Unit	$932,400	$3,729,600	$0	$0	$4,662,000
MLS - renovate Spruce for BTC	$1,030,400	$1,545,600	$0	$0	$2,576,000
MLS - Health/Essential Services Building	$1,110,000	$2,220,000	$2,220,000	$0	$5,550,000
MLS - Entry/Security/Visiting Building	$1,131,800	$2,263,600	$2,263,600	$0	$5,659,000
Subtotal					$29,734,200
Preservation Projects					
Green Hill School	$170,000	$0	$0	$0	$170,000
Maple Lane School	$2,975,900	$1,810,000	$280,000	$180,000	$5,245,900
Subtotal					$5,415,900
TOTAL					$35,150,100

Table 5B: Capital Cost Avoidance: Option 2 – Close Green Hill School

DESCRIPTION	FISCAL YEAR				TOTAL
	2011	2012	2013	2014	
Replace Basic Training Camp	($940,000)	($1,880,000)	($1,880,000)	$0	($4,700,000)
MLS Minor Projects	($1,413,500)	($1,534,500)	($342,000)	$0	($3,290,000)
TOTAL COST AVOIDANCE					($7,990,000)

The net capital cost for this option is therefore $27,160,100 ($35,150,100 minus $7,990,000)

Closure Costs

For the same reasons as discussed for Maple Lane, we recommend a "warm closure" of Green Hill School if it is closed.

There are one time and on-going warm closure costs for Green Hill School. One time costs include deactivation expense and costs associated with installing remote monitoring and operating systems so that on-site staffing costs can be reduced to a minimum. On-going costs include significantly reduced utility costs, yearly recertification of critical systems, and one maintenance staff. These costs are summarized in the following table.

[23] Readers familiar with the draft report on JRA facility closure will note significant differences between the capital costs shown here and those in the earlier draft. While some of these differences are due to refinements, there were errors made in the draft report that have been corrected here.

Table 6: One Time and On-going Costs of Warm Closure of Green Hill School

Description	One Time Costs	On-going Costs
Site Access: Police, Fire, Etc.		
Remote Keyless Entry - In or Out - Sally Port	$5,000	
Sally Port Equipment		$1,000
Water Supply:		
Yearly Backflow Recertification		$1,300
Drain, Deactivate & Store all Non-Essential Water Systems	$4,000	
Water/Sewage Usage (11% of normal)		$12,000
Fuel Tanks: Evacuation & de-activation	$3,000	
Garbage Refuse		$1,800
Wildlife & Insect Control		$2,400
Maintenance/Repairs (roofing issues)		$15,000
Fire System:		
Remote Monitoring	$2,500	$5,000
Yearly Recertification:		
Electronic System		$8,000
Fire & Water Side		$1,500
Fire Marshall Inspections		$500
Central Plant:		
Projected Gas Use (51% of normal)		$127,000
Projected Electrical (37% of normal)		$69,000
Central Plant Remote Monitoring		$10,000
Emergency Generator		$5,000
Required Additional Electronic Cooling:		
Auxiliary Cooling Units for Electronic Racks	$6,000	
Deactivation & Storage of Chillers:	$3,000	
Central Kitchen:		
Evacuate all Refrigerant Systems	$3,000	
Secure and Isolate all Gas/Fire Systems	$1,500	
Neutralize Hood Fire Suppression System	$500	
Drain, Open & Lay-Up Dining Water System	$1,500	
Laundry:		
Secure and Isolate all Gas to Dryers	$500	
Drain, Open & Lay-Up Laundry Domestic Hot Water System	$1,500	
Drain & De-Activate Chem Injection System	$1,000	
T Building - Recreation:		
Upgrade air handling & exhaust to protect new gym floor	$20,000	
Drain & Winterize Swimming Pool	$5,000	
Miscellaneous Required Inspections		$5,000
Maintenance Staff (1 FTE including benefits)[24]	$69,360	$69,360
Total	$127,361	$333,861

[24] In the preliminary draft report there were 2 FTE listed for one-time and on-going costs of warm closure. Upon further review, including how the Department of Corrections proposed to handle warm closure at its facilities, it was concluded that one FTE would be sufficient. If additional help (or coverage during vacations, sick leave, etc) were needed, this could be provided by maintenance staff from Maple Lane School.

Operating Cost Implications

Because some JRA facilities currently house more than their funded capacity, adjustments were made to current staffing levels so that assumed full staffing levels following relocation of youth resulting from closure of Green Hill are compared to full staffing in the present. The following table summarizes the estimated change in staffing levels at each institution by fiscal year as compared to the adjusted staffing level for August 10, 2009.

Table 7: Net Change in FTEs & Salaries/Benefits: Option 2 – Close Green Hill School

JRA Institution	Aug 10, 2010		Change from Aug 10 Adjusted		
	Actual	Adjusted	2011	2012	2013
Green Hill School	234.0	235.0	-31.0	-128.0	-235.0
Maple Lane School	275.5	283.5	31.5	9.9 [25]	57.4
Echo Glen Children's Center	190.5	199.0	4.1	44.1	79.1
Naselle Youth Camp	114.0	118.0	-13.3 [26]	7.6	7.6
Community Residential Facilities	75.4	76.9	0	0	2.0
Net Change in FTEs - JRA	889.4	912.4	-8.7	-66.4	-88.9
Estimated annual savings in Salary & Benefits			$604,591	$4,056,429	$5,395,745
School Personnel	09/10 School Year		Change from 09/10 School Year		
Green Hill	21		0	-12	-21
Maple Lane	26		0	6	11
Echo Glen			2	5	9
Naselle			0	3	3
Community Residential Facilities[27]			NA	NA	NA
Net Change - Schools			2	2	2

Program implications

Every JRA facility has its complement of fine programs. Perhaps the most exceptional programs at Green Hill School are in vocational education. This includes computer technology, light machine fabrication, vehicle maintenance and restoration, landscaping, welding, and the Juvenile Vocational Industries Program (JVIP). Youth in the JVIP program are taught organizational learning skills while manufacturing screen printed fabric products that are sold. In talking with youth in the vocational programs they expressed pride in what they produce and hope that the work experience will help them upon re-entry into the community.

The quality of the vocational program is a function of the space and instructors. Programs like these take years to develop in correctional settings. Consequently, even with appropriate space, these programs could not be replaced once they were lost.

[25] Staffing at Maple Lane goes down in 2012 because mental health youth from four living units are moved to Echo Glen. Three of these units are then occupied by less staff intensive youth and one is permanently closed. Staffing goes up in 2013 as new units are brought on line at Maple Lane.
[26] Staffing at Naselle goes down temporarily because one living unit is closed while it is being renovated.
[27] Youth at Community Residential Facilities attend local public schools. In no case is the population increase at an individual CRF more than three youth. This will not affect staffing levels at local schools.

Staff at Green Hill are trained and experienced to recognize and intervene in gang related behavior. This enables the population to remain integrated. Closing Green Hill would likely require additional staff training at the remaining JRA facilities.

Potential Alternative Uses

The consultant team was unable to find any suitable alternative uses for Green Hill School. All of the housing units at Green Hill are too small for efficient jail or other adult corrections use.

LIFE CYCLE COST ANALYSIS

This section is a summary of findings described in detail in Appendix 2 to this report.

What is Life Cycle Cost Analysis?

Life cycle cost analysis takes into account the concept of the time value of money by discounting future costs and savings in a systematic way to determine what those costs and savings are worth today. Adding together costs and savings from this year to discounted costs and savings from years 2, 3, 4, and so forth results in what is called the "net present value."

In the life cycle cost analysis presented here, the two options are not compared directly to one another but to the "hypothetical baseline" where neither facility is closed. The hypothetical baseline is what would occur in the absence of change. How each option differs from the baseline is a directly comparable measure of the relative financial performance of each scenario.

These two elements of the life cycle cost analysis – discounting future costs and savings and comparing each scenario to the hypothetical baseline – provides an apples-to-apples comparison of the two options.

Net Present Value of Operating Cost Savings

From the perspective of operating cost reduction, Option 1 (Close Maple Lane School) offers the greatest prospect for savings over the ten years from 2011 through 2020 as shown in Table 5. In present value terms, Option 1 offers savings of $31 million, versus savings $21 million under Option 2 which closes Green Hill School.[28]

Table 5:
Present Value of 10-Year Operating Savings (in Millions) Relative to Hypothetical Baseline (Savings Presented in Year-of-Expenditure Dollars)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Net Present Value of Savings (2011)
OPTION 1: CLOSE MAPLE LANE	($0.67) M	$1.44 M	$4.37 M	$4.62 M	$4.78 M	$4.95 M	$5.12 M	$5.24 M	$5.37 M	$5.50 M	**$31.2 M**
OPTION 2: CLOSE GREEN HILL	($0.69) M	$2.41 M	$2.77 M	$3.01 M	$3.11 M	$3.23 M	$3.34 M	$3.42 M	$3.51 M	$3.59 M	**$21.4 M**

Source: BERK

Comparisons of capital cost savings are somewhat less straightforward to interpret. Both options are fairly similar in terms of capital impacts, with both options resulting in a negative net present value as shown in Table 6. The negative net present values reflect the fact that with closure of either facility, there would be initial capital costs to renovate existing buildings or build additional units for housing the displaced population. Either option would result in similar capital costs to the State over the 10-year time horizon.

[28] Net Present Values are calculated using a discount rate of 4.2%, a rate that reflects projected future costs of State bonded debt. In effect, this discount rate reflects the cost the State pays to move money forward through time.

Table 6: Present Value of 10-Year Capital Savings (in Millions) Relative to Hypothetical Baseline (Savings Presented in Year-of-Expenditure Dollars)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Net Present Value of Savings (2011)
OPTION 1: CLOSE MAPLE LANE	($4.79) M	($15.33) M	($3.40) M	$1.98 M	$2.64 M	$1.68 M	$1.65 M	$0.00 M	$0.00 M	$0.00 M	**($15.4) M**
OPTION 2: CLOSE GREEN HILL	($4.74) M	($15.91) M	($1.84) M	$1.81 M	$2.64 M	$1.68 M	$1.65 M	$0.00 M	$0.00 M	$0.00 M	**($14.6) M**

Note: There are no reliable capital cost data for fiscal years 2018 through 2020. Given the similarity of capital expenditures between the two options for FY 2011 to FY2017, our analysis assumes that there would be no differences between the two options between FY 2018 and FY 2020.

Source: BERK

THE EFFECT OF CLOSURES

THE EFFECT OF CLOSURE ON EMPLOYEES

This section is a summary of findings described in detail in Appendix 2 to this report.

There are two important issues to understand as we examine the effect of each scenario on JRA employees: (1) how employees are categorized and (2) the process by which employees may continue employment with JRA or DSHS.

Employee Job Classifications and Categories

The project team estimated the changes in FTEs by state job class for each closure option. While estimated changes for every job class are included in the appendix, three summary job class categories were created for more streamlined discussion here. Each of these categories includes multiple positions, classes, and series. The categories are:

- **Social Services.** Employees in these jobs provide social services functions at the JRA facility such as counseling, program management, and security.
- **Support Services.** Employees in this large category provide a spectrum of support services, including: administration and management, medical and dental care, housekeeping support (food preparation and laundry), and buildings and grounds maintenance.
- **Education.** The teachers, principals, vice principals, and support staff included in this category educate JRA residents, but are employees of local school districts and not JRA.

Both Options Result in Layoffs of JRA Employees

With either closure option, employees and employment opportunities are affected in different ways. While employment increases at some locations, on balance, there are net job losses. The following changes occur:

- Full closure of an institution, resulting in the elimination of all job positions at that facility
- Creation of new FTEs at institutions as a result of relocating youth from a closed facility

The Formal Option Process

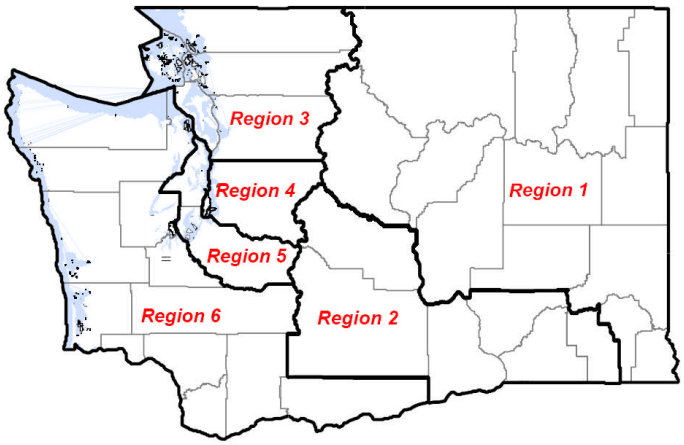
Closing a JRA institution will result in a reduction in positions and employee layoffs. By civil service rules and union agreements, these employees have different options available to them for continued employment within JRA and DSHS. This section presents an overview of the types of processes used for continued employment opportunities.

Under the State layoff process the State is under obligation to find and offer employment opportunities for permanent employees laid off in a facility closure or downsizing. This is called the **formal option process**. In this process, permanent employees being laid off are offered a comparable position for which they have the required job skills within a designated "layoff unit."

A layoff unit is the geographic boundary used for determining available positions. There are three tiers of layoff units:

- *County:* Employees are first considered for positions for which they are eligible in their current county of employment.
- *Region:* If there are no eligible positions in the county, the process extends to a regional level. These regions are defined by the agency and are illustrated in Exhibit 14.
- *State:* If there are no eligible positions in the region, the process then extends statewide.

Exhibit 14: DSHS Regions

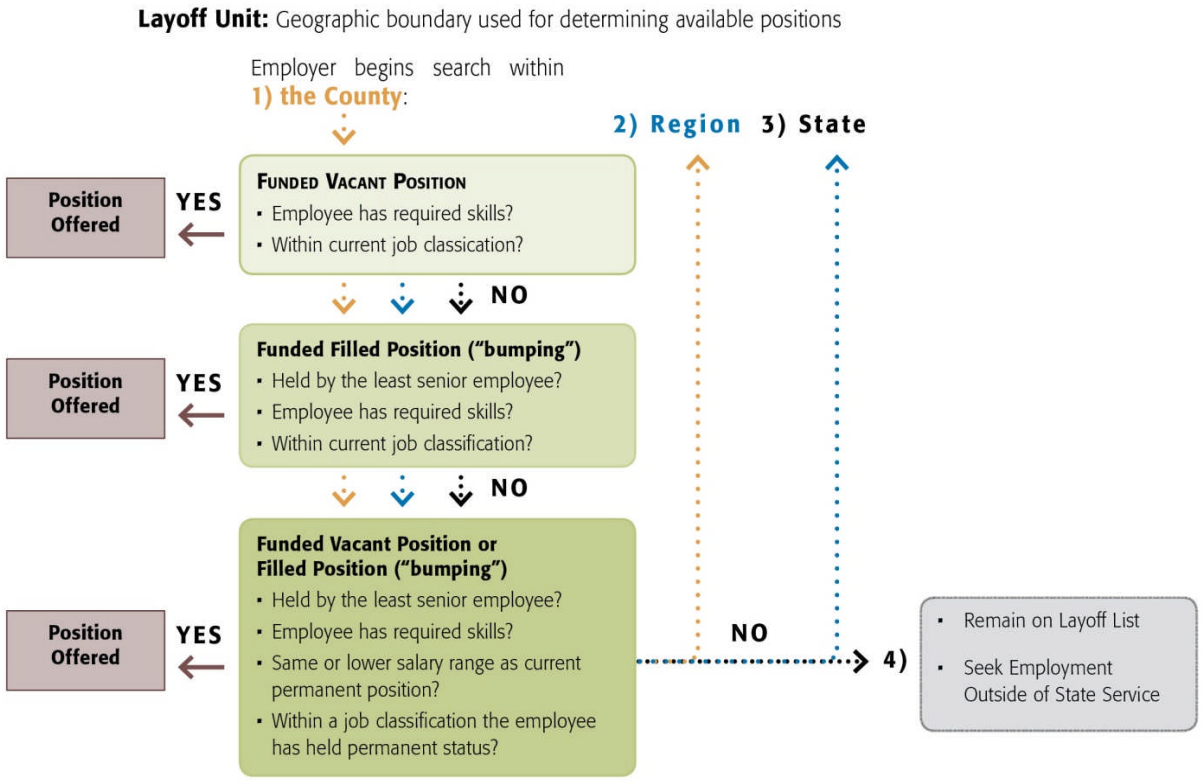


Within each successive layoff unit (first county, then regional, then statewide), employees are considered for the following types of positions in the following order:

- A funded vacant position in the same job class
- A funded position in the same job class that is currently filled by a more junior employee
- A funded vacant or filled position in a job class held by the employee in the past

This process is illustrated in Exhibit 15 and described in the Technical Appendix to this report.

Exhibit 15: The Formal Option Process



Summary of Employee Impacts

The numbers of FTEs reduced and created under each closure option – as well as the net change in FTE count – are summarized below. As Table 8 illustrates, closing Maple Lane School results in a larger number of FTE reductions and a greater net reduction of staff than closing Green Hill School.

Table 8: Summary of Changes in FTE Counts

	JRA Employees			School District FTEs
Option	**JRA Staff Affected at Closed Facility**	**Demand for Staffing Created Elsewhere**	**Net Change in JRA FTE Count**	**Net Change**
Option 1: Close Maple Lane School	283.5 FTE (between FY09 and FY13)	172.1 FTE	-111.4 FTE	-26 FTE
Option 2: Close Green Hill School	235.0 FTE (between FY09 and FY13)	146.1 FTE	-88.9 FTE	-21 FTE

Tables 8A and 8B summarize employment options within and outside of DSHS for the two closure options. Key findings including the following:

- Permanent JRA employees facing layoffs as a result of Option 1 or Option 2 are eligible to participate in the transfer, formal option, and informal option processes, which may place affected employees in new DSHS positions.
- Closure of Maple Lane School would eliminate 283.5 FTEs by FY13. At nearby Green Hill School, demand for approximately 80 FTEs would be created, enabling some employees to shift locally. Approximately seven positions would also be created at Naselle, about 100 miles away. However, Maple Lane employees are relatively less senior than other JRA employees and therefore may be less able to bump into filled positions elsewhere in the agency.
- Closure of Green Hill School would eliminate 235 FTEs by FY13. At nearby Maple Lane School, demand for approximately 57 FTEs would be created, enabling some employees to shift locally. Approximately 7 positions would also be created at Naselle, about 100 miles distant. Green Hill employees are relatively more senior than other JRA employees and so may be more able to bump into filled positions elsewhere in the agency.
- Laid off employees from either school who are unable to find other employment options within JRA would benefit from relatively easy access to the regional job markets of Centralia/Chehalis or Olympia/Tumwater/Lacey. However, job skills that are specific to JRA institutional needs may not be readily transferable to other fields.

Table 8A: Summary of Employment Options – Close Maple Lane School

		Within JRA		Outside JRA
Option	**JRA Staff Reduced at Closed Facility**	**Newly Created Positions**	**Formal Option Process**	
Option 1: Close Maple Lane School	283.5 FTE (between FY09 and FY13)	*Green Hill School* 82.5 FTE *Naselle Youth Camp* 7.6 FTE	Maple Lane staff in Social Services job classes will be unlikely to be offered options within Thurston County; greater opportunities for employment within may exist for administrative and maintenance staff More senior staff will be eligible for newly created positions at Green Hill School, and senior employees may bump more junior staff at this and other facilities Statewide, opportunities will be limited by the reduction of approximately 110 FTEs under this Option. Bumping opportunities will be limited as well, as MLS employee are on average less senior than JRA staff in other institutions	Employment options within 35 miles include the economic centers of Chehalis/Centralia and Olympia/Tumwater/Lacey

Table 8B: Summary of Employment Options – Close Green Hill School

		Within JRA		Outside JRA
Option	**JRA Staff Reduced at Closed Facility**	**Newly Created Positions**	**Formal Option Process**	
Option 2: Close Green Hill School	235.0 FTE (between FY09 and FY13)	*Maple Lane School* 57.4 FTE *Naselle Youth* 7.6 FTE	No options will exist at the county level as GHS constitutes nearly all DSHS jobs in Lewis County. Within Region 6, more senior staff will be eligible for newly created positions at Maple Lane School, and senior employees may bump more junior staff at this and other facilities Statewide, opportunities will be limited by the reduction of approximately 90 FTEs under this Option. Some bumping will occur, as GHS employee are on average less senior than JRA staff in other institutions	Employment options within 35 miles include the economic centers of Chehalis/Centralia and Olympia/Tumwater/Lacey

THE EFFECT OF CLOSURE ON THE HOST COMMUNITY

This section is a summary of findings described in detail in Appendix 2 to this report.

