

**Bryce Hospital Project
Interim Report and Recommendations**



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Introduction

The following Updated Interim Report and Recommendations relative to the Bryce Hospital Project are provided in accordance with deliverables in the 60 day emergency contract between the Alabama Department of Mental Health and Mental Retardation (hereafter referenced as ADMH/MR) and the Public Affairs Research Council of Alabama (hereafter referenced as PARCA). This report is preceded by an Interim Progress Report dated February 5, 2009 and Interim Report and Recommendations dated March 25, 2009, which highlighted major activity and findings during the emergency contract period. This Updated Interim Report presents findings and recommendations as of the date of this writing. Further, the Updated Report provides additional language that clarifies and further explains some of the issues, findings and recommendations presented in the previous report.

Executed December 23, 2008, the 60 day emergency contract included a Scope of Work which required research and other activity in four major areas: (See Appendix A)

- Establish the Bryce Hospital Project as priority for decision making by the ADMH/MR and the Governor.
- Assess feasibility and cost effectiveness of continuing Bryce Hospital operations at existing site.
- Determine fair value of Bryce property for hospital construction, relocation and continued operations.
- Determine additional administrative and other support services provided by Bryce Hospital to other ADMH/MR facilities and properties that may impact the value of Bryce property.

Included in this report are findings and recommendations for each of the four areas reviewed.

Marketing the Bryce Hospital Project

More than four years ago discussions began regarding the University of Alabama's desire to purchase Bryce Hospital, which is located on 200 plus acres adjacent to the University's main campus in Tuscaloosa. Built in 1861, the hospital enjoys a unique place in national mental health history and is also recognized in the National Register of Historic Places.



Orange dotted line – bounds property UA wants to buy
Red thumbtack – Bryce Admin Bldg
Yellow – 19 acres previously sold to UA
Blue lines – cemeteries
Orange – Mary Harper Geriatric Hospital

Bryce Hospital's large acreage and unique location adjacent to the University, is ideal for the University's expansion to accommodate its growing student enrollment. According to University Officials and the Campus Master Plan, the Bryce acreage is necessary for

expansion of its academic and research facilities, student housing, parking and green space. (See Appendix B)

Establishing the Bryce Hospital Project as a priority began with the execution of the PARCA contract that employed this consultant to assume a leadership role in the research and oversight of project planning. The contract galvanized media attention to the needs of both Bryce Hospital and the University of Alabama, which were published in news articles and editorials appearing in the Tuscaloosa News, Gadsden Times and Montgomery Advertiser. The execution of the contract further motivated parties internal to the ADMH/MR, the University and their various stakeholders, who had deliberated for many years over this issue.

Consultant activity targeted meetings across the state with major stakeholders to inform of the project's priority status and plans going forward. Meetings were initially held with the President of the University of Alabama and Commissioner of the ADMH/MR, their designated officials, and various stakeholders. The latter included: consumer and family advocates; community providers; Tuscaloosa Chamber Executive Director; ASEA Executive Director; ADMH/MR Management Advisory Committee; ADMH/MR Advisory Board of Trustees; ADMH/MR Historical Committee; Developmental Disabilities Council of Alabama; Tuscaloosa Legislative Delegation, Mayor of Tuscaloosa among others. Meetings were also held with a number of state agencies including: Archives and History; Building Commission; Conservation and Natural Resources; and the Alabama Historical Commission.

These meetings identified a number of critical issues and concerns that would require further attention prior to making recommendations about the Bryce Hospital Project. Among the most prominent issues and concerns expressed were the following:

- Care of the patients at Bryce Hospital must be given top priority, not privatization for cost savings and profits.

- A decision regarding the sale of Bryce Hospital property should be made immediately and any plans should be executed during Governor Riley's term of office.
- Displacement of Bryce Hospital patients should not only include the construction of a new state of the art hospital but development of new and expanded community based services and supports.
- A new Bryce Hospital should be downsized from the current 350 bed facility and patients no longer needing institutionalized care should be moved into appropriate community settings and services.
- Displacement of current employees of Bryce Hospital should be minimized in view of the state's current economic climate.
- A new Bryce Hospital should continue to be located in Tuscaloosa, Alabama.
- Efforts should be made to preserve and restore historical structures on the Bryce Hospital Property.