Purpose

Closing either Maple Lane or Green Hill School would have economic and fiscal impacts on the local communities that are home to these facilities. The primary impacts would be a result of lost employment, lost purchases of goods and services within the community, and the loss of taxes paid to the host jurisdiction.

As a result of shifting the populations from closed facilities to other locations, "receiving communities" will experience some positive economic and fiscal impacts from increased employment, additional purchases of goods and services, and increased tax revenue to the host jurisdiction. Because the State is considering making these changes in an effort to improve efficiency and ultimately decrease spending, one would expect the increased expenditures (and impacts) in the receiving communities to not fully offset the losses in the communities where facilities are closed or downsized.

The purpose of this analysis, which is represented in more detail in the accompanying Technical Appendix, is to:

- Estimate the direct, indirect, and induced economic impacts on the local region from the changes in employment and purchases of goods and services for communities either losing or gaining economic activity associated with the studied facilities
- Estimate the fiscal impacts (change in tax revenue) to the local jurisdictions losing economic activity associated with the studied facilities

Methodology and Limitations

An assessment of **economic impacts** concerns itself with effects on patterns of commerce. *What shift in economic activity (business activity, income, or wages) can be attributed to a given action or investment?* An economic impact is characterized by a net new change in economic activity, that is, economic activity that would otherwise not occur.

Our goal in this analysis is to estimate 1) the full impact on the regional economy of the change in economic activity if a facility were closed or downsized, and 2) the full impact of additional economic activity in receiving communities.

IMPLAN (short for IMpact Analysis for PLANning) software was used for this analysis. IMPLAN is an input/output model that uses county-level data to trace the ripple effects (direct, indirect, and induced effects) of an expenditure that occurs within the economy.

One of the limitations of this analysis is that it is performed as a snapshot in time. It compares the impacts of a facility's current expenditures with the likely impacts under a contemplated closure. Although both options discussed in this report transition over a period of time, for the economic analysis we have a chosen a future point in which the changes are anticipated to have been

completed and the facility's operations are relatively static. All dollars used in this portion of the analysis are 2009 dollars.

Another important issue to note is that these analyses describe the economic impacts to the local *region*, not the local *jurisdiction*, because the facility may draw employees, goods, and services from the larger area. *The impacts to the local jurisdiction may be much greater relative to its local economy than that shown for the larger region.* In some cases, employees and residents of a facility are assumed to move to other locations within the same study region, minimizing the economic impacts shown in our analysis. However, some movement will occur outside the local jurisdiction, which can have significant impacts to the local community. The ripple effects from the loss of employees and residents at the facilities can have a profound impact on cities of smaller size. The importance of this issue as it pertains to smaller communities that currently host facilities being considered for downsizing or closure should not be underestimated by the reader.

Fiscal Impacts: In addition to the impacts on the local and regional economy, closing either Maple Lane or Green Hill School would have a direct impact on the host jurisdiction's finances. The Technical Appendix of this report discusses each of the following potential revenue sources in more detail: utility and sales taxes, State shared revenues (including Motor Vehicle Fuel Tax, Liquor Board Profits and Excise Tax, and Criminal Justice Revues), Criminal Justice Sales Tax, and Public Safety Sales Tax.

Summary of Economic Impacts

Table 9 compares the economic impacts of the two closure options for each region studied. Because the study areas are the same for both options, it is possible to make direct comparisons between the impacts. The key points of comparison are:

- The annual economic impacts are similar between the two options. This applies to the communities experiencing losses as well as those experiencing gains.
- The main difference between the two options comes from one-time construction costs. Scenario 1, the closure of Maple Lane School has more positive one-time impacts than Scenario 2.

It should be noted that positive impacts to the community are a direct result of spending by the State, putting the economic and fiscal benefit to the community in opposition to cost savings for the State. This can be seen by contrasting the results of this study's economic and fiscal impact analyses with the lifecycle cost conclusions.

Under both closure options there is a net increase of youth at Echo Glen Children's Center (King County) and Naselle Youth Camp (Pacific County). One time and on-going positive economic effects would be experienced in both counties and, in the case of expansion at Naselle, Wahkiakum County. Under both closure options, Lewis and Thurston Counties would experience gains and losses, with losses outweighing gains due to an overall reduction of youth in JRA facilities in the two counties.

Table 9: Summary and Comparison of Estimated Economic Impacts of Closure Options
(Includes both Direct and Induced Job Loss/Gain and other Economic Impacts)

Area Definition	Output Total Impact	Total Community Job Change	Total Labor Income Change
Losses			
Scenario 1 - Close MLS			
Lewis & Thurston Co.	$ (21,196,550)	(263.3)	$ (13,191,910)
Scenario 2 - Close GHS			
Lewis & Thurston Co.	$ (21,297,904)	(262.9)	$ (12,629,884)
Gains - Annual			
Scenario 1 - Close MLS			
King County	$ 4,957,285	75.4	$ 3,535,991
Pacific & Wahkiakum Co.	$ 1,609,465	31.3	$ 2,129,675
Total	**$ 6,566,750**	**106.7**	**$ 5,665,665**
Scenario 2 - Close GHS			
King County	$ 5,286,688	81.0	$ 3,264,470
Pacific & Wahkiakum Co.	$ 1,691,710	32.7	$ 2,387,031
Total	**$ 6,978,397**	**113.7**	**$ 5,651,501**
Gains - One Time			
Scenario 1 - Close MLS			
Lewis & Thurston Co.	$ 21,598,075	175.6	$ 8,496,272
King County	$ 9,968,310	81.1	$ 3,921,344
Pacific & Wahkiakum Co.	$ 1,829,105	14.9	$ 719,535
Total	**$ 33,395,490**	**271.6**	**$ 13,137,151**
Scenario 2 - Close GHS			
Lewis & Thurston Co.	$ 7,565,179	61.5	$ 2,975,998
King County	$ 9,968,310	81.1	$ 3,921,344
Pacific & Wahkiakum Co.	$ 1,829,105	14.9	$ 719,535
Total	**$ 19,362,595**	**157.5**	**$ 7,616,877**

Summary of Fiscal Impacts

Table 10 compares the estimated revenue loss to each jurisdiction's operating funds.

Table 10: Summary and Comparison of Estimated Annual Fiscal Losses of Closure Options

	Est. Revenue Reduction	% of General Fund
Option 1		
Thurston County	$ 8,600	0.01%
Option 2		
City of Chehalis	$ 40,900	0.50%

The City of Chehalis is estimated to have a greater loss in revenues from the closure of Green Hill School than Thurston County would experience from the closure of Maple Lane School. This discrepancy is due to the differing tax structures of cities and counties.

An important point of consideration when comparing the fiscal impacts is the size of each jurisdiction's budget. Thurston County has a General Fund that is roughly ten times that of the City of Chehalis – but the City of Chehalis is expected to see a revenue loss nearly five times greater than Thurston County. That being said, the estimated impact on the City's General Fund is still relatively small, at half of one percent of the General Fund.

In addition to the impacts quantified above, Green Hill School contracts with the City of Chehalis for fire protection services at a cost of $44,000 annually. When an entity contracts for fire service it generally pays for its "fair share" of providing that service on an average cost basis. However, from an incremental cost perspective, it is unlikely that the fire service provider will experience reductions in the overall costs of providing services to the service area should the contract should go away. For small cities in particular, there can be a loss of economies of scale along with a loss in users of the service. Therefore, there may be a marginal increase to the City in the cost of providing service to the remaining users.

From a community impacts perspective, the closure of Maple Lane School appears to have more positive one-time economic impacts and fewer negative fiscal impacts than the closure of Green Hill School.

Impacts to the Rochester School District

The economic impacts modeled above incorporate the loss of approximately 26 jobs in the Rochester School District which administers the Maple Lane High School.

In a letter dated July 26, 2009 addressed to the Office of Financial Management, the Superintendent of Rochester School District states that, "Maple Lane High School is a vital part of the Rochester School District." He later states that a "symbiotic relationship" exists between MLHS and the rest of the Rochester School District" and cites the following examples:

- "MLHS staff and administration are active members of district committees, and both receive and provide crucial district-wide services"
- Professional development opportunities received by MLHS are shared with the rest of the District

- MLHS houses the District print shop, which saves outside printing costs

Superintendent Anderson further notes that with closure of the Maple Lane School, certificated teachers at MLHS would lose all rights to employment within the District.

Impacts to Chehalis School District

Closing Green Hill School would result in the loss of 21.3 FTE in the Chehalis School District.

A letter expressing the District's concerns was submitted by Dr. Greg Kirsch, Superintendent, to the Office of Financial Management on July 16, 2009. This letter raises a strong concern related to the potential timing of facility closure, stating that if closure were to be announced after May 15, the District would be contractually obligated to pay for staff and equipment for the Green Hill Academic School for remainder of the year which total approximately $1.9 million a year according to the District's figures. Dr. Kirsch's letter concludes by asking for "consideration in the budget for funding the cost of continuing contracts through the end of the academic year in which the facility closes."

The Superintendent also states that, as the teachers working at GHS are on average more senior than the District's other teachers, closure of GHS would result in Green Hill Academic School staff bumping and displacing more junior staff in the District's elementary, middle, and secondary schools. Dr. Kirsch further states that this process would result in disruption and misalignment of teacher qualifications and classroom needs.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

There is No Room for Error

In order to close either Green Hill or Maple Lane it is necessary to use virtually all available capacity at the remaining institutions and build new buildings to replace lost capacity. Even if this were done, this poses significant risk if the population projection is low. If the population stabilizes or goes up, JRA facilities would become crowded and it is likely that program outcomes would deteriorate. If crowding were to become severe, closed facilities would have to be reopened or additional new buildings constructed. And, in fact, the November 2009 caseload forecast estimates the average daily JRA residential population will be 27 higher in FY 2010, and 84 higher in FY 2011, than the forecast used for this analysis.

The November 2009 caseload forecast for the JRA residential population was released just prior to completion of this report. Instead of fewer youth, the November forecast projects a small increase in JRA residential population. If the institutional population increases, the state will be faced not with closing a JRA institution, but with opening closed living units to accommodate more youth.

There are only 224 beds at Green Hill School; there are 268 at Maple Lane. If Green Hill were closed, it would be necessary to close additional beds elsewhere. If a single facility is closed, only closure of Maple Lane reaches the requirement to eliminate 235 beds.

Potential Changes in FTEs, Operating Costs and Capital Expenditures

Both options potentially save a substantial number of FTEs, but not nearly enough to save $12,000,000 following full closure of one of the facilities – much less by FY 2011. However, there is a somewhat larger decrease in FTEs if Maple Lane is closed. And, while the capital cost difference between the two alternatives is much smaller than calculated in the draft report, from a capital standpoint it is still somewhat more advantageous to close Maple Lane. Overall, Table 11 shows that the financial advantage of closing Maple Lane School is greater than that associated with closing Green Hill.

Table 11: Summary of Potential 2013 Savings in FTEs, Salaries & Benefits, and Change in Capital Expenditures

	Close GHS	Close MLS
Net Savings in FTEs by 2013	-89	-111
Annual savings in salaries & benefits	$5,396,000	$7,126,000
Net Present Value (over 10 years)	$31,200,000	$21,400,000
Additional Capital Costs	$35,150,000	$35,801,000
Avoided Capital Costs	-$7,990,000	-$9,946,000
Net capital costs (additional + avoided)	$27,160,000	$25,855,000
Net Present Value (over 10 years)	-$15,400,000	-$14,600,000

The Need for Construction Delays Closure

Even with aggressive timetables, the need to build new buildings under both options delays implementation of full closure and therefore savings. While it may once have been possible to obtain quicker cost savings associated with more modest changes – such as consolidations and closure of individual living units – that possibility no longer exists with the revised numbers from the November 2009 caseload forecast.

Effect on Employees

Closing Maple Lane School results in a larger number of FTE reductions and a greater net reduction of staff than closing Green Hill School.

Maple Lane employees are relatively less senior than other JRA employees and so may be less able to bump into filled positions elsewhere in the agency than employees from Green Hill.

Terminated employees from either school who are unable to find other employment within JRA or DSHS would benefit from relatively easy access to the regional job markets of Centralia/Chehalis or Olympia/Tumwater/Lacy. However, job skills that are specific to JRA institutional needs may not be readily transferable to other fields.

Senior teachers and staff laid off in the Chehalis School District would likely "bump" more junior staff in the district's other schools. In contrast, there are no seniority rights in the Rochester School District and, if Maple Lane closes, certificated teachers at Maple Lane High School would lose all rights to employment within the District.

Effect on Host Communities

The annual economic impacts of closures are similar for both options. This is true for communities experiencing losses and communities experiencing gains. The main difference between the two options comes from one-time construction costs. Option 1, closing Maple Lane School has more positive one-time impacts than Option 2, closing Green Hill School. On balance, however, both Lewis and Thurston Counties would experience net job loss and other economic loss. Concentrated effects in the City of Chehalis could be significant. Net gains would occur in communities where JRA institutions experience population growth.

Closure of either facility would have an adverse impact on the local school district with a loss of 21 jobs in the Chehalis School District, if Green Hill closes, and loss of 26 jobs in the Rochester School District, if Maple Lane School closes.

RECOMMENDATIONS

The proviso in ESHB 1244 states that "the report shall provide a recommendation and a plan to eliminate … 235 beds from juvenile rehabilitation facilities."

It is our conclusion that the data do not support closure of either Green Hill or Maple Lane. Without new construction there is insufficient capacity in the rest of the system to accommodate the youth who would be left and closure of either facility would be accompanied by a significant

probability of doing serious harm to a quality program and leave little or no room for error in the caseload forecast for JRA institutions.

However, because the proviso requires a recommendation and plan to eliminate 235 JRA beds, the logical choice is to close Maple Lane School in 2013 following further declines in the number of youth in JRA institutions and completion of needed capital improvements. Closing Maple Lane reaches the target of eliminating 235 beds, saves more FTEs and requires somewhat fewer capital dollars. While we want to make it clear that we think this is a bad idea, in conformance with the proviso, an implementation plan to close Maple Lane School is provided.

IMPLEMENTATION PLAN

This implementation plan assumes that the number of youth in JRA residential facilities will continue to decrease as indicated in the long-range forecast updated in June 2009. This plan will not work if the population fails to go down by at least the amount projected at that time or if the recommended capital improvements identified in this report are not completed. If the population does continue to go down, and if a decision is made to close Maple Lane School, we recommend the following steps be followed.

1. Request and obtain funding for the capital initiatives described under the option to close Maple Lane School.
2. Fast track all capital projects, including completing consultant selection and contract negotiations to coincide with the availability of funds in July 2010.
3. In FY 2011, reduce population levels in Maple Lane living units by taking advantage of declining admissions and maximizing the use of available beds at Green Hill School. Reduce living unit staffing consistent with traditional staffing ratios as population levels decline.
4. In FY 2012, complete fast track renovation of cottages at Echo Glen and Mariner Lodge at Naselle. Move all residential mental health youth, and up to 32 extended mental health youth, from Maple Lane to Echo Glen. Close Laurel, Birch, and either Pacific or Rainier at Maple Lane. Convert Spruce at Green Hill to all sex offender treatment; move core treatment program youth out of Spruce to Naselle; move youth from the Olympic sex offender treatment program at Maple Lane to Green Hill. Close Olympic at Maple Lane. Temporarily relocate the Basic Training Camp from Connell to a vacant unit at Maple Lane.
5. In FY 2013, complete fast track construction of IMU, extended mental health, and basic training camp beds at Green Hill. Move all remaining youth from Maple Lane to Green Hill. Implement first year warm closure actions at Maple Lane. Close Maple Lane.

Additional materials on the implementation plan can be found in the appendix.

FEASIBILITY STUDY FOR THE CLOSURE OF STATE INSTITUTIONAL FACILITIES

FINAL REPORT

Part 3: Residential Habilitation Centers

November 1, 2009

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FEASIBILITY STUDY REPORT

FEASIBILITY STUDY EXECUTIVE SUMMARY

The 2009 Washington Legislature passed HB 1244 directing the Governor's Office of Financial Management (OFM) to conduct a study of the feasibility of closure of state institutions. In response, OFM contracted with a consultant team to conduct the assessment. This summary focuses on findings and recommendations regarding the DSHS Division of Developmental Disabilities-run residential habilitation centers (RHC).

HOW WAS THE STUDY CONDUCTED? The team considered information from four sources:

1. Previous studies conducted by JLARC, DSHS, and the Department of General Administration. These studies provided information on property values, strategic plans, and closure plans for Fircrest School and Yakima Valley School.
2. Current financial, program policy, and quality assurance data provided by DSHS Aging & Disability Services Administration. Data for this study is current to June 2009 unless otherwise noted.
3. Stakeholder focus group and survey findings from over 800 people including people with disabilities, their families, advocates, and providers.
4. Current RHC individual service plans and June 2009 personnel payroll data which was collected specifically for this study.

WHAT DID THE TEAM FIND? There are seven key findings.

1. Nationally, Washington State is behind the current trend in its dependence on RHCs. States are getting out of the business of state-operated large facility-based long term care. No state is expanding its institutional care system. Washington has more RHC beds per citizen than most other states. States that closed facilities recently were primarily addressing one of three major issues:
    - Buildings were wearing out and too expensive to replace.
    - Class-action litigation settlements required closure.
    - Federal Department of Justice investigations found civil rights violations.

2. RHCs are expensive to operate. There are three primary reasons.
    - Buildings and other RHC capital assets are more expensive to maintain than leased homes in community neighborhoods.
    - State employee compensation for direct care workers is higher than private agency direct care workers' compensation.
    - Short-term respite & crisis emergency residential services provided by an RHC on campus have the single highest per capita cost (in state funds) of any DDD service.

3. People who live at the RHCs and their families are highly satisfied, do not want to leave and will strongly and actively resist community placement. Their concerns and

convictions must be respected and considered. A significant number of people have lived in the RHCs for a majority of their life-time and are wanting to age-in-place at the RHCs.

4. A significant number of people currently residing in RHCs were admitted at young ages and have lived at the facilities in excess of thirty years. Leaving the RHCs for these people is difficult. Recently in the past two years, RHCs have been admitting children because community alternatives have not been available. This practice has the potential to create a new generation of long-term RHC residents.

5. The community service system currently lacks adequate respite and emergency / crisis residential capacity. Regional case managers, people and families, and community providers heavily depend on RHCs for crisis residential back-up support because of a lack of existing community options. Increased community respite services are imperative to support people and families in their own homes and deter future admissions to RHCs. Without these respite resources, RHCs will experience continued pressure to admit people as the only option.

6. Intensive supported living services and day programs would be the primary community option for people leaving RHCs. The current supported living provider net work and county programs will require increased financing and capacity to meet the health, safety, and critical care needs of these people.

7. States are directly operating community-based supported living programs for people who present complex health needs and / or community risks. In Washington, community programs also support people with similar needs, but are not required to accept referrals unconditionally. States that operate community supported living programs use them as their "zero reject" safety net services for people who are in transition between homes. In Washington, only RHCs have a requirement to accept all referrals.

8. Valuable clinical and program expertise is concentrated at the RHCS and generally not available to people and families in need in the community. There was overwhelming concern from all stakeholders that these critical resources would be lost if the RHCs were closed.

WHAT OPTIONS WERE CONSIDERED AND WHAT EVALUATION CRITERIA WERE APPLIED? The team considered five future options for the RHCs.

1. Maintain the current status and change nothing.
2. Close all state-operated services and campuses, and place all people with community private providers.
3. Close the skilled nursing facility (SNF) only and place people with a combination of small state-operated or privately-operated community supported living programs.
4. Close the intermediate care facility (ICF/MR) only and place people with a combination of small state-operated or privately-operated community supported living programs.
5. Convert the RHCs from long-term care programs to community resource centers offering respite, clinical outreach, and crisis intervention.

In considering these recommendations, the team applied four criteria.

1. Maintain quality of care: will people and families receive equal or better services and supports than they are currently receiving?
2. Future service demand: Are there people in the future who will need these services and supports?
3. Regulatory and policy environment: To what degree are there federal and state regulatory and policy pressures for various alternatives?
4. Financial impact: What are the current and projected future fiscal impacts of various alternatives?

WHAT ARE THE TEAM'S RECOMMENDATIONS? The recommendations address both the questions of the feasibility of reducing 250 beds in the near term, and the future of the RHCs in the next ten years. The team's recommendations are:

RECOMMENDATION #1: No later than 2013, Washington can reduce 250 beds from the RHCs by closing FHMC and 13 cottages on other RHC campuses. Because of the current SNF and ICF/MR bed mix and because the RHCs are recommended to be closed by 2019, it is not feasible to consolidate people and increase the census at various campuses without creating multiple moves for people within a short period of time. The team is experienced with the high degree of stress people experience when moving and recommends that DSHS proceed in a respectful and patient manner that minimizes multiple moves. The recommended actions to accommodate the 250 bed reduction are:

- Close FHMC and vacate the campus
- Close seven (7) cottages at Rainier School
- Close two (2) cottages at Fircrest School
- Close one (1) cottage at Yakima Valley School
- Close two (2) cottages at Lakeland Village

RECOMMENDATION #2: As part of the reduction of 250 beds, Washington should immediately place children currently living at the RHCs into state-operated children's intensive care homes. This action can be accomplished by transferring the current Fircrest staff and resources to a community supported living setting.

RECOMMENDATION #3: No later than 2019, Washington can close all but a few RHC beds and convert Lakeland, Fircrest, and Yakima Valley into three small community support centers which provide emergency crisis support and ambulatory care / clinical outreach services. Each center would have clinical expertise to support people with autism and their families. These three centers would also retain a small number of SNF beds to honor the state's commitment to allow people and their families to age-in-place. These centers would focus on providing geographically accessible services for eastern, western, and central Washington respectively.

RECOMMENDATION #4: Washington should expand its community supported living network to include a "zero-reject" state-operated residential option which focuses on people with complex health needs or who present significant community risks. To accomplish significant RHC closure, a publicly operated safety net of residential supports which must accept all people is essential.

RECOMMENDATION #5: The community supported living provider network requires substantial refinancing and increased capacity in order to support people leaving the RHCs in an equal or better fashion. That financial support should be directed specifically to increasing direct care compensation and also to increasing the overall number of providers and bed capacity.

HOW MUCH WILL THESE RECOMMENDATIONS COST OR SAVE THE STATE'S OPERATIONS & CAPITAL BUDGETS?

- The reduction of 250 beds in the RHCs will initially cost $1,815,363 more in the first year operations budget than SFY 2010 current level in order to cover provider start-up and consumer transition expenses. Assuming a start date of July 2010, cost savings and expenditures will break even by January 2013. The state will experience net savings of $4,346,750 per year thereafter from the reduction of 250 RHC beds.

- Assuming cold closure of the Frances Haddon Morgan facility and the associated cottages involved in the 250 bed reduction, an additional $1,875,000 of building expenses can also be avoided in future Capital budget minor works. Heartland Alternative #3 for FHMC (sale of excess properties) would provide the state with $1.2 million from the sale. Capital budget impact is not considered part of the operating budget impact.

- Should the state decide to close its remaining ICF-MR beds and restructure its nursing home and clinical supports (e.g. Recommendation #3), the state will experience a net savings of $116,138,316 for the period of SFY 2011 through SFY 2018, and per annum savings of $41,982,957 per year starting in SFY 2019. A summary of operating budget savings per state fiscal year (SFY) and the bed closure schedule are provided in the tables below.

- *Summary of operating budget savings and expenses per SFY for Recommendation #3 (RHC restructure)*

	SFY 2011	SFY 2012	SFY 2013	SFY 2014	SFY 2015	SFY 2016	SFY 2017	SFY 2018
Community On-going Expense	$3,224,030	$16,703,042	$28,438,311	$40,226,270	$67,282,368	$92,466,081	$110,515,415	$112,838,140
Community One-time Expense	$736,000	$1,012,000	$1,104,000	$1,288,000	$2,495,500	$2,403,500	$1,092,500	• 0
Increase SOLA Mgt	• 0	• 0	$595,884	$1,191,768	$1,787,652	$1,787,652	$1,787,652	$1,787,652
• Clinical Outreach / Crisis Response	• 0	• 0	• 0	• 0	• 0	$1,645,080	$1,645,080	$1,645,080

	SFY 2011	SFY 2012	SFY 2013	SFY 2014	SFY 2015	SFY 2016	SFY 2017	SFY 2018
Teams								
Placement Transition Teams	$184,273	$437,649	$714,059	$1,036,538	$1,661,340	$2,263,107	$2,536,636	$2,536,636
• TOTAL EXPENSES	$4,144,304	$18,152,692	$30,852,254	$43,742,576	$73,226,860	$100,565,421	$117,57,286	$118,807,511
RHC REDUCTION SAVINGS	$2,328,940	$19,413,474	$34,410,694	$50,120,499	$80,182,787	$119,126,848	$156,833,509	$160,790,468
DIFFERENCE	($1,815,363)	$1,260,782	$3,558,440	$6,377,923	$6,955,927	$18,561,427	$39,256,223	$41,982,957

- *Summary of the RHC bed closure and community transition budget impact by fiscal year for Recommendation #3 (RHC restructure)*

State Fiscal Year (July to June)	RHC Action	Number of people moving from RHCs	number of people moving to Private Community Residential programs	Number of people moving to State-operated supported living programs	Net Savings or (Loss) for Biennium (End of last SFY)
SFY 2011	FHMC: close 2 cottages Fircrest: close 2 cottages	32 32[29]	16 16	16 16	($1,815,363)
SFY 2012	FHMC: close facility Rainier: close 3 cottages Yakima: close 1 cottage	24 48 16	24 48 0	0 0 16	$1,260,782
SFY 2013	Lakeland: close 2 cottages Rainier: close 4 cottages	32 64	16 64	16 0	$3,558,440
SFY 2014	Fircrest: close 2 cottages Lakeland: close 1 cottage Rainier: close 4 cottages	32 16 64	16 16 64	16 0 0	$6,377,923
SFY 2015	Fircrest: close 4 cottages Lakeland: close 4 cottages Rainier: close 4 cottages Yakima: close 2 cottages	57 64 64 32	41 64 64 8	16 0 0 24	$6,955,927
SFY 2016	Fircrest: close 3 cottages Lakeland: close 4 cottages Rainier: close 6 cottages Yakima: close 1 cottage	41 64 88 16	32 64 88 0	9 0 0 16	$18,561,427
SFY 2017	Lakeland: close 3 cottages Rainier: close 3 cottages	36 59	36 59	0 0	$39,256,223
SFY 2018	Actions complete				$41,982,957
TOTAL IMPACT through SFY 2018		Remaining RHC Capacity	Total increase in private community programs	Total increase in state-operated com. programs	Total Net Savings from SFY 2010 through SFY 2018
	FHMC: closed facility Fircrest: ICF/MR Fircrest: SNF Lakeland: ICF/MR Lakeland: SNF beds Rainier: closed facility Yakima: SNF	0 0 48 0 26 0 38	40 105 0 180 16 387 8	16 16 41 0 16 0 56	
TOTAL		112	736	145	$116,138,316

[29] Fircrest to move all children to state-operated intensive care home in 2011

SCOPE OF PROJECT:

This section of the report is focused on the feasibility of closing 250 beds at the residential habilitation centers (RHC) operated by the Department of Social and Health Services / Aging and Disability Services. Additionally, OFM requested that the consultants provide a long-term (10 year) context for the future of the RHCs. Study requirements specific to the developmental disabilities are listed:

- The impact and interest of people currently living in the RHCs who would be relocated to other residential programs to include both community programs as well as other RHCs
- The availability of alternative community long-term care supports and services if various RHCs were to close
- The opportunities for consolidation of RHC services and capacity
- Various financial considerations to include:
    - Current and future operations and capital costs for various RHC closure options
    - On-going facility-related costs associated with closure of all or portions of RHC facilities to include both "warm" and "cold" closure options
    - The number and type of RHC staff who would be affected by closure
    - Savings accrued by closure and / or consolidation
    - Additional transitional and long-term support costs associated with the relocation of people currently residing in RHCs
    - The economic and social impact on various local communities in which RHCs are located
- Stakeholder opinions and perspectives to include people living at the RHCs and their families, staff who work at the RHCs, consumer advocates, labor, county government, and provider organizations
- Policy and operational issues that must be addressed prior to closure or consolidation

This portion of the study was conducted by Davis Deshaies LLC and Berk & Associates under a sub-contract agreement with Christopher Murray & Associates.

PROJECT APPROACH

A team of former state developmental disabilities program directors from Arizona, Texas, California, Maine, Alabama, Louisiana, and Washington were selected to conduct a review and analysis of RHC options and future directions, and provide a written set of recommendations to OFM. This feasibility study team established and worked from a set of existing values and beliefs. These values drove the actions and practice of the study, and are as follow:

- All people have the right to choose and direct their personal supports.
- All people have the right to accurate and objective information to make choices, and should expect that the information is presented in an understandable fashion.
- All people have the right to know the limits of available public support in order to make appropriate choices.

Within the context of the study values and beliefs, the RHC feasibility study team initiated five activities. First, a comprehensive review of previous national and Washington state studies and analyses was completed. Second, focus group discussions with potentially effected people, families, and RHC staff were conducted. Additionally, meetings with labor organizations, community advocate organizations, association of counties human services board coordinators and community residential services providers were held. Third, financial, performance outcome and program data were examined and used to build alternative RHC models. Fourth, individual support teams and placement officers for each RHC provided prospective placement plans for each person residing in each RHC. Finally, select discussions with key elected and DSHS officials were conducted. Results from these activities are detailed in the subsequent sections of this report. All data listed in this report is current as of June 2009 and was provided by DSHS and / or OFM unless otherwise noted.

CRITERIA TO DETERMINE OPTIONS & RECOMMENDATIONS

The feasibility study team applied four test criteria in its deliberations of various RHC alternative options. These test criteria are listed in order of priority. Specifically, if the first test is not met, the alternative is not considered further. All recommended alternatives must meet all test criteria in order to be considered for recommendation to the Governor and Legislature. The RHC alternative test criteria are:

1. Maintain quality of care: will people and families receive equal or better services and supports than they are currently receiving?

2. Future service demand: Are there people in the future who will need these services and supports?

3. Regulatory and policy environment: To what degree are there federal and state regulatory and policy pressures for various alternatives?

4. Financial impact: What are the current and projected future fiscal impacts of various alternatives?

Quality of Care Criteria: To determine quality of comparable care levels, the study team examined current levels of RHC support as well as the outcomes and resource needs of people who have either previously left the RHCs during the past twenty-four (24) months or who possess similar support needs to people currently in the RHCs. Five primary sources of information were used.

1. Current RHC direct care support levels were determined by a review of June 2009 personnel payroll documents. Staff and residents were identified for each RHC cottage / home.

2. Individual support teams and placement officers provided the most recent assessments of individual behavior and health support needs, as well as prospective community support

needs and last known individual and family interest in placement. All RHC placement officers noted that placement plans are dated and will need to be updated and refreshed.

3. Community support plans and associated costs for people with comparable needs who recently left RHCs were provided by DSHS / DDD[30]. In all instances, people leaving the RHC were considered to need a minimum of 1staff per 2 people during the day and 1 staff per 4 people at night. In addition to direct care staff support, additional clinical resources were assigned to people based upon the RHC team assessments.

4. Quality assurance outcome studies and mortality reviews conducted by DSHS/DDD were also examined. Both RHC staff and families of people living in the RHCs expressed significant concern that comprehensive and thorough planning and training occur prior to placement of people with serious health issues.

5. The feasibility study team also reviewed "usual and customary" service levels used by people with similar needs who moved from state institutions in other states. Specifically, current experiences from State of Indiana Muscatatuck Center and Fort Wayne Center which involved people with significant behavioral support needs (2005 & 2007 closures) and State of California Agnews Center which involved people with significant health and medical needs (2008 closure) were examined. Program designs and increased community supports used in both states have been incorporated into the Options and Recommendations section.

Future Service Demand: Three trends were examined to determine future demand for RHC services. First, the overall national and state population growth and associated growth in the numbers of people with developmental disabilities was projected through calendar year 2020. Data sources used in these projections included: the U.S. Census Bureau American Community Survey, December 2008; U.S. Census Bureau Decennial Census of Population; and selected journal articles[31]. Second, specific trends involving people with autism spectrum disorders[32], people with fetal alcohol syndrome / fetal alcohol effect, and people with chronic conditions due to aging[33] were examined to determine their potential impact on residential service needs. And third, data on consumers waiting to receive residential supports[34] was compared to the overall population growth trend.

Regulatory & Policy Environment: The purpose of the regulatory and environmental scan is to determine the extent to which national and state litigation, and federal regulations and oversight will affect the future delivery of residential services. To assess the current policy environment, two primary aspects were examined. First, current national and state litigation trends and subsequent court rulings were reviewed. Second, both current and pending Title XIX Medicaid

[30] Sherman, Ron. *"Roads to Community Living Rates"*, worksheet prepared at request of feasibility team, Department of Social & Health Services, July 24, 2009.
[31] Mickel, Amy and Stan Taylor, *"Active Status Population Growth Analysis"*, California State University, College of Business Administration, Sacramento, California.2008.
[32] Autism and DD Monitoring Network, *"Prevalence of Autism Spectrum Disorders"*, February 2007.
[33] Stallard, Eric, *"Estimates of the Incidence, Prevalence, Duration, Intensity and Cost of Chronic Disability Among the U.S. Elderly Population"*, National Institutes of Aging, January 2008.
[34] Prouty, R.W., Smith G., & Lakin, K.C. (2007). *"Residential services for persons with developmental disabilities: Status and trends through 2006"*, University of Minnesota, 2007.

regulations, interpretive guidelines, and HCBS waiver models were considered. The sources of these judicial and federal findings are the updated reports from the National Association of State Developmental Disabilities Directors, and the experiences of feasibility team members who serve as federal court monitors and / or sit on CMS regulatory advisory committees.

Financial Impact: Once the criteria for quality of care, future service demand, and political and policy environment have been met, financial impact is determined. The basis for calculating financial impact involves these steps.

1. Determine RHC fixed and variable costs.
2. Determine individualized service plans and associated reimbursement rates for each person leaving an RHC.
3. Apply implementation phase-in schedules and associated transition expenses.
4. Determine cost of community capacity-building activities necessary to accommodate RHC placements.
5. Define critical path to include dependent activities which must occur prior to community placement from an RHC.

NATIONAL PERSPECTIVE

This section presents a historical perspective of the creation and evolution of state-operated facilities in the United States. Additionally in this section, key future national trends are discussed. Both historical and future perspectives are provided as a context for understanding future change.

National History of State-Operated Residential Programs:

David Braddock from the University of Colorado and others provide a history of state-operated residential programs in their book, Disability at the Dawn of the 21st Century and the State of the States[35]. The first institution for people with disabilities, Perkins School for the Blind, was opened in 1848 in Boston, Massachusetts. The original intent of the Perkins School was to provide short-term education and training and then return people back to their communities. The first full-time residential facility opened in Illinois in 1865 at the urging of Dorothea Dix, a noted advocate. Other states followed suit and constructed large residential campuses with buildings specifically designed for people with disabilities. Growth of these facilities accelerated significantly through World War II (1945) but leveled by the early 1960's. They remained virtually unchanged until the early 1970's. Inappropriate conditions were noted in the news press and the first class action law suit (Wyatt v. Stickney) focused on community alternatives was filed in 1972 at Partlow State School in Tuscaloosa, Alabama. From that litigation and subsequent settlement, the term "least restrictive environment" was introduced into federal Medicaid regulation.

Prior to 1972, the source of funding for state-operated residential services was state-fund only. No federal monies were dedicated to these institutions. With the authorization of the Title XIX Medicaid Intermediate Care Facility / Mental Retardation (ICF/MR) program, Washington and other states converted their state institutions and select community programs to receive federal matching funds. In 1981, the Medicaid Home and Community-Based Services (HCBS) waiver program was introduced and has emerged as the primary funding source for smaller individualized community living settings. Nationally, the number of individuals served in community homes smaller than six beds grew from 4,000 people in 1960 to 376,567 in 2006.[36]

During the 16-year period 1990-2006, the state-operated residential population nationally declined 55.9%. During that same period, Washington State's institutional population declined by 46.3%. When comparing the number of state-operated institution beds to the general population of the state, Washington maintains a higher ratio of RHC beds per 100,000 citizens than the national average. The following table compares Washington State's bed ratio to neighboring or select other states[37] with similar services.

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[35] Braddock, David, editor, Disability at the Dawn of the 21st Century and The State of the States, , American Association on Mental retardation, Washington D.C. 2002.

[36] Braddock, David, and R.Hemp, M. Rizzolo, The State of the States in Developmental Disabilities – Seventh Edition, American Association on Intellectual and Developmental Disabilities, September 2008.

[37] Prouty, Robert, K. Alba and C. Lakin, *"Residential Services for Persons with Developmental Disabilities: Status and Trends through 2007"*, Research and Training Center on Community Living, University of Minnesota. July 2008.

Table #1: Comparisons of RHC bed reductions, per capita costs, and beds / 100,000 citizens

State	Percent Change in State-operated Bed Capacity 1990 to 2007	Average Daily Expenditures by Resident (2007)[38]	Ratio of RHC Average Daily Residents to 100,000 State Citizens
Washington State	-46.3%	$505.13	15.7
Oregon	-95.1%	$745.34	1.1
Idaho	-55.7%	$681.00	6.3
Montana	-68.9%	$511.02	8.2
California	-57.9%	$706.32	8.3
Arizona	-63.1%	$379.00	2.1
Florida	-34.4	$356.75	6.8
Wisconsin	-70.4%	$577.70	9.9
National Average	-55.9%	$482.81	12.9

Since 1970, 40 states have closed 140 state-operated DD institutions (Braddock et al., 2008). Ten states and DC have no state-operated DD institutional services at this time: Alaska, Hawaii, Indiana, Maine, Minnesota, New Hampshire, New Mexico, Rhode Island, Vermont, and West Virginia. Table 2 summarizes information on the nation's 26 institutions that have closed since 2000.

Table #2: State Institution Closures since 2000

State	Name of Agency	Year Opened	Previous Use	Bed Census	Year Closed	Current Use
Alabama	Brewer-Bayside	1964	MR Facility	67	2003	Corrections
Alabama	Tarwater	1976	MR Facility	74	2003	Corrections
Alabama	Wallace	1970	MR Facility	80	2003	Corrections
California	Agnews	1885/1966	MI Facility	411	2008	Undetermined
California	Napa	1875/1967	MR/MI Facility	30	2001	MI use only
Florida	Landmark	1965	MR Facility	256	2005	Revert to county
Florida	Gulf Coast center	1960	MR Facility	306	2001	Undetermined
Georgia	Bainbridge	1967	WW II Air Force base	129	2001	Corrections
Georgia	Augusta RC	Not reported		438	2003	Undetermined
Georgia	Gracewood	Not reported		93	2003	Undetermined
Illinois	Lincoln	1877	MR Facility	153	2004	Vacant
Indiana	Fort Wayne	1887	MR Facility	120	2007	To be demolished
Indiana	Muscatatuck	1920	MR Facility	87	2005	Undetermined
Louisiana	Leesville	1912/1964	High School	20	2004	Undetermined
Louisiana	Columbia	1967	MR Facility	14	2004	Undetermined
Massachusetts	Dever	1940/1946	POW Camp	294	2001	Higher Ed Ctr.
Michigan	Southgate	1977	MR Facility	55	2002	Undetermined
Minnesota	Fergus Falls	1888/1979	MI	38	2000	Regional MH Ctr.
Montana	Eastmont	1969/1979	MR Facility	29	2003	SNF
New York	Sunmount	1922/1965	TB Hospital	503	2003	DD specialty unit
North Carolina	Black Mountain Ctr.	1883/1977	MI Facility	77	2005	SNF
Ohio	Apple Creek	1931	MR Facility	178	2005	Undetermined
Ohio	Springview	1910/1975	TB Hospital	86	2004	Undetermined
Oregon	Fairview	1907	MR Facility	327	2000	Housing
Pennsylvania	Altoona	1975	MR Facility	90	2008	Undetermined

[38] Ibid.

State	Name of Agency	Year Opened	Previous Use	Bed Census	Year Closed	Current Use
Wisconsin	Northern Wisconsin Ctr.	1897	MR Facility	173	2005	Short-term dual diagnoses

Key National Trends:

Previous studies by DSHS and national research have documented significant changes in **caseload growth**. Specifically, the prevalence of *autism spectrum disorders* is rapidly increasing and is now estimated at 1:150 children. For other people, the impact of public education and community inclusion programs combined with various family support initiatives have allowed people to remain in their own homes with the support of those families. Supportive family members are now getting older and are in some instances unable to continue to provide supports. A survey in Arizona found that 62% of *family care givers were over the age of 60 years.* Additionally, the impact of federal IDEA, Headstart, Child Find, and other early intervention programs have identified children in need of service. These early identification efforts have increased the demand for services. Finally, people graduating from public school are expecting residential supports and employment. Again similar to the early intervention group, the prevalence of *public school graduates* has not increased in recent years but early identification and personal expectations have increased the demand for public service.

Correspondingly, **service delivery systems** have experienced significant changes. Community residential supports have shifted from group living situations to *individual homes* and apartments which are well integrated into neighborhoods and communities. Increased focus on *family-support and personal care* has encouraged people to continue to live with their families. Likewise, service providers have evolved from parent-sponsored group homes to *private for-profit business corporations.* Several states have experienced a decrease in the number of small providers due to economy-of-scale financial constraints. Large workshop and facility-based activity programs have been replaced with *supported employment initiatives.* A number of states have initiated *creative options* such as family cooperatives, circles of supports, and micro-enterprises to encourage individualized services.

The **role of state government** in the delivery of services is becoming increasingly variable among states. Several states have *outsourced case management and support coordination* (e.g. Florida, Arizona, Indiana, Montana) to private providers. Florida and Arizona also have made case management an optional service. People and their families may choose to waive case management and use the associated funds to support other needs in their service plans. *State-employee operated HCBS supported living programs* are now available in 17 states. These programs focus on supporting people who present community risks or are medically-fragile as well as providing back-up / "fail safe" care as needed. *HCBS waivers are becoming more consumer-driven / self-directed* and allow for wider ranges of individual supports. Several states have initiated "independence-plus" waivers which emphasize self-directed services. Wisconsin and California have used HCBS waivers to transform their state institutional facilities into clinical resource centers (Southwestern Wisconsin Center and Agnews Center).

All states have experienced **significant fiscal growth** in public developmental disabilities programs[39]. Overall budget expenditures as well as cost per consumer have risen in the past six years[40]. *Highest per capita costs have occurred in state-operated institutions*, although costs in community residential programs have also seen substantial increases. As cost containment methods, Medicaid CMS has encouraged the use of *published fee schedules* for provider reimbursement and *standardized consumer allocations* to control future fiscal growth.

Legally, states continue to experience **class action litigation** as well as federal Department of Justice actions. Recent court actions have focused on state implementation of the *Olmstead Act* (8 states), people on *waiting lists* (13 states), and *access to care* issues (9 states). State appropriations have not kept pace with court mandates and settlement agreements. As a result, states are faced with the pressure to "take" needed resources from one set of consumers in order to "give" needed resources to class members. Almost all states face a two class system of "have and have-not" consumers.

Based upon the key trends described previously, the forecast for the future suggests the following directions:

1. State-operated long-term care in large settings (specifically ICF/MR) will decrease, and will be replaced by state-operated crisis / urgent care centers (funded by HCBS).
2. State-employee operated supported living programs will increase and focus on people with dual diagnoses and / or community risk.
3. The use of privately-provided extended family models, host homes, and adult family homes will increase.
4. A combination of state and privately-operated supported living homes focused on people with intense health needs will increase as alternatives to generic skilled nursing facilities (SNF).
5. People and their families will receive individual resource allocations which set limits on the amount of public funds available for support.

[39] Kaiser Family Foundation. *"Trends in State Medicaid Funding"*, KFF. April 2009.
[40] National Association of State Budget Directors, *"Fiscal State of the Nation – July 2008"*, July 2008.

STATE OF WASHINGTON PERSPECTIVE

The State of Washington Aging and Disabilities Administration / Division of Developmental Disabilities (DDD) operate five (5) residential habilitation centers (RHC) with a current occupied capacity of less than 1000 consumers. The DDD portion of the "Feasibility Study for the Closure of State Institutional Facilities" calls for the examination of a 25% (250 beds) reduction in RHC capacity. Historically, RHC reductions occurred through natural or planned attrition with the exception of the closure of Interlake School in 1994. Current DDD practice is to provide respite supports as bed vacancies occur. Several recent Executive and Legislative initiatives have focused on the future use of RHC assets. DSHS has initiated extensive stakeholder discussions resulting in the publication of "Division of Developmental Disabilities Strategic Plan 2004 – 2009" in August 2002[41], "Strategies for the Future Long-Range Plan Report Phase 3: Final Report" in December 2002[42], "DSHS Centers Alternative Analysis" in December 2003[43], "Planning for the Future of DDD Residential Habilitation Centers" in 2003[44], "Preliminary Transition Plan Planning for the Downsizing and Closure of Fircrest School: A State Residential Habilitation Center" in January 2004[45], "Aging and Disability Administration – Strategic Plan 2006 to 2011" in May 2004[46], and "Fircrest Excess Property Report - Land Use Options and Recommendations" in January 2008[47], and "Frequently Asked Questions Yakima Valley Proposed Closure and Transfer of Residents" in February 2009[48]. Subsequent legislative discussions have included the proposed closure of Fircrest School in Seattle and Yakima Valley School in Selah. Finally, DDD finds its caseload growth exceeding the state's fiscal budget capacity.

Statistically, of children born in Washington State, 1.6% are born with a developmental disability. Only two-tenths of one percent (0.2%) of children aged 0-10 are assumed to require state-paid waiver services[49]. For special populations, trends will follow the national experience with two significant differences. While the prevalence of people with disabilities will remain at 1.58% of the general population, the mix of diagnoses is changing. California State University, Sacramento, found that the national incidence of people with autism and autism spectrum disorder (ASD) has mirrored California's experience. Autism in California has increased from 1999 to 2003 at a rate of 9.1% per year, while the incident rate of people with mental retardation is decreasing at a rate of

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[41] Braddock, Dennis, "*Division of Developmental Disabilities Strategic Plan 2004-2009 "*, Washington State Department of Social and Health Services, August 2002.

[42] Division of Developmental Disabilities, *"Strategies for the Future Long-Range Plan Report Phase 3 – Final Report"*, Washington State Department of Social and Health Services, December 2002.

[43] Heartland, "State of Washington Centers: Alternative Analysis", Heartland Corporation, December 2003. NOTE: DSHS Building & Lands Division provided additional comment and updated data regarding adjustments to the Heartland findings.

[44] Division of Developmental Disabilities, *"Planning for the Future of DDD Residential Habilitation Centers"*, Washington State Department of Social and Health Services, September 2003.

[45] Aging and Disability Administration, "*Preliminary Transition Plan Planning for the Downsizing and Closure of Fircrest School: A State Residential Habilitation Center*", Washington State Department of Social and Health Services, January 2004.

[46] Aging and Disability Administration, "*Strategic Plan 2006 -2011*", Washington State Department of Social & Health Services, May 2004.

[47] Lands & Building Division and Aging and Disability Administration, *"Fircrest Excess Property Report – Land Use Options and Recommendations"*, Department of Social and Health Services, January 2008.

[48] Rolfe, Linda, *"Frequently Asked Questions: Yakima Valley School in Selah"*, Washington State Department of Social and Health Services, February 2009

[49] Division of Developmental Disabilities, *"Strategies for the Future Long-Range Plan Report – Phase 3"*, Department of Social and Health Services, December 2002.

8.3% per year[50]. In addition to the changes in mix of diagnoses, two age groups are also increasing significantly. Children at risk of developmental disabilities are predicted to increase by 7.8% per year for the next five years. Likewise, adults and seniors in need of long term care are projected to increase by 12.2% by 2013.[51]

Current RHC Status: Currently, RHCs consist of a mixture of 249 skilled nursing facility (SNF) beds and 743 intermediate care facility / mental retardation beds for an overall total of 992 beds. Rainier and FHMC offer ICF/MR services only. Yakima Valley offers SNF services only. Fircrest and Lakeland Village offer both ICF/MR and SNF services. An estimated 60 people (15%) who currently reside at Rainier would otherwise qualify for SNF care should Rainier provide it[52]. Table #3 lists the number of people using each of the RHCs as of June 2009[53] and the number of state staff employed as of June 2009[54]. There were 2,726 full-time equivalent (FTE) paid staff in June 2009. For this report, the types of staff are divided into direct care staff (DCS), clinical staff (Clinical), administrative and program support staff (Admin & SS). FTE counts are based upon June 2009 personnel payroll reports, and do not include overtime or annual leave costs. For determination of current status, all RHC clinical and administrative / support service staff levels are projected to remain constant. RHC direct care staff are projected to increase based upon the increase in short-term emergency admissions.

Table #3: Distribution of consumers and staff by SNF and ICF/MR program

RHC	Consumer Data			Number & Type of Staff			
	Current census	SNF Beds	ICF/MR Beds	Direct Care Staff total	Clinical total	Admin & SS total	Current Staff FTE Total
Frances Haddon Morgan Center	55	0	55	81.73	20.03	37.35	139.11
Fircrest	210	89	121	351.36	123.65	133.2	608.21
Lakeland Village	238	58	180	369.3	117.74	92.93	579.97
Rainier	387	0	387	740.92	172.68	241.33	1154.93
Yakima Valley	102	102	0	138.81	49.47	55.83	244.11
TOTAL	**992**	**249**	**743**	**1682.12**	**483.57**	**560.64**	**2726.33**

RHC direct care staff ratios are expressed in two ways. For shift coverage, basic RHC staff ratios are assumed to be 1 direct care staff per 4 people (1:4) during waking hours. Shift coverage for short-term emergency direct care staff ratios are assumed to be 1 staff per 2.5 people (1:2.5). For every bed that is converted from long-term care to emergent care, basic coverage direct care staff is projected to increase by 0.3 FTE to1staff for 2.2 people. RHC staff ratios can also be described as overall coverage. Overall direct care staff-to-resident ratios for each of the RHCs are included

[50] Mickel, Amy and Stan Taylor, *"Active Status Population Growth Analysis"*, California State University, College of Business Administration, Sacramento, California, 2008.
[51] Manton, Kenneth, *"Recent Declines in Chronic Disability in the Elderly U.S. Population: Risk Factors and Future Dynamics"*, Annual Review of Public Health, April 2008.
[52] DDD, *"Planning for the Future of DDD Residential Habilitation Centers"*, Department of Social and Health Services, September 2003.
[53] Aging and Disability Services Administration, *"DDD EMIS Report June 2009"*, Department of Social and Health Services, June 2009.
[54] Personnel payroll record data from June 2009 from each RHC.

in Table #4. As reference, larger numbers in staff ratios mean that there are more direct care staff for each RHC resident.

Table #4: Overall current direct care staff ratio to RHC resident

Overall Direct Care Staff Ratio to RHC Resident	Fircrest	Rainier	Lakeland	Yakima	FHMC
Number of Full-time DC staff (June 2009)	351.65	740.92	369.3	138.81	81.73
Number of RHC Residents (June 2009)	210	387	238	102	55
Overall DC Staff to RHC Resident ratio (# of staff to 1 person)	1.67	1.91	1.55	1.36	1.49

In addition to the SNF and ICF/MR services, each RHC also provides planned respite and short-term emergency residential supports. Table #5 lists the current (June 2009) and average historical capacities for these services. Use of the RHCs increased significantly after FY 2006. Rainier and Fircrest experienced increased respite admissions; people using respite service represented an annual average of 10% of the RHC recipients. For select months, respite admissions reached a maximum of almost 15% of people served by RHCs. Should these trends in respite use continue, respite admissions will represent an estimated 30% of all people served by RHCs by 2020. All RHCs will experience significant pressure to admit people for respite. Short-term emergency admissions are generally more expensive than long-term admissions due to the need for immediate crisis intervention and staff intensity.

Table #5: Historical RHC Respite and Emergency use (July 2000 to June 2009)

Average Respite / Emergency Use per Month	Fircrest	Rainier	Lakeland	Yakima	FHMC
Average / month since 2000 (July 2000 to June 2009)	10	8	4	11	4
Average / month prior to 2006 (July 2000 to June 2006)	4	6	3	12	4
Average / month since 2006 (July 2006 to June 2009)	21	11	6	10	3
Percent of Current Bed Capacity v. last 3 year average	10%	3%	3%	10%	5%
Maximum per month since 2006	32	15	13	14	6
Minimum per month since 2006	13	6	3	3	1

The RHC bed census has slowly decreased over time, and is directly related to the growth of the community supported living (SL) program. While DSHS offers a wide range of service options for people with disabilities such as Medicaid personal care, adult foster care, and family supports, the complexity and nature of the needs of people currently residing in RHCs suggests that intensive supported living services would be the primary community option for people leaving RHCs. For projection purposes, the RHC bed census history is provided for January 2003 to June 2009, and projected forward to June 2019. RHC capacity includes respite and short-term admissions. These projections assume no change in current funding policy and are calculated using a linear regression formula as referenced in footnote 28.

Table #6: Current and Projected RHC[55] beds with no change in current policy

RHC	2003	2004	2005	2006	2007	2008	2009*	2014	2019
RHC	1,055	1,017	989	984	1,003	989	976	922	872
Percent change	-	-3.6%	-2.8%	-0.5%	1.0%	-1.4%	-1.3%	-5.5%	-10.6%

*(Calendar year 2009 = January 2009 through June 2009)

Average per capita annual expenditures in the RHCs, however, will increase over time with no change in current policy. Increases in RHC annual per capita costs are projected as the percentage of short-term emergency admissions increases. Table #7 provides historical and projected costs for the RHC programs. RHC expenditures are calculated from the June 2009 Aging and Disability EMIS report. RHC expenditures and caseload include costs related to respite and short term admissions. Projections are calculated using a linear regression formula.[28]

Table #7: Current and Projected RHC[56] per Capita Expenses with no change in current policy

RHC	2003	2004	2005	2006	2007	2008	2009*	2014	2019
RHC	$399.15	$413.14	$435.73	$457.41	$490.76	$538.37	$543.22	$679.03	$810.76
Percent Change	-	3.5%	5.5%	5.0%	7.3%	9.9%	0.7%	18.4%	41.3%

*(Calendar year 2009 = January 2009 through June 2009)

Key Characteristics of People Currently Residing in the RHCs:

The study team examined various demographic and clinical data from DSHS which described people currently residing at the RHCs[57]. Also, demographic studies from Illinois[58], Indiana, and Canada[59], were reviewed. In brief, the study team found that because of their size, RHCs have a large concentration of people with significant support needs. Similar people with significant support needs are also well-served in community residential programs. Key to providing successful care in both RHC and community settings is the presence of a highly individualized person-centered support plan. There are two conditions, however, that will affect the future RHC census.

First, many people have lived in the RHCs for a significant portion of their lives. A significant percentage (49%) of these people was admitted as children under the age of 15 years, and have lived in the RHCs for over 40 years. Attachment #1 provides descriptive statistics and scatter gram charts of consumer age and length of stay. Table #8 presents a summary of that data.

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[55] Aging and Disability Services, *"EMIS Report – June 2009"*, Department of Social and Health Services, June 2009.

[56] Linear regression formula: $a+bx$ where $a = \bar{y} - b\bar{x}$ and $b = \frac{\sum(x-\bar{x})(y-\bar{y})}{\sum(x-\bar{x})2\sum(x-x)^2}$

[57] Kohlenburg, Elizabeth and B,Wang, R. Calhoun. *"Community Institution Cost Comparison Example: RHC to DDD Community Care"*, Research & Data Analysis, Department of Social and Health Services, August 2004.

[58] Braddock, David and R.Hemp. *"Services and Funding for People with Developmental Disabilities in Illinois: A Multi-State Comparison"*, University of Colorado, Department of Psychiatry. May2008.

[59] Lemay, Raymond. *"Deinstitutionalization of People with Developmental Disabilities: A Review of the Literature"*, Canadian Journal of Community Mental Health volume 28.no.1, Spring 2009.

Table #8: Age characteristic of people currently living in RHCs (does not include respite & short-term emergency admissions)

Age	Fircrest	Rainier	Lakeland	YVS	FHMC	Grand Total
Under 15 years	3	0	0	0	1	4
16 – 21 years	19	0	0	2	8	29
22 – 45 years	49	65	54	35	46	249
46 – 64 years	106	243	140	49	2	540
65 years and older	28	71	34	2	0	135
Grand Total	**205**	**379**	**228**	**88**	**57**	**957**

Table #9 presents RHC length of stay data as of June 2009. Fircrest and FHMC have proportionally more people who have been in the RHC for less than five years. Length of stay for Lakeland and Fircrest is impacted by people transferring from Interlake. Those people show up in the 10 – 20 year group; their time spent at Interlake is not considered in this analysis.

Table #9: Length of Stay (in Years) for people currently living in RHCs (does not include respite & short-term emergency)

Length of Stay	Fircrest	Rainier	Lakeland	YVS	FHMC	Grand Total
Under 5 years	44	44	20	5	18	131
05 - 10 years	4	36	7	8	4	59
10 – 20 years	16	18	58	8	9	109
20 – 30 years	34	55	16	16	13	134
30 – 40 years	28	61	41	19	10	159
Over 40 years	79	166	88	32	0	365
Grand Total	**205**	**380**	**230**	**88**	**54**	**957**

Table #10 describes the age of admission to the RHC as of June 2009. People entered Rainier and Lakeland at the youngest ages, and in general have longest length of stays. There is a strong indication that the younger someone is admitted to an RHC, the longer their length of stay. Data for Lakeland and Fircrest reflects the transfer of people from Interlake in 1993/1994. These transfers were treated as new admissions and their age of admission to Interlake is not included.

Table #10: Age at Admission to RHC (does not include respite & short-term emergency)

Age at Admission	Fircrest	Rainier	Lakeland	YVS	FHMC	Grand Total
Under 5 years	6	19	28	16	1	70
05 - 10 years	36	100	37	29	15	217
10 – 20 years	84	107	65	19	26	301
20 – 30 years	43	48	48	11	10	160
30 – 40 years	22	53	33	8	0	116
Over 40 years	14	53	19	5	2	93
Grand Total	**205**	**380**	**230**	**88**	**54**	**957**

Capital assets:

As RHC's continued to reduce the number of people served on a long-term basis, 20% of the existing licensed beds have been closed. Table #11 compares the current RHC licensed bed capacity with the June 2009 actual occupancy.

Table #11: Current Facility Capacities v. June 2009 occupancy

RHCs	Rainier	Fircrest	Lakeland	Yakima	FHMC	Total
Certified beds	450	298	305	128	56	1,237
Current Occupancy	387	210	238	102	55	992
Difference	63	78	67	26	1	245

While this table suggests that RHC consolidation may be feasible, the mix of SNF and ICF/MR beds within each of the RHCs does not create sufficient capacity to close a facility. The exception is FHMC. People living at FHMC could be accommodated at Fircrest and Rainier School within existing capacity.

RHC Descriptions

A description of each of the RHC's is provided below. Information regarding the age, length of stay, and age of admission for people living at each center is listed. Additionally, capital budget and alternative land use study findings are presented. Finally, feedback from the various stakeholder focus groups is outlined, and RHC legal concerns are included.

Frances Haddon Morgan Center:

Frances Haddon Morgan Center (FHMC) is located in Bremerton at the site of the former Olympic Center. The capacity has remained constant at 56 beds since the early1980's and the occupancy has been 99% for the past six year period. FHMC was initially designed as a short-term treatment center for children with autism under the age of 14 years. As the number of children with autism increased statewide, alternative community resources were unable to keep pace with the population growth and the 14 year-old age limit was removed. FHMC is certified as an ICF/MR under Medicaid regulations. From the August 2009 RHC Consumer database for FHMC, age and length of stay data is presented in the following table.

Table #12: Current age of people living at FHMC (as of September 2009)

Statistical Measure	Age in Years
Mean Average Age	31.6
Median Age	33.3
Oldest Age	49.1
Youngest Age	12.8

The oldest person is 49 years old and the youngest person is 12 years old. The average age of people living at FHMC is 31.6 years old.

While FHMC is relatively small in comparison to the other RHCs, it provides on average 5% of its capacity to people needing short term emergency supports. Length of stay and age of admission data are presented in the following tables. The FHMC population generally divides into two groups: people who have been at FHMC over 20 years and people who have resided at the facility for less than 5 years.

Table #13: FHMC Length of Stay

Statistical Measure	Length of Stay in Years
Mean Average Length of Stay	30.1
Median Length of Stay	35.1
Longest Length of Stay	49.7
Shortest Length of Stay	1.0

The average age at admission for a person at FHMC was 15.6 years. The youngest person admitted was 4 years old and the oldest was age 45.

Table #14: Age at Admission for people living at FHMC

Statistical Measure	Age of Admission in Years
Mean Average Age at Admission	15.6
Median Age at Admission	15.1
Oldest Age at Admission	45.2
Youngest Age at Admission	4.8

FHMC maintains approximately 97,461 sq ft of building space and sits on 12.8 acres of land. The campus includes three residential cottages, a lodge, and a main office building which makes up approximately two thirds of the building space. In addition to FHMC, other state agencies also use approximately 60% of the Main Building space for office and administrative purposes unrelated to FHMC. All buildings appear to be in general good repair. Utility systems and facility maintenance are scheduled for upgrades. Review of the 2009-2011 Omnibus Preservation Capital Budget and Minor Works Capital Budget dated June 9, 2009, contains the following requests:

Table #15: DSHS Capital Budget Plan – June 2009 (FHMC)

DSHS Capital Budget Plan					
Project	2009 - 2011	2011 - 2013	2013 – 2015	2015 – 2017	2017 - 2019
Main Building Electrical Sub-Panel Improvements	$155,000	0	0	0	0
Site ADA Pedestrian Pathway	$215,000	0	0	0	0
Burwell Cottage Kitchen Renovation	0	$750,000	0	0	0
Exterior Recreational Equipment	$150,000	0	0	0	0
Exterior Recreational Equipment	$150,000	0	0	0	0
Exterior Recreational Improvement	$200,000	0	0	0	0
Main Building HVAC Upgrades	$270,000	0	0	0	0
Main Building Indoor Gymnasium Upgrade	$650,000	0	0	0	0

DSHS Capital Budget Plan					
Project	2009 - 2011	2011 - 2013	2013 – 2015	2015 – 2017	2017 - 2019
Main Building Interior Upgrades	0	$535,000	0	0	0
Main Building Window Replacement	0	$590,000	0	0	0
Secondary Sewer Improvement	$100,000	0	0	0	0
Main Building Sewer Improvements	$100,000	0	0	0	0
Main Building Sewer Improvements	$100,000	0	0	0	0
TOTAL	$2,090,000	$1,875,000	0	0	0

The Heartland study of alternative uses for RHC capital assets assumes that DSHS would cease all or part of operations at FMHC. The FHMC site is currently zoned as PS, Parks and Schools. The Heartland study for FHMC presented three alternatives.

Heartland Study Options	Description
Alternative I	Alternative I assumes that FHMC ceases operations entirely at the Bremerton site and people and staff are relocated elsewhere and the entire campus is sold "As-Is". In this instance, it is assumed that Main Building office space leased to other state agencies would be vacated and these agencies relocated to different sites. Both the residential portion of the campus (three cottages, lodge building and associated land) and the administrative offices (main building) would be sold "as-is". Heartland estimated the probable net present value of all the Olympic Center properties at $1.1 million. The cost of relocation of other state tenants was not considered in this estimate.
Alternative II	Alternative II also assumes that FHMC ceases operations at the Bremerton site and that current tenants are relocated to different sites. In this alternative, existing buildings are demolished and the property is sold as "raw land". Heartland estimates a probable net present value of $200,000.
Alternative III	Alternative III assumes that FHMC and all current tenants continue to operate at the Olympic Center site, and that excess properties are sold. Heartland estimates the probable net present value to be $1.2 million.

Focus group discussions with FHMC employees revealed a talented and dedicated staff. Specifically, all staff interviewed and observed were well experienced and confident in their support of people with significant behavior management needs and / or autism spectrum disorders. Clinical and program support staff expressed a high degree of interest in transitioning from a long-term facility-based residential program to a short-term crisis support model with extensive home-based intervention teams. Staff identified a decentralized model of supports with "autism clinical outstations" in Vancouver and the Pasco / Kennewick / Richland areas. Staff also expressed interest in replacing the current FHMC cottages with state-operated supported living programs operating in Vancouver, Olympia, and Pasco / Kennewick/Richland. FHMC placement staff recommended that all but one person currently living at FHMC could successfully live in intensive community supported living settings, with the presence of adequate clinical supports and trained direct care staff.

Focus group discussions with families revealed a concerned and anxious group of parents around the future plans for FHMC. Discussions focused on earlier attempts in 1997 to close FHMC. Families expressed that the current community resources continue to be insufficient to support their family members. Also parents expressed concerns that family members, especially those with autism spectrum disorders, would not tolerate relocation well. Thirty-six (36) percent of the families contacted by FHMC staff indicated an interest in community placement. Forty-

two (42) percent of families expressed strong objection to community placement, and twenty-two (22) percent indicated no interest in community placement at this time.

In terms of **legal status**, FHMC was under review by the federal Department of Justice (DOJ) at the time of this study. To date, no findings or citations have been issued. Study team members did not contact DOJ and have no opinion on the outcome of their investigation. Medicaid ICF/MR certification was intact at the time of the study. A review of legal tort claims against DSHS / FHMC revealed 10 cases filed from July 2000 to September 2009. Of these ten cases, nine of them were tort claims by employees and one was a tort claim filed by a person living at FHMC.

Fircrest:

Fircrest is located in Shoreline on the site of the former U.S. Naval Hospital. The capacity has declined since the early1980's from 500 beds to 210 beds as of June 2009. Occupancy has been 95% for the past six year period. Fircrest was opened in 1957 and the first people to live there were transferred from Rainier. Fircrest was the first RHC to replace ward buildings with smaller 14 bed cottages in the mid 1970's. Medicaid decertification occurred in 1989 and was re-established in 1990. Fircrest now operates under a dual certification. Approximately 30% of Fircrest is certified as skilled nursing facility (SNF), and the remaining 70% of the beds are certified under the ICF/MR requirements. Fircrest maintains strong relationships with the University of Washington and clinical staff hold adjunct faculty appointments which allow them to mentor medical, nursing, and psychology students. The SNF program at Fircrest was rated "exceptional" by state and national nursing home consumer review associations at the time of this study. Recently in the past two years, Fircrest has admitted children; a new and highly unusual practice for RHCs. From the August 2009 RHC Consumer database for Fircrest, age and length of stay data for both the SNF and ICF/MR are presented in the following tables.

Table #16: Current age of people living at Fircrest SNF (as of September 2009)

Statistical Measure	Age in Years
Mean Average Age	51.5
Median Age	51.9
Oldest Age	83.1
Youngest Age	15.0

Table #17: Current age of people living at Fircrest ICF/MR (as of September 2009)

Statistical Measure	Age in Years
Mean Average Age	45.8
Median Age	49.9
Oldest Age	89.0
Youngest Age	10.2

The oldest person currently residing at **Fircrest SNF** is 83 years old and the youngest person is 15years old. The average age of people living at Fircrest SNF is 51.5 years old. The oldest person currently residing at **Fircrest ICF/MR** is 89 and the youngest person is 10 years old. The average age of people living at Fircrest ICF/MR is 45.8 years old.

Fircrest provides on average 15% of its capacity to people needing short term emergency supports. Length of stay and age of admission data are presented in the following tables. The Fircrest ICF/MR population generally divides into two groups: people who have been at Fircrest over 20 years and people who have resided at the facility for less than 5 years. It should be noted that thirteen people currently residing in the SNF program transferred from Interlake School in 1994. Their length of stay data represents only their time at Fircrest.

The average length of stay at Fircrest is 33.8 years for people residing in the SNF program and 23.4 years for people residing in the ICF/MR program.

Table #18: Fircrest SNF Length of Stay

Statistical Measure	Length of Stay in Years
Mean Average Length of Stay	33.8
Median Length of Stay	37.0
Longest Length of Stay	50.6
Shortest Length of Stay	1.0

Table #19: Fircrest ICF/MR Length of Stay

Statistical Measure	Length of Stay in Years
Mean Average Length of Stay	24.4
Median Length of Stay	29.2
Longest Length of Stay	50.6
Shortest Length of Stay	0.1

The average age of admission for a person at Fircrest was 19.7 years. The youngest person admitted was 2 years old and the oldest was age 65.

Table #20: Age at Admission for people living at Fircrest (SNF)

Statistical Measure	Age of Admission in Years
Mean Average Age at Admission	17.7
Median Age at Admission	13.8
Oldest Age at Admission	61.4
Youngest Age at Admission	2.3

Table #21: Age at Admission for people living at Fircrest (ICF)

Statistical Measure	Age of Admission in Years
Mean Average Age at Admission	21.4
Median Age at Admission	18.8
Oldest Age at Admission	65.5
Youngest Age at Admission	0.6

Fircrest maintains approximately 700,000 sq ft of building space and sits on 86.8 acres of land. This land is shared with other tenants. The Fircrest campus includes 57 buildings. Primary structures include two apartment complexes currently used for administrative and program offices, six nursing home buildings, and ten residential cottages. In addition, other major buildings include an activities / pool / gymnasium building, food services building, adult training building, and other associated maintenance and commissary / warehouses. Long-term tenants also using the land include Food Lifeline and the Department of Health Public Health Laboratory. All buildings appear to be in general good repair and receive regular maintenance. Utility systems and facility maintenance are scheduled for upgrades. Review of the 2009-2011 Omnibus Preservation Capital Budget and Minor Works Capital Budget dated June 9, 2009, contains the following requests:

Table #22: DSHS Capital Budget Plan – June 2009 (Fircrest)

DSHS Capital Budget Plan					
Project	2009 - 2011	2011 - 2013	2013 – 2015	2015 – 2017	2017 - 2019
Fircrest Campus Master Plan – Reappropriation	0	0	0	0	0
500 Building HVAC Controls Upgrade	0	$65,000	0	0	0
500 Building Roof Replacement	$115,000	0	0	0	0
Activity Building Pneumatic Control Replacement	0	$115,000	0	0	0
ADA Door Hardware	0	$145,000	0	0	0
Boiler Controls Replacement	$380,000	0	0	0	0
Duplexes Heat Exchanger Replacement	0	$685,000	0	0	0
Duplexes Interior Finishes Replacement	0	$610,000	0	0	0
Duplexes Window Replacement	0	$755,000	0	0	0
Duplexes Air Handling Unit Replacement	$795,000	0	0	0	0
Site Electrical Feeder Replacement	0	$610,000	0	0	0
Site Steam Condensate Lines Replacement	$125,000	0	0	0	0
Steam Plant Economizer Replacement	$225,000	0	0	0	0
Y Buildings Air Conditioning	$900,000	0	0	0	0
Y Building Electrical Upgrades	0	$910,000	0	0	0
Y Building Interior Finish Replacement	0	$400,000	0	0	0
Y Building Window Replacement	0	$850,000	0	0	0
TOTAL	$2,540,000	$5,145,000	0	0	0

The Heartland study of alternative uses for RHC capital assets assumes that DSHS would cease all operations at Fircrest. No alternative use is presented by Heartland that continues DSHS operations of Fircrest. The Fircrest site is currently zoned as R-6 Residential 6DU/Acre. The campus is divided between two public agencies; part of the land (36 acres) is owned by DSHS and part of the campus (51 acres) is managed by Department of Natural Resources and is subject to the conditions of the Charitable Education Penal and Reformatory Institutions Trust. DSHS holds a 55 year lease on the DNR property. The Heartland study of Fircrest presented four alternatives.

Heartland Study Options	Description
Alternative I	Alternative I involves the *partial sale / partial lease* of the property. This option assumes that Fircrest ceases operations entirely at the Shoreline site and people and staff are relocated elsewhere. In this instance, it is assumed that 26 acres of land owned by DSHS would be sold "As-Is". The remaining DSHS and DNR land and buildings would be converted to long-term ground leases. Heartland estimated the probable net present value of the Fircrest properties at $12.4 million in 2003. The cost of relocation of other state tenants was not considered in this estimate.
Alternative II	Alternative II also assumes that Fircrest ceases operations at the Shoreline site and that people and staff are relocated elsewhere. This alternative is similar to Alternative I with the exception that *all buildings would be demolished* and *DNR land would be converted to long-term leases* and the *DSHS land sold* for development. This option provides DSHS with on-going lease revenue from the DNR property and one-time sale of land income from the DSHS property. Heartland estimates a probable net present value of $14.2 million in 2003.
Alternative III	Alternative III assumes that Fircrest ceases operations at the Shoreline site and that people and staff are relocated elsewhere. In this alternative, all buildings are demolished. DSHS-owned property and DNR property are converted to income producing uses. Heartland estimates the probable net present value to be $4.0 mil.

Heartland Study Options	Description
Alternative IV	Alternative IV assumes that Fircrest ceases operations at the Shoreline site and that people and staff are relocated elsewhere. In this alternative, all buildings are demolished and DNR land is transferred to DSHS and all property is sold. This alternative provides the highest net cash revenue to the state. Heartland estimates a probable net present value of $15.7 million.

Focus group discussions with Fircrest employees revealed a clinical and program support staff with exceptional skills recognized both within the state and nationally. The relationship to the University of Washington and the Seattle metropolitan area has allowed Fircrest to recruit and retain staff with medical, dental, nursing, behavioral, communications, and therapeutic expertise. In discussions with regional and county staff, Fircrest clinical supports were sought to address a variety of community support needs. Until recently, Fircrest provided clinical outreach supports to the western Washington area. This practice was recently discontinued due to financial considerations.

Fircrest clinical and program staff expressed a high degree of interest in transitioning from a long-term ICF/MR residential program to a short-term crisis support model with emergent care beds and community outreach teams. Staff also expressed interest in replacing the current on-campus cottages with state-operated supported living programs operating in Seattle, Everett, and Bellingham.

Fircrest staff expressed concern about their recent experience with placements into community SNF programs, and felt that future placement efforts would require substantially more planning and support. Fircrest placement staff recommended that 28% of the people currently living in Fircrest could be referred for community placement, while only fourteen parents indicated interest in placement. In 2004, Fircrest conducted extensive and often painful placement planning with people and families who were resistant to moving. As such, Fircrest has developed individualized plans in anticipation of closure. However, staff report that individual and family resolve has stiffened since the 2004 placement initiative.

Focus group discussions with families revealed a concerned and anxious group of parents around the future plans for Fircrest similar to the other RHC parent groups. Discussions focused on earlier attempts in 2004 to close Fircrest. Families expressed that the current community resources continue to be insufficient to support their family members. Also parents expressed concerns that family members, especially those with serious medical and health conditions, would not tolerate relocation well. Parents presented information on ten people who recently moved from Fircrest and died or experienced serious health setbacks. Parents sited this information as an example of their concerns.

In terms of **legal status**, Fircrest was not under review by any state or federal agency at the time of this study, and to date, no findings or citations are outstanding. Medicaid ICF/MR and SNF certifications were intact at the time of the study. A review of legal tort claims against DSHS / Fircrest revealed 21 cases filed from July 2000 to September 2009. Of these twenty-one cases, eleven of them were tort claims by employees and eight were tort claims filed by people living at Fircrest. Two cases involve claims by citizens who neither work nor live at Fircrest.

Lakeland:

Lakeland Village is located outside of Medical Lake and adjacent to Eastern State Hospital. The current capacity is 238 and has been gradually decreasing since 1980. In 1994, a number of people transferred to Lakeland Village as a result of the closure of Interlake School. The occupancy of Lakeland has been 93% for the past six year period. Prior to the arrival of people from Interlake, Lakeland supported people with significant daily living support needs. Shortly after 1994, Lakeland was divided into SNF and ICF/MR programs. These programs were continuing at the time of the study. Lakeland also has recently provided emergency and short term admissions especially for people with co-existing conditions of mental illness and disability. As these emergency admissions occur, however, they require that direct care staff be redirected from existing duties. From the August 2009 RHC Consumer database for Lakeland Village, age and length of stay data is presented in the following table.

Table #23: Current age of people living at Lakeland SNF (as of September 2009)

Statistical Measure	Age in Years
Mean Average Age	51.4
Median Age	50.0
Oldest Age	83.2
Youngest Age	21.5

The oldest person receiving SNF supports at Lakeland is 83 years old and the youngest person is 21 years old. The average age of people is 51.4 years old.

Table #24: Current age of people living at Lakeland ICF/MR (as of September 2009)

Statistical Measure	Age in Years
Mean Average Age	53.0
Median Age	53.0
Oldest Age	82.4
Youngest Age	24.9

The oldest person receiving ICF/MR supports at Lakeland is 82 years old and the youngest person is 24 years old. The average age of people is 53.0 years old. Lakeland Village provides on average 3% of its capacity to people needing short term emergency supports. Length of stay and age of admission data are presented in the following tables. The Lakeland Village population reflects the transfer of people from Interlake School in 1994. Almost all people receiving SNF services at Lakeland have been in a Washington State RHC for over 30 years.

Table #25: Lakeland SNF Length of Stay

Statistical Measure	Length of Stay in Years
Mean Average Length of Stay	25.9
Median Length of Stay	15.5
Longest Length of Stay	76.0
Shortest Length of Stay	1.3

Table #26: Lakeland ICF/MR Length of Stay

Statistical Measure	Length of Stay in Years
Mean Average Length of Stay	37.9
Median Length of Stay	38.3
Longest Length of Stay	72.7
Shortest Length of Stay	0.4

The average age of admission for a person at Lakeland was 19.7 years old. The youngest person admitted was 10 months old and the oldest was age 63.

Table #27: Age at Admission for people living at Lakeland (SNF)

Statistical Measure	Age of Admission in Years
Mean Average Age at Admission	25.5
Median Age at Admission	27.2
Oldest Age at Admission	55.0
Youngest Age at Admission	2.1

Table #28: Age at Admission for people living at Lakeland (ICF)

Statistical Measure	Age of Admission in Years
Mean Average Age at Admission	15.6
Median Age at Admission	15.1
Oldest Age at Admission	45.2
Youngest Age at Admission	4.8

Lakeland maintains approximately 493,000 sq ft of building space and sits on 636 acres of land located in or adjacent to Medical Lake. The campus includes residential cottages, training and health care facilities, and administrative and program offices. Lakeland also maintains south campus apartments which are used for non-program purposes. Lakeland shares services with Eastern State Hospital through the Consolidated Support Services program. All buildings appear to be in general good repair. Utility systems and facility maintenance are scheduled for upgrades. Review of the 2009-2011 Omnibus Preservation Capital Budget and Minor Works Capital Budget dated June 9, 2009, contains the following requests:

Table #29: DSHS Capital Budget Plan – June 2009 (Lakeland Village)

DSHS Capital Budget Plan					
Project	2009 - 2011	2011 - 2013	2013 – 2015	2015 – 2017	2017 - 2019
Bath House and Outdoor Pool Upgrades	0	$370,000	0	0	0
Carpenter / Paint Shop Roof Replacement	0	$90,000	0	0	0
Elevator & Electrical Improvements	$395,000	0	0	0	0
Five Cottages Roof Replacement	$390,000	0	0	0	0
Food Svc. & Gym Foundation Waterproofing	0	$200,000	0	0	0
Food Services HVAC Replacement	$450,000	0	0	0	0
Habilitation Ctr. Roof Replacement	$420,000	0	0	0	0
Main Kitchen New Blast Chiller	$75,000	0	0	0	0

DSHS Capital Budget Plan					
Project	2009 - 2011	2011 - 2013	2013 – 2015	2015 – 2017	2017 - 2019
Mason Building HVAC Replacement	0	$945,000	0	0	0
Pavement Replacement – Phase 1	$780,000	0	0	0	0
Pavement Replacement - Phase 2	0	$485,000	0	0	0
Pavement Replacement – Phase 3	0	0	$680,000	0	0
Pavement Replacement – Phase 4	0	0	0	$520,000	0
Sewer Lagoon Sludge Removal	$265,000	0	0	0	0
Site Irrigation Improvements	0	$780,000	0	0	0
Site Sidewalk Repairs	$100,000	0	0	0	0
TOTAL	$2,875,000	$2,870,000	$680,000	$520,000	0

The Heartland study of alternative uses for RHC capital assets assumes that DSHS would cease all or part of operations at Lakeland. Most of the Lakeland site is currently zoned as Institutional with 228 acres zoned as Rural Conservation. The Heartland study of alternative uses for Lakeland presented three alternatives.

Heartland Study Options	Description
Alternative I	Alternative I assumes that Lakeland ceases operations entirely at the Medical Lake site and people and staff are relocated elsewhere and the entire campus is sold "As-Is". In this instance, it is assumed that all buildings would remain and be sold "as-is". Heartland estimated the probable net present value of all Lakeland properties at $1.2 million.
Alternative II	Alternative II also assumes that Lakeland ceases operations at the Medical Lake site and that people and staff are relocated elsewhere. In this alternative, existing buildings are demolished and the property is sold as "raw land". Heartland estimates the probable net present value to be (-$697,000). The cost of building demolition exceeds the value of the land.
Alternative III	Alternative III assumes that Lakeland continues to operate at the Medical Lake site, and that excess properties not related to the program service delivery are sold. Heartland estimates the probable net present value to be $2.27 million.

Focus group discussion with Lakeland employees revealed dedicated and experienced staff. Specifically, all staff interviewed and observed were well trained and confident in their support of people with significant behavioral and health needs. Staff were especially proud of the quality of Lakeland's SNF program. Regional staff also stated that Lakeland provides critical backup and emergency support for people leaving Eastern State Hospital. Clinical and program support staff expressed the belief that long-term residential services were scarce in eastern Washington and that Lakeland would continue to be a viable option for many families living in small rural communities which lacked community residential supports.

Staff expressed an interest in expanding Lakeland's short-term crisis support model. Staff also expressed interest in replacing some of Lakeland's current cottages with state-operated supported living programs operating in Wenatchee and other parts of eastern Washington. Lakeland placement staff recommended that 18% of the people currently living at Lakeland could successfully live in intensive community supported living settings, with the presence of adequate clinical supports and trained direct care staff.

Focus group discussions with families provided comments similar to those offered by other RHC parent groups. Because people currently living at Lakeland have been there a long time and entered when they were young, parents shared their concerns that the trauma of moving would be substantial. Like other places, RHC families expressed that the current community resources continue to be insufficient to support their family members. Also parents expressed concerns that family members, especially people who are older would not tolerate relocation well. Only one family member contacted by Lakeland staff indicated an interest in community placement.

In terms of **legal status**, Lakeland was not under review by any state or federal agency at the time of this study, and to date, no findings or citations are outstanding. Medicaid ICF/MR and SNF certifications were intact at the time of the study. A review of legal tort claims against DSHS / Lakeland revealed 6 cases filed from July 2000 to September 2009. Of these six cases, four of them were tort claims by employees and two were tort claims filed by people living at Lakeland.

Rainier:

Rainier is located in Buckley at the base of Mount Rainier. The capacity has decreased from approximately 1,000 beds since the early1960's to its current capacity of 386 beds. Occupancy has been 94% for the past six year period. Rainier together with Lakeland Village were the first state facilities for people with developmental disabilities and served as the foundation for later creation of Fircrest, FHMC, and Yakima Valley. Rainier went through a significant rebuilding effort in the late 1970s / early 1980s and as a result reduced their capacity to 500 beds as part of a comprehensive community placement effort. Further reductions in Rainier have occurred over time. Rainier is currently certified as an ICF/MR. During the mid 1980's, Rainier faced decertification sanctions from Medicaid. At present, the federal Department of Justice is conducting ongoing investigations of Rainier. From the August 2009 RHC Consumer database for Rainier, age and length of stay data is presented in the following table.

Table #30: Current age of people living at Rainier (as of September 2009)

Statistical Measure	Age in Years
Mean Average Age	54.5
Median Age	55.7
Oldest Age	91.0
Youngest Age	21.7

The oldest person is 91 years old and the youngest person is 21 years old. The average age of people living at Rainier is 54.5 years old.

Rainier provides on average 3% of its capacity to people needing short term emergency supports. Length of stay and age of admission data are presented in the following charts. The Rainier population generally divides into two groups: people who have been at Rainier over 30 years and people who have resided at the facility for less than 5 years. The average length of stay at Rainier is 33.3 years

Table #31: Rainier Length of Stay

Statistical Measure	Length of Stay in Years
Mean Average Length of Stay	33.3
Median Length of Stay	36.2
Longest Length of Stay	69.9
Shortest Length of Stay	0.1

The average age of admission for a person at Rainier was 21.3 years. The youngest person admitted was 6 months old and the oldest was age 65. A significant number of people entered Rainier as children.

Table #32: Age at Admission for people living at Rainier

Statistical Measure	Age of Admission in Years
Mean Average Age at Admission	21.3
Median Age at Admission	15.7
Oldest Age at Admission	65.5
Youngest Age at Admission	0.6

Rainier maintains approximately 867,890 sq ft of building space and sits on 1,109 acres of land. The campus includes 68 buildings including residential cottages, activities and program support facilities, and administrative and maintenance buildings. All buildings appear to be in general good repair. Utility systems and facility maintenance are scheduled for upgrades. Review of the 2009-2011 Omnibus Preservation Capital Budget and Minor Works Capital Budget dated June 9, 2009, contains the following requests:

Table #33: DSHS Capital Budget Plan – June 2009 (Rainier)

DSHS Capital Budget Plan					
Project	2009 - 2011	2011 - 2013	2013 – 2015	2015 – 2017	2017 - 2019
Building 2010 & RHC Door Replacements	$85,000	0	0	0	0
Building 2010 Transformer Replacement	$85,000	0	0	0	0
Central Kitchen HVAC Replacement	0	$325,000	0	0	0
Condensate Pump Replacements	$100,000	0	0	0	0
Cottages Fire System Backflow Protection	$250,000	0	0	0	0
Domestic Water Line Replace. -Phase 1	0	$725,000	0	0	0
Domestic Water Line Replace. - Phase 2	0	0	$800,000	0	0
Drainage Repair	$280,000	0	0	0	0
Electrical Transfer Switch Replacements	0	$225,000	0		0
Flooring Covering Replacement	0	$250,000	0	0	0
Gym Drain Replacements	0	$75,000	0	0	0
High Voltage Feeder Cable Replacement - Phase 4	0	$300,000	0	0	0
High Voltage Feeder Cable Replacement - Phase 5	0	0	$275,000	0	0
Hot Water Heater Replacements	$150,000	0	0	0	0
HVAC Unit Replacements	0	$175,000	0	0	0
Kitchen & RHC Chiller Unit Replacement	0	$135,000	0	0	0
Kitchen Fleet Dishwasher Replacement	$120,000	0	0	0	0
Kitchen Pots & Pan Washer	$50,000	0	0	0	0
Kitchen Quarry Tile Flooring Replacement	0	$80,000	0	0	0
Laundry Door & Window Replacement	0	$65,000	0	0	0
Laundry Equipment Replacement	$155,000	0	0	0	0
Laundry Lint Collection & Dryer	$155,000	0	0	0	0
Laundry Mechanical System Repairs	0	$90,000	0	0	0
Laundry Roof Replacement	$240,000	0	0	0	0
Living Units Floor Covering Replacement	$200,000	0	0	0	0
Living Units Resident Bathrooms Repair	$280,000	0	0	0	0
Living Units Window Replacements	$150,000	0	0	0	0
Motor Pool Building Renovation	0	$400,000	0	0	0
Power House Air Compressor Replace.	$40,000	0	0	0	0
Power House Equipment Replacements	$45,000	0	0	0	0
Power House Smoke Stack Removal	0	$150,000	0	0	0
Quinault Court Two Resident Bldg. Repair	0	$890,000	0	0	0
Ray Peel Building Renovation	0	$500,000	0	0	0
Siding Replacement	0	$100,000	0	0	0
Site Covered Walkway Roof Repairs	$130,000	0	0	0	0
Site Domestic Water Line Replacement	$850,000	0	0	0	0
Site Domestic Water Supply System Renovation	$50,000	0	0	0	0
Site Energy Management System Upgrade	$200,000	0	0	0	0
Site Exterior Lighting Upgrade	0	$70,000	0	0	0
Site Exterior Walkway Canopy Repair	0	$70,000	0	0	0
Site High Voltage Feeder Cable Replace.	$500,000	0	0	0	0

DSHS Capital Budget Plan					
Project	2009 - 2011	2011 - 2013	2013 – 2015	2015 – 2017	2017 - 2019
Site Pavement Repairs	0	$150,000	0	0	0
Site Power House Air Compressor Replacements	0	$40,000	0	0	0
Site Powerhouse Underground Fuel Tank Replacement	$250,000	0	0	0	0
Site Well #5 Relocation	$250,000	0	0	0	0
Storm Drainage System Upgrade	$175,000	0	0	0	0
Superintendent's House Renovation	0	$225,000	0	0	0
Swimming Pool Roof Replacement	0	$185,000	0	0	0
Various Buildings Staff Duress System	$500,000	0	0	0	0
Various: Electrical Panels Replacement	0	$120,000	0	0	0
Various: Roof Replacements	0	$250,000	0	0	0
Waste Water Treatment Plant Decommission	$70,000	0	0	0	0
Water Reservoir Electrical Cable Replacement	$30,000	0	0	0	0
Water Reservoir Electrical Upgrade	0	$25,000	0	0	0
TOTAL	$5,390,000	$5,620,000	$1,075,000.00	0	0

The Heartland study of alternative uses for RHC capital assets assumes that DSHS would cease all or part of operations at Rainier. The programmatic portion of the Rainier site is currently zoned as Public. The Heartland study of alternative uses for Rainier presented three alternatives.

Heartland Study Options	Description
Alternative I	Alternative I assumes that Rainier ceases operations entirely at the Buckley site and people and staff are relocated elsewhere and the entire campus is sold "As-Is". In this instance, it is assumed that all buildings would be vacated and sold "as-is". Heartland estimated the probable net present value of the all Rainier properties at $2.0 million.
Alternative II	Alternative II also assumes that Rainier ceases operations at the Buckley site and that people and staff are relocated to different sites. In this alternative, existing buildings are demolished and the property is sold as "raw land". Heartland estimates the probable net present value to be (-$0.2 million). The costs of demolition exceed the value of the land.
Alternative III	Alternative III assumes that Rainier continues to remain in operation as is. Excess land would be sold. Heartland estimates a probable net present value of $6.8 million.

Focus group discussion with Rainier employees revealed a veteran staff who had established valued long-term relationships with the people living at Rainier. All staff interviewed and observed were well experienced and confident in their support of people with significant behavior management needs and / or co-existing mental health conditions. Clinical and program support staff expressed a high degree of interest of expanding their short-term crisis supports with extensive home-based intervention teams. Staff identified various decentralized models of extended supports to community providers supporting people with significant behavior conditions and / or who presented community risks. Also staff expressed a desire to provide backup support to SOLA staff. Rainier placement staff recommended that 47% of people currently living at Rainier could successfully live in intensive community supported living settings, with the presence of adequate clinical supports and trained direct care staff.

Focus group discussions with families revealed a group of parents who were highly supportive of Rainier. For many families of older people who were admitted during the 1950's and 1960's, Rainier presented the only viable option of services at their time of need. Rainier families expressed concern that people who had not faced their choices may not understand their support for Rainier. Families reminded the study team the beginnings of the community movement in Washington began at Rainier with the creation of ARC and the group home program.

Discussions focused also on the need to provide short term emergency support for people in transition between homes and families. Similar to families at other RHCs, families at Rainier expressed that the current community resources continue to be insufficient to support their family members. Also parents expressed concerns that family members, especially those who had lived at the RHC in excess of 30 years, would not tolerate relocation well. Three (3) percent of the families contacted by Rainier staff indicated an interest in community placement. Ninety-five (95) percent of families expressed strong objection to community placement, and two (2) percent indicated no interest in community placement at this time.

In terms of **legal status**, Rainier was under review by the federal Department of Justice (DOJ) at the time of this study. To date, no findings or citations have been issued. Study team members did not contact DOJ and have no opinion on the outcome of their investigation. Medicaid ICF/MR certification was intact at the time of the study. A review of legal tort claims against DSHS / Rainier revealed 33 cases filed from July 2000 to September 2009. Of these thirty-three cases, twenty-seven of them were tort claims by employees and five were tort claims filed by people living at Rainier. One tort claim was filed by a person who neither lived nor worked at Rainier.

Yakima Valley:

Yakima Valley is located in the city of Selah at the site of a former tuberculosis hospital. The capacity has decreased from 150 beds in the early1980's to its current capacity of 102 beds. Occupancy has been 99% for the past six year period. Yakima has always been designed to support people with complex health conditions. Many of the people who initially moved to Yakima in the early 1960's continue to live at the facility. In the mid 1980's, residential cottages were constructed on the campus. Prior to that time, people resided in the five-story hospital building. In the early 2000's, short-term emergency beds were funded at Yakima. From the August 2009 RHC Consumer database for Yakima, age and length of stay data is presented in the following table.

Table #34: Current age of people living at Yakima Valley (as of September 2009)

Statistical Measure	Age in Years
Mean Average Age	45.2
Median Age	45.8
Oldest Age	80.4
Youngest Age	16.4

The oldest person is 80 years old and the youngest person is 16 years old. The average age of people living at Yakima Valley is 45.2 years old.
Yakima provides on average 10% of its capacity to people needing short term emergency supports. Length of stay and age of admission data are presented in the following charts. The Yakima population generally divides into two groups: people who have been at Yakima approximately 40 years and people who have resided at the facility for less than 20 years. The average length of stay at Yakima Valley is 30.1 years.

Table #35: Yakima Valley Length of Stay

Statistical Measure	Length of Stay in Years
Mean Average Length of Stay	30.1
Median Length of Stay	35.1
Longest Length of Stay	49.7
Shortest Length of Stay	1.0

The average age of admission for a person at Yakima Valley was 15.1 years. The youngest person admitted was 1 years old and the oldest was age 65.

Table #36: Age at Admission for people living at Yakima Valley

Statistical Measure	Age of Admission in Years
Mean Average Age at Admission	15.1
Median Age at Admission	9.6
Oldest Age at Admission	65.1
Youngest Age at Admission	1.1

Yakima Valley maintains approximately 144,860 sq ft of building space and sits on 30 acres of land. The campus consists of twelve buildings including seven residential cottages, several program and support buildings, and the original main office building. All buildings appear to be in general good repair. Utility systems and facility maintenance are scheduled for upgrades. Review of the 2009-2011 Omnibus Preservation Capital Budget and Minor Works Capital Budget dated June 9, 2009, contains the following requests:

Table #37: DSHS Capital Budget Plan – June 2009 (Yakima Valley)

DSHS Capital Budget Plan					
Project	2009 - 2011	2011 - 2013	2013 – 2015	2015 – 2017	2017 - 2019
Main Building Elevator Refurbishing	$65,000	0	0	0	0
Basement Refrigerator/Freezer Replacement	0	$250,000	0	0	0
Campus Road & Cul-de-Sac Improvements	$300,000	0	0	0	0
Cottages - New Wardrobe Units in Bedrooms	0	$115,000	0	0	0
Cottages Porches and Steps Repair	$45,000	0	0	0	0
Kitchen Freight Elevator Decommissioning	$40,000	0		0	0
Laundry Room Renovations and Upgrade	0	$910,000	0	0	0
Main Bldg. Front Entrance Walkway Repairs	$65,000	0	0	0	0
Main Building Coffee Bar & Cafeteria	$175,000	0	0	0	0
Maintenance Shop/Storage Bldg. Replacement	0	$750,000	0	0	0
New Recreation Pavilion & Landscaping	0	$750,000	0	0	0
Parking Upgrades	$250,000	0	0	0	0
Patio Canopy Replacement	0	$150,000	0	0	0
Seven Cottages Fire Alarm System Upgrades	$200,000	0	0	0	0
Cottages Exterior Door & Window Replacement	$155,000	0	0	0	0
TOTAL	$1,295,000	$2,925,000	0	0	0

The Heartland study of alternative uses for RHC capital assets assumes that DSHS would cease all or part of operations at Yakima Valley. The Yakima site is currently zoned as One-Family Residential. The Heartland study of alternative uses for Yakima presented three alternatives.

Heartland Study Options	Description
Alternative I	Alternative I assumes that Yakima ceases operations entirely at the Selah site and people and staff are relocated elsewhere and the entire campus is sold "As-Is". All buildings would be vacated and the property would be sold "as-is". Heartland estimated the probable net present value of the Yakima Valley properties at $0.5 million.
Alternative II	Alternative II also assumes that Yakima ceases operations at the Selah site and that people and staff are relocated to different sites. In this alternative, existing buildings are demolished and the property is sold as "raw land". Heartland estimates a probably net present value of $200,000.
Alternative III	Alternative III assumes that Yakima Valley continues to operate at the Selah site, and that excess properties are sold. Heartland estimates the probable net present value to be $0.5 million.

Focus group discussion with Yakima employees revealed an energized and enthusiastic staff. Specifically all staff interviewed and observed were well experienced and confident in their support of people with complex health care needs. Yakima Valley most recently (April 2009) had been the subject of a legislative debate to close the facility, which eventually contributed to this feasibility study. As such, much of the focus group discussion involved a review of that decision. Clinical and program support staff expressed interest in transitioning from a long-term facility-based residential program to a short-term crisis support model with extensive home-based intervention teams. Staff identified a decentralized model of supports with clinical outstations in the Richland area and other parts of eastern Washington. Staff also expressed interest in opening state-operated supported living programs operating in Pasco/Kennewick/Richland and the Yakima valley area. No people were recommended by

Yakima placement staff for private community supported living settings, regardless of the amount of clinical supports and trained direct care staff.

Focus group discussions with families revealed an angry and determined group of parents around the future plans for Yakima. Discussions focused on recent attempts in the last legislative session to close Yakima. Many families had visited the community SNF programs which were recommended, and these families expressed that the current community resources continue to be insufficient to support their family members. Also parents expressed concerns that family members, especially those with complex health care needs, would not tolerate relocation well. No families contacted by Yakima staff indicated an interest in community placement, and all families expressed strong objection to community placement at this time.

In terms of **legal status**, Yakima was not under review by any state or federal agency at the time of this study, and to date, no findings or citations are outstanding. Medicaid ICF/MR and SNF certifications were intact at the time of the study. A review of legal tort claims against DSHS / Yakima revealed 3 cases filed from July 2000 to September 2009. Of these three cases, two of them were tort claims by employees and one tort claim was filed by a person living at Yakima.

Stakeholder and Survey Comments

Both in person and written input was solicited from stakeholders with the goal of understanding each perspective, the positives and concerns, and any suggested approaches to meeting the legislative proviso. In total, input was received from about 1,000 individuals in these ways:

- 28 focus groups were held at the 5 RHC's with groups of parents, guardians and staff, and interviews were held with some consumers at each RHC. Since closing beds has great impact on these groups, the face-to-face meetings focused on understanding and respecting various perspectives and concerns.
- One statewide advocate forum was held with 73 individuals attending from around the state, and an open microphone for individuals to express their opinions.
- One statewide county board forum was held and attended by 21 people.
- One statewide meeting was held with approximately 30 community residential providers.
- Four meetings with legislators and local community officials were held.
- A survey was provided in three formats: web-based, electronic and paper for interested family, consumers, guardians, community leaders, advocates or interested people that were not part of the other meetings. To date, 697 individuals have responded to the survey.
    - This survey was made widely available through the DDD mailing list to the RHC's and advocate groups; however, it was not designed to capture a statistically valid sample of individuals. The data is being used in conjunction with information gathered in the other discussions and meetings to capture all perspectives, concerns and options.

The number of survey responses are listed in the following table:

Table #38: Number of Survey Stakeholder respondents by Role (unduplicated count)

Role of Respondent	Number of Respondents
Person receiving services from an RHC	5
Person receiving DD service but not from an RHC	3
Family member or guardian of person	220
Guardian (non-family) of a person	9
RHC direct care staff	89
RHC clinical staff	58
RHC administrative and support staff	113
DSHS / DDD Regional staff	56
Interested person – Advocate / Provider / Community leader	137
Other	7
TOTAL	**697**

Specific comments and findings from electronic survey responses are contained in Attachment #2 – Stakeholder Survey Findings. In summary, there were six key findings from the combined stakeholder input:

1. Parents and family members of people currently residing in RHCs strongly objected to community placement. Strongest feelings were from parents of people who had lived in the RHC for over 30 years. Sixty (75) percent of all RHC family members responding to the survey expressed strong resistance to community placement. Family focus groups expressed similar comments at all RHCs. Primary concerns included past history of failed placement, staff turn-over, and a lack of provider stability and clinical expertise

2. Families and consumers currently using RHCs for long and short term care rated their experiences at the RHC very positively on 10 of 12 measures including safety, services, staff, and activities. Family focus groups also confirmed their satisfaction with current services.

3. For families and advocates who were not using RHC services, the majority responded that RHCs should be closed by 10 years from now.

    - For parents/consumers not using RHC's, 55% indicated RHC's would be replaced by community providers; and an additional 15% selected replacing RHC's with other options like SOLA's or having RHC's provide only emergency, respite or clinical outreach services.
    - For advocates, 46% indicated RHC's would be replaced by community providers; and an additional 35% selected replacing RHC's with other options like SOLA's or having RHC's provide only emergency, respite or clinical outreach services.

4. For families of young children or staff who were providing supports to family members, 25% of the focus group respondents indicated that the RHCs should be retained until additional community resources became available. These families expressed concern that RHC resources would be eliminated without an increase in other viable alternatives.

5. DSHS regional staff indicated that RHCs provided invaluable short-term and emergency supports which were otherwise unavailable. In the survey, 54% of regional staff indicated that closure of RHC beds will negatively affect their work by removing a critical part of the DD safety network.

6. From the focus group discussions, 87% of RHC program support and clinical staff indicated that RHC future services should focus on providing clinical outreach and behavioral and health emergency response supports.

7. From the focus group discussions, 93% of the RHC direct care staff indicated an interest in continuing to provide supports in a state-operated community-based program. From the survey, the majority of current RHC staff indicated that if their RHC closed they would prefer employment in state-operated programs or other RHCs.

STUDY FINDINGS:

During the stakeholder process and review of previous studies and information, a variety of viable and thoughtful options and approaches were presented. In addition, the diversity and passion of opinion about the future of the RHC's was extremely evident. Conversations with people, families, staff, and advocates were candid and honest, and it is evident that there exist strong differences in positions regarding the future of the RHCs. It is evident that there is not a consensus of thought within the stakeholder community. It is also evident that the current RHC environment cannot continue to exist in its current form without significant consequences. The following findings from the study review and stakeholder process are listed.

1. Short-term emergency residential service provided by an RHC on campus has the single highest per capita cost of any DDD service. There is, however, significant support from all sectors: families, RHC staff, DD Regional staff and advocates, to maintain respite and emergency placement capacity at the RHC's as well as providing other specialized supports to people living in the community.

2. The community service system currently lacks adequate respite and emergency / crisis residential capacity. Regional case managers, people and families, and community providers heavily depend on RHCs for crisis residential back-up support because of a lack of existing community options. Increased community respite services are imperative to support people and families in their own homes and deter future admissions to RHCs. Without these respite resources, RHCs will experience continued pressure to admit people as the only option.

3. A significant number of people currently residing in RHCs were admitted at young ages and have lived at the facilities in excess of thirty years. Leaving the RHCs for these people is difficult. Recently in the past two years, RHCs have been admitting children because community alternatives have not been available. This practice has the potential to create a new generation of long-term RHC residents.

4. At this time, RHCs are the only agencies that have a zero reject policy and are required to accept admissions from the DD regions. This policy means that RHCs cannot reject regional referrals; private providers however may reject a DD regional referral. The zero reject policy was especially important to the DD regions who described difficulty finding emergency admission for people with complex needs. For private providers to extend zero reject supports, current contracts and reimbursement systems will need to be restructured.

5. Regional case managers and community providers depend on RHCs for back-up support; the amount and availability of current community resources appears insufficient to meet emerging need.

6. Clinical and program expertise is concentrated at the RHCS and generally not available to people and families in need in the community.

7. The current supported living provider net work lacks sufficient capacity and financing to accommodate people moving from the RHCs.

8. Based upon individual and family interviews, a significant number of people have lived in the RHCs for a majority of their life-time and are wanting to age-in-place at the RHCs.

9. A significant number of stakeholders felt that RHCs of the future should become clinical support centers with short-term emergency residential capacity and a decentralized network of state-operated community homes.

10. Washington's HCBS Waiver can be expanded to cover Clinical Support Centers and State-operated Community Nursing Facilities

11. Washington has an over-reliance on Residential Habilitation Centers. Washington continues to have a higher ratio of RHC beds per 100,000 citizens than the national average.

12. Washington allocates comparatively limited resources for community residential supports in comparison with other states, and currently ranks 36th nationally in 2008.[60]

13. There is firm and significant resistance from current RHC families to move out of the RHC setting. Based on survey responses, safety, 24 hour supervision, and knowledgeable, trained staff were the most important conditions that must be present in any residential setting. RHC families felt that community providers lacked consistent trained staff. Community advocates felt that RHC staff were limited in their perceptions about community living.

14. Most (90%) advocates and other interested people responding to the survey felt strongly that the RHC's should be replaced by other options including community providers or state operated homes. Some also indicated that RHC's should continue to provide emergency and respite services and/or health and behavioral outreach services.

15. Other states have successfully implemented state employee-operated supported living programs for individuals served in RHC's. This concept fits with several messages from the stakeholder survey:

    - Most RHC staff indicated that the most important aspect of their current job is working with the people with disabilities; state operated options allow staff to either move with the people they support, or stay employed working with this group. One of several advantages of this is that this workforce is already trained and skilled.

    - RHC staff also indicated that their first choices of work, if their RHC was closed, is in state funded programs/positions.

[60] Braddock, David, and R.Hemp, M. Rizzolo, The State of the States in Developmental Disabilities – Seventh Edition, American Association on Intellectual and Developmental Disabilities, September 2008.

- Families indicated that if the RHC were closed, their first preference for a home for their family member is another RHC, or if that is not possible, most indicated a state operated program with strong health supports as their next choice.

- A very high percent of RHC families reported that current RHC staff were knowledgeable of the needs of their family member, and that they liked working with them.

16. Although a 10 year timeframe was used in focus group discussions and on the survey to think about the future of RHC's, the experience in many other states was that significant change could occur in five years once decisions were made.

17. While all states, including Washington, have experienced significant fiscal growth in public DD programs over the past 6 years, the highest per capita costs have occurred in state operated institutions.

18. The complexity and nature of the needs of people currently residing in RHC's in Washington suggests that intensive supported living services would be the primary community option for people leaving RHC's.

RHC Options

The feasibility study team considered both long-term (10 year) and short-term (3 year) strategies for the future utilization of the RHC staff and campus resources. Within these time frames, five options were explored.

1. Maintain the current status
2. Close all RHCs and expand existing community system
3. Close SNF program and expand community capacity and diversity
4. Close ICF/MR program and expand community capacity and diversity
5. Retain RHC short-term / respite capacity and clinical outreach services and shift RHC resources to state-operated community residential supports

Much of the information and data in this analysis was obtained from previous studies conducted by DSHS, General Administration, and JLARC. In all since 1999, there were ten (10) RHC studies and strategic plans prepared by various state agencies, and four (4) national studies which were considered in this report. These studies were comprehensive and references are footnoted to indicate source of data. Updated data from DSHS / ADSA is used as available. In addition, the feasibility study includes three new data sets.

- First, individual service plans and select behavior and health needs for people living in the RHCS were provided to the study team. This data allowed the team to build individual allocation assumptions for each person.

- Second, RHC personnel payroll data and ancillary turn-over / training / tenure information was available to the study team. This data was used to calculate the cost associated with staff reductions and / or redeployment.

- Finally, focus group and survey data from RHC people and families, staff, and advocates assisted the team to understand the interest and concerns associated with moving from the RHCs.

A description and analysis of each option is provided in Attachment #3 – Description and Analysis of RHC Options. This analysis led the study team to make the following set of recommendations.

Recommendations:

Recommendations are organized into three primary groups: 1) future role and direction for the RHCs, 2) related community capacity-building actions needed to accommodate the changing role of RHCs, and 3) DSHS and legislative actions necessary to implement future RHC changes. Each of these recommendations are inter-related and should be considered together rather than as separate options. A summary of the bed capacity of RHCs and related services is contained in the Implementation Section. Cost impact for each of the recommendations is described in Attachment #6. Respectfully, the feasibility team recommends the following.

Future Role of the RHCs

Recommendation #1: No later than 2013, Washington can reduce 250 beds from the RHCs by closing FHMC and 13 cottages on other RHC campuses. Because of the current SNF and ICF/MR bed mix and because the RHCs are recommended to be closed by 2019, it is not feasible to consolidate people and increase the census at various campuses without creating multiple moves for people within a short period of time. The team is experienced with the high degree of stress people experience when moving and recommends that DSHS proceed in a respectful and patient manner. The recommended actions to accommodate the 250 bed reduction are:

- Close FHMC and vacate the campus
- Close seven (7) cottages at Rainier School
- Close two (2) cottages at Fircrest School
- Close one (1) cottage at Yakima Valley School
- Close two (2) cottages at Lakeland Village

Recommendation #2: As part of the reduction of 250 beds, Washington should immediately place children currently living at the RHCs into state-operated children's intensive care homes. This action can be accomplished by transferring the current Fircrest staff and resources to a community supported living setting.

Recommendation #3: No later than 2019, Washington can close all but a few RHC beds and convert Lakeland, Fircrest, and Yakima Valley into three small community support centers which provide emergency crisis support and ambulatory care / clinical outreach services. Each center would have clinical expertise to support people with autism and their families. These three centers would retain a small number of SNF beds to honor the state's commitment to allow people and their families to age-in-place. These centers would focus on providing geographically accessible services for eastern, western, and central Washington respectively. By the end of SFY 2019, the RHC capacity is recommended to be:

- Frances Haddon Morgan Center – closed
- Fircrest School – 48 SNF beds
- Lakeland Village – 26 SNF beds
- Rainier School – closed
- Yakima Valley School – 38 SNF beds

Recommendation #4: Washington should expand its community supported living network to include a "zero-reject" state-operated residential option which focuses on people with

complex health needs or who present significant community risks. To accomplish significant RHC closure, a publicly operated safety net of residential supports which must accept all people is essential. While privately-operated community programs also support people with similar needs, current DSHS contracts do not require or adequately compensate these providers to accept referrals unconditionally. States that operate community supported living programs use them as their "zero reject" safety net services for people with community risk or intense medical needs when privately operated programs are not available. In Washington, only RHCs have a requirement to accept all referrals.

Recommendation #5: The community supported living provider network requires substantial refinancing and increased capacity in order to support people leaving the RHCs in an equal or better fashion. That financial support should be directed specifically to increasing direct care compensation and also to increasing the overall number of providers and bed capacity.

Additional Comments on RHC Recommendations: The following comments are added to further explain the study team's recommendations.

- Washington should eliminate ICF/MR long-term care from the RHCs and relocate people to state and privately operated homes. Long-term ICF/MR care programs at the RHCs should be eliminated by 2018 or before. This level of care can be provided more effectively in a combination of private and state-operated community supported living settings. Likewise, the location of future residential services can be better customized to the geographical locations of families. The current locations of the RHCs for the most part are not conveniently located for people and families in the northwestern and southwestern parts of the state.

- Washington should reduce SNF long-term care at the RHCs and relocate people to state and privately operated homes. Long-term SNF care programs at the RHCs should be reduced to 112 beds by 2015 or before. This timeline should allow the state to maintain its commitment to the care of people and families who accessed RHC's at a time in the early 1970's when community programs were unavailable. The current community SNF program does not appear sufficient for people residing in the RHC's. As such, these existing community SNF programs should not be viewed as viable options for community placement without substantial increases in program expertise and financial compensation. People who have resided at RHCs in excess of thirty (30) years should continue to have the choice of aging in place. For future people with complex health care needs, a combination of private and state-operated community nursing facility settings funded under the HCBS waiver should be developed. Similar to the ICF/MR discussion, the location of future residential services can be better customized to the geographical locations of families. This recommendation assumes that DSHS will amend its HCBS waiver to create supported living homes for people who have significant long-term health care needs, such as have been created in other states. For purposes of this study, these homes are titled state-operated community nursing facilities and are referenced as SCNF in this study.

- Washington should establish Regional Clinical Outreach and Emergency Crisis Response Centers at the remaining RHCs, and specifically focus on providing supports to people with autism, and / or complex behavioral and medical needs. A critical part of building community capacity is the retention and use of existing clinical expertise and experience.

Clinical staff at Lakeland, Yakima Valley, and Fircrest would conduct diagnoses, training, and treatments, as well as ambulatory care clinics. These services would be provided in the health clinics currently located on the RHC campuses, as well as through home and community visits. Specifically, these centers would focus on the provision of supports to people with autism, complex behavior and health support needs, and early intervention supports to families. These centers would also provide the administrative support and program supervision to the state-operated community nursing facilities and supported living programs.

Community Capacity-Building actions necessary for the future of RHCs

Recommendation #1: *Strengthen the community direct care staff capacity by increasing direct care reimbursement rates to providers.* In almost all instances, people and their families shared experiences of losing dedicated direct care service staff due to inadequate compensation. A review of community residential provider compensation practices revealed that Washington direct care workers are compensated at the 35th percentile of market valued competitive wages. Nationally, state reimbursement rate schedules generally set targets between the 50th and 75th percentiles of U.S. Bureau of Labor Statistics wages.

Recommendation #2: *Increase the number and diversity of community support programs.* A few states have issued RFPs for new providers and limited contracts to four people or less. This action has increased the number of new providers and has encouraged growth in remote geographical locations. Washington should consider issuing a new RFP for supporting people leaving RHCs.

Recommendation #3: *Continue implementation of the recommendations in the Governor's Report on Alternative Service Models for Children with Serious Behavior Problems.* The Oregon Children's Intensive In-Home Service Model works well and is key to Oregon's ability to close its state institutions. The recent practice of admission of children to RHCs strongly suggests that aggressive alternatives need to be put in place. Otherwise, families will continue to request RHC placement when no other alternatives appear available. Two previous efforts (e.g. SIBS and Voluntary Placement Program) were described by parents as effective. Reinstatement of these programs should be considered

Recommendation #4: *Washington should address the critical need for out-of-home respite support for people living with their families.* While RHCs are responsive and provide a quality service to families in need of out-of-home planned respite, they are not cost effective or conveniently accessible. Other states have created smaller respite facilities which are geographically and culturally responsive to the diversity of the state. Washington should continue and expand the use of their SOLA and state-operated special health care homes to provide planned and emergency respite. Additional private agencies should also be encouraged to provide similar services in order to expand access to rural and remote areas.

Strengthening DSHS Infrastructure

Recommendation #1: *Add community special health care home program to HCBS waiver service.* Community residential health care options need to be expanded for people who have been receiving RHC SNF care. HCBS waiver amendment language will need to be developed and approved by CMS. This model of residential health supports involves homes of four or fewer people with 24 hour staff and medical supports. In order to accommodate reductions in RHC SNF levels, a viable intensive community supported living program is critical. A further explanation of the program is described in the implementation section of this report.

Recommendation #2: *Add clinical outreach services to HCBS waiver service.* HCBS waiver language from other states should be considered for inclusion into the waiver. The current ICF/MR requirements are prohibitive to providing clinical outreach services. In almost all instances, and especially in eastern Washington, people and families expressed major concerns that critical health and behavioral care would not be available. Without clinical outreach supports, it will be very difficult to achieve the RHC reduction targets. A further explanation of the program is described in the implementation section of this report.

Recommendation #3: *Encourage and expand DDD quality assurance efforts.* Reviews of the current DDD Quality Assurance process find it to be among the better systems nationally. Even though the state faces serious budget constraints, the community quality assurance system is critical to ensuring safety and building confidence for people and families leaving RHCs.

Recommendation #4: *Establish a comprehensive RHC pre-placement process with significant attention to managing personal and family stress related to moving.* The recent "Preliminary Transition Plan for Downsizing Fircrest" describes an excellent process and should be adopted. Specifically, attention should be provided to ensuring that friendships and relationships are maintained, and that familiar and trusted staff are retained. To ensure a comprehensive placement process, a Placement Transition Team is recommended.

IMPLEMENTATION STEPS:

The implementation section is provided in three parts. The first part describes the schedule for meeting the legislative proviso to reduce 250 beds. This schedule focuses on the steps necessary to close Frances Haddon Morgan Center and select cottages at other RHCS. Second, a schedule to close all but 112 RHC beds is presented. This information is intended to provide an overview of RHC future directions. Finally, a description of key strategies essential to address the needs of people moving from RHCs, and associated implementation steps are described.

IMPLEMENTATION OF 250 BED REDUCTION OPTION

This option includes the closure of Frances Haddon Morgan Center and other selected RHC cottages. It also includes the development of state-operated homes for 64 people and privately-operated homes for 184 people. The Gantt chart below provides an overview of the timing of various RHC reductions. Gray bars represent placement planning activities and red bars represent actual move dates and cottage closures.

SFY & Quarter (start July 2010)	SFY 2011				SFY 2012				SFY 2013			
RHC & Task	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
FHMC & Fircrest complete individual pre-placement assessment & service plans, provider recruiting and trial visits												
FHMC & Fircrest place 32 children into children SOLA's and close two cottages (1 @ FHMC & 1 @ Fircrest)												
FHMC & Fircrest place 32 adults into adult SOLA's and close two cottages (1 @ FHMC & 1 @ Fircrest)												
FHMC place 24 adults into private provider community supported living programs and close remaining facility. (FHMC closes on October 2011)												
Rainier, Lakeland Village, and Yakima Valley complete individual pre-placement assessment & service plans, provider recruiting, and trial visits												
Yakima Valley place 16 people into state-operated special health needs home and close one cottage												
Rainier place 16 people into private community supported living programs and close one cottage												
Rainier place 16 people into private community supported living programs and close one cottage												
Rainier place 16 people into private community supported living programs and close one cottage												
Rainier place 16 people into private community supported living programs and close one cottage												
Rainier place 16 people into private community supported living programs and close one cottage												
Rainier place 16 people into private community supported living programs and close one cottage												
Rainier place 16 people into private community supported living programs and close one cottage												
Lakeland Village place 8 people into state-operated special health needs homes and 8 people into private community supported living programs; close one cottage												
Lakeland Village place 8 people into state-operated special health needs homes and 8 people into private community supported living programs; close one cottage												

A schedule is presented below which outlines dates, affected RHC, description of task, number of people moving, and staff responsible for completing the task.

Date	RHC	Task Description	Number of People Moving	Responsibility
7/1/2010 – 7/31/2010	FHMC & Fircrest	Initiate individual placement planning process & identify community options for each person	0	Placement Transition Team
8/1/2010 – 9/30/2010	FHMC & Fircrest	Placement Transition Team procure housing options for people moving to state-operated programs	0	Placement Transition Team
10/1/2010 – 12/31/2010	Rainier, Lakeland, and Yakima Valley	Initiate individual placement planning process & identify community options for each person. Placement Transition Team procure housing options for people moving to state and privately operated programs	0	Placement Transition Team
10/1/2010 - 12/31/2010	FHMC & Fircrest	Move 32 people into state-operated programs	32	Placement Transition Team
1/1/2011 - 3/31/2011	FHMC & Fircrest	Move 32 people into privately-operated programs	32	Placement Transition Team
4/1/2011 – 6/30/2011	FHCM	Move 24 people into privately-operated programs, relocate employees, and initiate cold closure of campus	24	Placement Transition Team
7/1/2011 – 9/30/2011	Yakima Valley	Move 16 people into state-operated programs	16	Placement Transition Team
10/1/2011 – 12/31/2011	Rainier	Move 16 people into privately-operated programs	16	Placement Transition Team
1/1/2012 – 3/31/2012	Rainier	Move 16 people into privately-operated programs	16	Placement Transition Team
4/1/2012 – 6/30/2012	Rainier	Move 16 people into privately-operated programs	16	Placement Transition Team
7/1/2012 – 9/30/2012	Rainier	Move 16 people into privately-operated programs	16	Placement Transition Team
7/1/2012 - 9/30/2012	Lakeland	Move 8 people into state-operated programs and 8 people into privately-operated programs	16	Placement Transition Team
10/1/2012 – 12/31/2012	Rainier	Move 16 people into privately-operated programs	16	Placement Transition Team
7/1/2012 – 12/31/2012	Lakeland	Move 8 people into state-operated programs and 8 people into privately-operated programs	16	Placement Transition Team
1/1/2013 – 3/31/2013	Rainier	Move 16 people into privately-operated programs	16	Placement Transition Team
4/1/2013 – 6/30/2013	Rainier	Move 16 people into privately-operated programs	16	Placement Transition Team

Implementation of Recommendation #3 (reduce RHC capacity to 112 SNF beds and create ambulatory care/crisis outreach clinics)

An implementation schedule for Recommendation #3 is provided below. This recommendation includes the closure of Frances Haddon Morgan Center, Rainier School, all ICF/MR beds at Fircrest and Yakima Valley, and half of current RHC SNF beds. Additionally, this option restructures the RHC clinical services to expand coverage to people living in community settings. The schedule assumes a start date of July 1, 2010 and an end date of June 2018. All dates in the table are expressed in state fiscal year (SFY) quarters (3 month periods). This schedule incorporates the bed closures described in the above 250 bed reduction option and expands to include the remaining RHCs reductions.

State Fiscal Year (SFY)	SFY 2011	SFY 2012	SFY 2013	SFY 2014	SFY 2015	SFY 2016	SFY 2017	SFY 2018
Start date – July 2010 Initiate actions	◆							
FHMC – move 16 people to state-operated homes & 16 people to privately operated homes	▬							
Fircrest – move 16 people to state-operated homes & 16 people to privately operated homes	▬							
FHMC – move 24 people to privately-operated homes and close facility		▬						
Rainier – move 48 people to privately-operated homes		▬						
Yakima Valley – move 16 people to state-operated homes		▬						
Lakeland – move 32 people to state and privately-operated homes			▬					
Rainier - move 64 people to privately-operated homes			▬					
Fircrest – move 32 people to state and privately-operated homes				▬				
Lakeland Village – move 16 people to privately-operated homes				▬				
Rainier – move 64 people to privately-operated homes				▬				
Fircrest – move 57 people to state and privately-operated homes					▬			
Lakeland – move 64 people to privately-operated homes					▬			
Rainier – move 64 people to privately-operated homes					▬			
Yakima Valley – move 32 people to state and privately-operated homes					▬			
Fircrest – move 41 people to state and privately-operated homes and close ICF/MR program						▬		
Lakeland – move 64 people to privately-operated homes						▬		
Rainier – move 88 people to privately-operated homes						▬		
Yakima Valley – move 16 people to state-operated homes						▬		
Lakeland Village – move 36 people to privately-operated homes and close ICF/MR program							▬	
Rainier – move 59 people to privately-operated homes and close facility							▬	
End date – June 2017 Actions completed								◆

Implementation of other key strategies

A significant part of the study recommendations involve restructuring state services to provide a broader array of choices and service options for people and their families. There are three key actions suggested in the study report.

1. Create placement transition teams to ensure safe and coordinated transitions for people moving from RHCs
2. Develop state-operated, community based special health care homes
3. Develop ambulatory care / crisis outreach centers

Members of the consultant team have had recent experience establishing similar programs in the states of California and Indiana. Implementation steps outlined below reflect that experience.

Placement Transition Team program

In its earlier 2004 study "*Fircrest Preliminary Transition Plan planning for the Downsizing and Closure of Fircrest School, A State Residential Habilitation Center"*[61], DSHS outlined a detailed placement transition team approach. The consulting team found that approach to be thorough and complete, and it serves as the basis for the recommended Placement Transition Team program.

The Placement Transition Team consists of DDD case managers, RHC habilitation plan administrators (HPA), DDD resource development / service brokers, and DSHS human resource professionals who will assist people and their families to successfully move from RHCs into new homes. The purpose of the team is to coordinate the design and implementation of community placement activities related to the RHC restructuring initiatives. To accomplish this task, there are five key steps.

Steps	Action	Responsibility	Timeline
Identify people leaving the RHCs and their departure schedule	Each RHC has a projected schedule of people moving into community programs and associated cottage closures. Team staff need to administer the CARES / SIS assessment to ALL people currently residing in RHCs and construct a master schedule for community movement.	People residing at the RHCs and their families; RHC HPAs; DD Case managers	Start Day 1 through Day 30
Construct individual service plans	Using person-centered planning principles, RHC and case management staff need to identify community resources necessary to meet individual support plans. Two aspects of the plan are critical. First all plans should maintain friendships and meaningful relationships. Second, all plans must ensure the continued provision and delivery of essential health care and monitoring.	People residing at the RHCs and their families; RHC HPAs; DD case managers	Start Day 20 through Day 60
Develop community placement resources based upon individual friendships, interests and needs	Case management resource development staff should recruit and train qualified providers to meet individual support plans. This task includes provider recruitment, certification, contract negotiation, and training in individual support needs for people scheduled to be moved from RHCs.	People residing at the RHCs and their families; DD resource development and case managers; RHC clinical staff	Start Day 30 and continue through project
Assist people to move to new homes	During this phase, people leaving the RHC should make trial visits to their prospective new homes and identify any changes needed to ensure comfort. Also, people should exercise choice in the staff that are paid to support them. Finally, all clinical supports and care plans necessary to ensure health and safety should be in place prior to final relocation	People residing at the RHCs and their families; RHC direct care staff and clinical staff; DD case managers;	Start Day 60 and continue through project
Assist RHC employees with relocation	DSHS Human Resource staff should identify state employment options for RHC employees who will be affected by the RHC closures. These options should include reduction-in-force rights, early retirement programs, job re-training programs, and small business start-up loan programs. The employee relocation program should be initiated at the start of the RHC downsizing. As permanent staff vacancies occur in the RHCs as downsizing efforts progress, temporary replacement staff should be retained in their place.	DSHS human resource staff; RHC supervisors	Start Day 30 and continue through project

[61] DSHS / DDD, *"Preliminary Transition Plan Planning for the Downsizing and Closure of Fircrest School, A State Residential Habilitation Center"*, Department of Social & Health Services, Olympia, Washington. January 2004

STATE-OPERATED COMMUNITY SPECIAL HEALTH CARE HOMES PROGRAM

Washington State has an extensive network of community SNF nursing homes facilities. There was consensus among the team that these community SNF programs were not an appropriate option for the majority of people moving from the RHCs and were unable to meet individual needs without a major increase in provider reimbursement rates. There was also a concern within the consulting team that these licensed residential options were not really homes but rather medical facilities. Respectfully, the team is recommending that DSHS establish a Medicaid Home and Community-Based Service (HCBS) option under its 1915 (c) waiver to create supported living homes for persons with special health care needs. Included in this recommendation, DSHS should establish certification and regulatory controls for these homes. Examples of health care services to be provided in these special health care need homes include: gastrostomy feedings and hydration, renal dialysis, special medications including injections, management of insulin dependent diabetes, catheterization, indwelling urinary catheter management, pain management, nutritional support including total parenteral nutrition, and palliative care. The addition of palliative care and hospice is intended to ensure that people can stay in their homes as long as possible. The special health care need homes require licensed and trained staff 24 hours per day, the development and updating of individual health care plans and routine monitoring visits from state RN staff. Steps to implement are:

Steps	Action	Responsibility	Timeline
Define special health care residential programs	Review other state special health care home programs, evaluation reports, and associated licensing and regulatory requirements. Determine program design option.	DSHS HCBS waiver staff; RHC clinical work group	Start Day 1 through Day 30
Construct Medicaid state plan revisions	Determine Medicaid HCBS definitions and amendments and associated reimbursement fee schedules	DSHS HCBS waiver staff	Day 30 through Day 60
Obtain Medicaid approval	Submit Medicaid HCBS plan amendments	DSHS HCBS waiver staff	Day 60 through Day 150
Selection of participants	Identify people to move to homes and construct individual service plans	People residing at the RHCs and their families; RHC HPAs; RHC clinical staff; DD case managers	Day 90 and continue through project
Recruit and train providers	Identify and train state employees to operate special health care need homes. Assign clinical staff to ensure individual service needs.	RHC clinical and program staff	Day 90 and continue through project
Assist people to move to new homes	People leaving the RHC should make trial visits to their prospective new homes and identify any changes needed to ensure comfort. Also, people should exercise choice in the staff that are paid to support them. Finally, all clinical supports and care plans necessary to ensure health and safety should be in place prior to final relocation	People residing at the RHCs and their families; RHC direct care staff and clinical staff; DD case managers	Day 150 and continue through project

Ambulatory Care / Crisis Outreach program

The consulting team is recommending that outpatient ambulatory care clinics be established using the existing Fircrest, Yakima, and Lakeland health care facilities. These clinics would be licensed as free-standing entities under a Medicaid state plan amendment, and related reimbursement schedule amendment. These clinics would provide primary care, psychiatry, behavior management, medication and clinical pharmacological consultation, nutrition counseling, speech and communication therapy, and physical and occupational therapies. A primary function of these clinics is to ensure that sufficient clinical supports are available to people leaving the RHCs as well as people living in the community. In addition, the clinics would operate crisis outreach teams which would provide autism supports, behavior interventions, in-home supports, and family-training to people in all living situations. Steps to implement are:

Steps	Action	Responsibility	Timeline
Define ambulatory care and clinical outreach programs	Review other state ambulatory care and clinical outreach programs and associated licensing and regulatory requirements. Determine program design option.	DSHS HCBS waiver staff; RHC clinical work group	Start Day 1 through Day 30
Construct Medicaid state plan revisions	Determine Medicaid state plan definitions and amendments and associated reimbursement fee schedules	DSHS HCBS waiver staff	Day 30 through Day 60
Obtain Medicaid approval	Submit Medicaid state plan amendments	DSHS HCBS waiver staff	Day 60 through Day 150
Restructure RHC licensed staff to provide crisis response and outreach services	Clinical staff should be identified for relocation to the regional ambulatory care and crisis outreach centers. Medicaid invoicing and medical records systems, and clinic practice policies and procedures will need to be established. Follow-up monitoring and assessment of individual clinical treatment programs.	DD regional administrative staff; RHC clinical staff; DDD HCBS waiver unit; DSHS Human Resource staff	Day 60 through Day 150
Enroll consumers in outpatient clinic service plan	Identify consumers and associated service plans and implement treatment and monitoring schedules	RHC clinical staff	Day 150

COMMUNITY IMPACT, EMPLOYEE IMPACT, & LIFE-CYCLE ANALYSIS

This section of the study summarizes the approach used in calculating the impact of various RHC closure options. The first part of this section describes the methodology to determine the economic impact to communities in which RHCs are located. The second part of this section outlines the methodology to determine the impact to RHC employees. And the third part of this section provides a description of the life-cycle cost approach used in the study. Findings for each of the analyses is detailed in Technical Appendix prepared by Berk & Associates and attached to the study. Also, a summary of select findings for affected employee impact is contained in Attachment #4 of this document.

ASSESSING IMPACT TO COMMUNITIES WITH RHCS

Significant downsizing and/or closures of state facilities would have economic and fiscal impacts on the local communities that are home to these facilities. The primary impacts would be a result of lost employment, lost purchases of goods and services within the community, and the loss of taxes paid to the host jurisdiction.

As a result of shifting the populations from closed or downsized facilities to other locations, "receiving communities" will experience some positive economic and fiscal impacts from increased employment, additional purchases of goods and services, and increased tax revenue to the host jurisdiction. Because the State is considering making these changes in an effort to improve efficiency and ultimately decrease spending, one would expect the increased expenditures (and impacts) in the receiving communities to not fully offset the losses in the "giving" communities.

The purpose of this analysis, which is represented in more detail in the accompanying Technical Appendix, is to:

- Estimate the direct, indirect, and induced economic impacts on the local region from the changes in employment and purchases of goods and services for communities either losing or gaining economic activity associated with the studied facilities
- Estimate the fiscal impacts (change in tax revenue) to the local jurisdictions losing economic activity associated with the studied facilities

Methodology and Limitations

Economic Impacts

An assessment of **economic impacts** concerns itself with effects on patterns of commerce. *What shift in economic activity (business activity, income, or wages) can be attributed to a given action or investment?* An economic impact is characterized by a net new change in economic activity, that is, economic activity that would otherwise not occur.

Our goal in this analysis is to estimate 1) the full impact on the regional economy of the change in economic activity if a facility were closed or downsized, and 2) the full impact of additional economic activity in receiving communities. IMPLAN (short for IMpact Analysis for PLANning) software was used for this analysis. IMPLAN is an input/output model that uses

county-level data to trace the ripple effects (direct, indirect, and induced effects) of an expenditure that occurs within the economy.

One of the limitations of this analysis is that it is performed as a snapshot in time. It compares the impacts of a facility's current expenditures with the likely impacts under a contemplated scenario. Although many of the scenarios discussed in this report transition over a period of time, for the economic analysis we have a chosen a future point in which the changes are anticipated to have been completed and the facility's operations are relatively static. All dollars used in this portion of the analysis are 2009 dollars.

Another important issue to note is that these analyses describe the economic impacts to the local *region*, not the local *jurisdiction*, because the facility may draw employees, goods, and services from the larger area. *The impacts to the local jurisdiction may be much greater relative to its local economy than that shown for the larger region*. In some of the scenarios analyzed in this report, employees and residents of a facility are assumed to move to other locations within the same study region, minimizing the economic impacts shown in our analysis. However, they may be moving outside of the local jurisdiction, which can have significant impacts to that local community. The ripple effects from the loss of employees and residents at the facilities can have a profound impact in particular on cities of smaller size. If employees and residents relocate, the indirect and induced effects from the lost spending of wages and facility purchases can be devastating on a small local economy. The importance of this issue as it pertains in particular to smaller communities that currently host facilities being considered for downsizing or closure should not be underestimated by the reader.

Reading the Economic Impact Tables

Each economic impacts discussion in this report includes a table showing the results of the analysis similar to the one shown in Exhibit 1 below. The information highlighted in gray comes directly from the facilities or work done by the project team for this study. The remainder of the table, in white, is a result of the analysis done with IMPLAN. The title of each table contains the region analyzed for that facility.

The table begins on the left with the expenditure categories. The second column shows expected change in facility expenditures due to the system changes being considered in the scenario. The third column shows the estimated direct impacts to economic output resulting from these expenditures (or reduction of expenditures), i.e. those dollars spent by the facility that are assumed to be local to the study region. The multiplier in the next column accounts for the indirect and induced impacts and is used to estimate the total impacts to economic output in the study area. The estimated number of jobs supported within the community by these expenditures is shown in the sixth column, followed by impacts on labor income. Estimated jobs in the Facility Salaries/Benefits category (and School District category for the JRA analysis) include the actual number of FTEs to be laid off and/or gained at a facility plus induced jobs resulting from the change in household spending (there are no indirect jobs in this spending category since there is no industry purchase occurring in the economy here, only wages being spent).

Exhibit 1
Example of the Annual Economic Impact Tables Used in this Report

Expenditure Categories	Annual Reduction in Expenditures	Output Direct Impact	Output Multiplier	Output Total Impact	Total Community Job Loss	Total Labor Income Lost
Food	$ 244,463	$ 68,278	1.55	$ 106,028	1.2	$ 46,940
Goods	$ 848,033	$ 214,265	1.54	$ 329,601	3.9	$ 145,061
Services	$ 825,046	$ 462,603	1.65	$ 761,155	9.4	$ 332,078
Utilities	$ 215,436	$ 215,436	1.67	$ 359,276	2.0	$ 120,049
Salaries/Benefits	$ 7,476,080	$ 7,476,080	1.48	$ 11,077,502	166.8	$ 7,932,450
Capital (Annual Avg)	$ 676,320	$ 676,320	1.61	$ 1,088,864	7.8	$ 453,172
Total	**$ 10,285,379**	**$ 9,112,983**	**1.51**	**$ 13,722,427**	**191.1**	**$ 9,029,749**

Fiscal Impacts

In addition to the impacts on the local and regional economy, the downsizing and/or closure of state facilities will have a direct impact on the host jurisdiction's finances. This Technical Appendix of this report discusses each of the following potential revenue sources in more detail: utility and sales taxes, State shared revenues (including Motor Vehicle Fuel Tax, Liquor Board Profits and Excise Tax, and Criminal Justice Revues), Criminal Justice Sales Tax, and Public Safety Sales Tax.

With the exception of the Gas Tax, the revenues discussed above are generally part of each city's General Fund. To give a sense of the impact of lost revenues we have shown the portion of total General Fund revenues estimated to be lost through closure or downsizing of each facility.
It is important to note that each facility studied in this report has a unique relationship with the jurisdiction in which it is located. In many cases the facilities function as an integral part of the local community and there is a mutually beneficial relationship that exists. Throughout the discussion of impacts to the communities we have tried to characterize some of the ways in which the facilities interact with their local communities. However, these relationships are complex and varied and the scope of this analysis does not capture the full extent of the interaction and mutual reliance between each facility and its community.

Impact on Current State Employees at RHCs

When examining the employee impact for each of the scenarios that follow, two pieces hold true for all DDD scenarios: (1) how the study categorizes and talks about DDD employees and (2) how an employee may continue his or her employment with DSHS.

Employee Job Classifications and Categories

Davis Deshaies estimated the changes in FTEs by State job class titles, and in addition, created three overarching job class categories which include several positions, classes, and series. These categories are:

- **Direct Care Services.** Employees in this category provide resident care and include the job classes of Attendant Counselors and the Adult Training Specialists.
- **Clinical Support.** Employees in this category provide a spectrum of health, dental, and mental health care. This category includes licensed healthcare professions, including the job classes of Physicians, Psychologists, Physical Therapists, Registered Nurses and Habilitation Plan Administrators among others.
- **Administrative and Support.** Employees in this category provide manage and provide administrative support at the RHCs. Sample job classes include the RHC Superintendent, Secretary, and Medical Records Technician.

Employment Options with DSHS

Closures of DDD facilities will result in a reduction in positions and employee layoffs. These employees have different options available to them for continued employment within DSHS. This section presents an overview of the types of processes for continued employment opportunities.
In the DDD scenarios studied, the following actions which affect employees and employment opportunities are explored:

- Elimination of FTEs as a result of a full or partial facility closure
- Creation of new state FTEs at new state operated living facilities (known as "State-Operated Living Alternatives" (SOLAs)
- Creation of FTEs based out of identified RHC facilities that provide administrative oversight of the new SOLAs

The DDD options are different from DOC scenarios and JRA options for two reasons. First, resident populations affected by closures can move into privately run facilities. This means that (a) there are fewer state FTEs created as a result of shifting residents from closing facilities; and (b) there may be FTEs created in privately-run community facilities. Second, each option includes the creation of new State-Operated Living Alternatives, or SOLAs.

Staffing the New SOLAs. Given the hypothetical nature of these options, how the new SOLAs would be staffed has not yet been determined. Were implementation to occur, it would be expected that DOC management would work closely with unions in shaping the staffing process; the final authority with regard to implementation rests with management. The following mechanisms could be used alone or in combination to staff the new SOLAs:

- **Reassignment.** Management may reassign FTEs from other DDD facilities to the new SOLA. Reassignment of FTEs from one facility to another means the following for the actual affected:
    - If reassignment is within a "reasonable commute" (defined as 35 miles from the current place of employment in collective bargaining agreements), the employees are reassigned to the new facility

    - If reassignment is outside of a "reasonable commute," employees have a choice; they can take the reassignment or participate in the layoff formal option process
- **Voluntary Transfer.** Management may ask for volunteers to transfer to the newly-created (vacant) positions. Management is given the discretion to accept or not accept an employee. Factors that affect an employee eligibility for and likelihood of obtaining a position include job class, skill sets, and seniority.
- **Formal Layoff Process.** Given that these positions are created during a time of agency layoffs, management may choose to fill all or a portion of the new positions via the formal layoff process.

Another consideration in staffing the new SOLAs unique to DDD is positive relationship than can exist between residents and their direct caregivers. FTE reductions at RHCs and FTE increases at the State SOLAs are directly linked to the transfer of residents from RHC cottages to SOLAs. We've heard anecdotally from DD specialists that many direct caregivers would likely want to move with the residents they have cared for. Moreover, this continuity in caregivers would help the transition process for some DD residents. This also may factor into the staffing process for the Direct Care FTE positions.

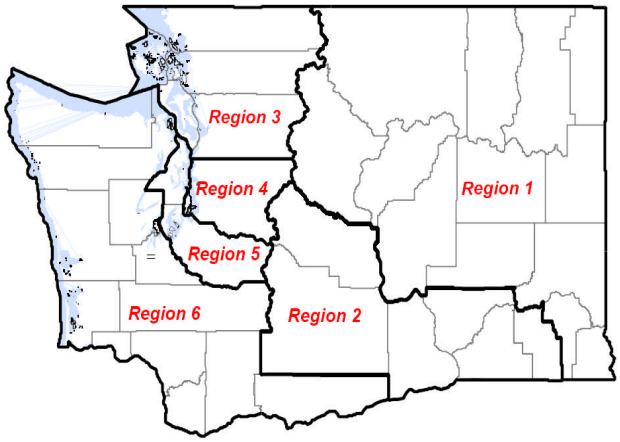
Employees facing a layoff may continue employment in DSHS through the transfer process and the layoff process. Here we focus on the **formal option process**, a component of the State layoff process, as the State is under obligation to find and offer employment opportunities for permanent employees laid off in a facility closure or downsizing. In this process, permanent employees being laid off will be offered a comparable position within a designated layoff unit, in which they have the required job skills. A layoff unit is the geographic boundary used for determining available positions. There are three tiers of layoff units:

1. **County:** Employees are first considered for positions which they are eligible in their current county of employment.

2. **Region:** If there are no eligible positions in the county, the process extends to a regional level. These regions are defined by the agency and can be seen for DSHS in the map below.

3. **Statewide:** If there are no eligible positions in the region, the process then extends statewide.

DSHS Regions



Within each successive layoff unit (first county, then regional, and then statewide), employees will be considered for the following types of positions in the following order, as described in the Technical Appendix.

- A funded vacant position in the same job class
- A funded position in the same job class that is currently filled by a more junior employee
- A funded vacant or filled position in a job class held by the employee in the past