In addition to the above consensus opinions expressed by stakeholders, the Tuscaloosa Legislative Delegation and Mayor expressed the following concerns: (See Appendix C)

- Location of Bryce Hospital should be in Tuscaloosa
- Privatization is typically driven by profit and care of patients should not be jeopardized
- Bryce employees should be made whole

- Plans should look at the number of mental health patients already in the Tuscaloosa area and the burden they place on local public services i.e. courts, emergency rooms, etc.
- Local elected officials from Tuscaloosa and Northport should be included in planning for Bryce Hospital

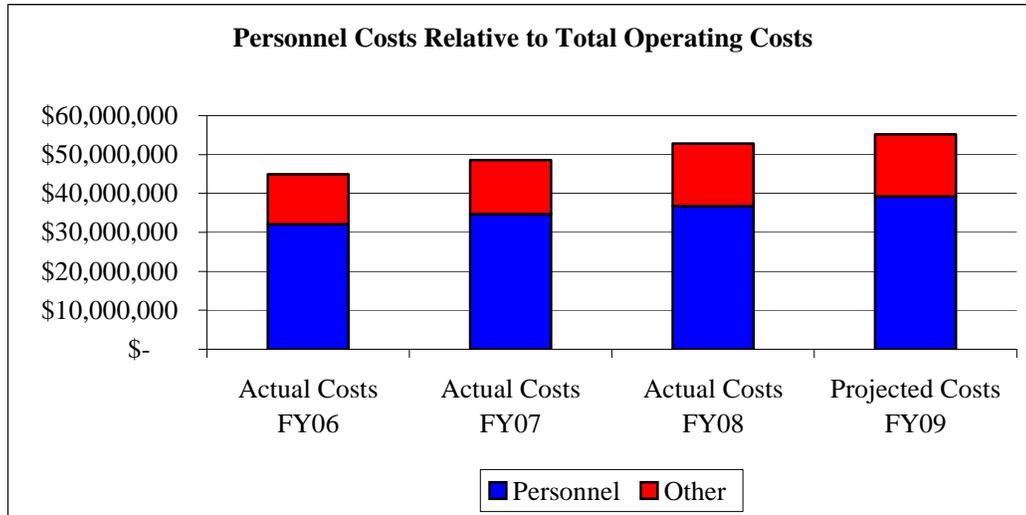
Consultant's findings and recommendations relative to these issues are found in the following Interim Report.

Feasibility and Cost Effectiveness of Current Bryce Location

Assessment of the feasibility and cost effectiveness for Bryce Hospital to remain in its current location was undertaken as part of the initial work during this period. Reviews were conducted of patient census; staffing, operational, and capital improvement budgets for the past four years, as well as budget projections for Fiscal Year 2010.

Census and Staffing

The Bryce Hospital census decreased from 358 in FY 2006 to 342 in FY 2009. Staffing at Bryce Hospital increased modestly from 668 in FY 2006 to 675 in FY 2009 and consistently has represented approximately 70% of the total operating budget.



Increases noted in the chart above are largely attributed to personnel costs related to mandatory increases in: health insurance; cost of living adjustments (COLA); and increases in retirement. Health insurance increased from .668 per employee per month in FY 2006 to .775 per employee per month in FY 2009. Likewise, employer retirement contributions increased from 5.57% in FY 2006 to 11.8% in FY 2009. Finally, there were three legislatively mandated cost of living adjustments during this four year period: 6% COLA in FY 2007; 3 1/2% COLA in FY 2008 and a 3 1/2% COLA in FY 2009.

Operating Budget

Despite minimal increases in staffing and decreases in patient census, the actual operations budget for Bryce Hospital has grown \$12.3M over the past four fiscal years, from \$42.9M in FY 2006 to \$55.2M in FY 2009. The FY 2010 budget request, at the writing of this report, is approximately \$55.4M. Thus, the average growth in the Bryce operating budget is approximately \$3M per year.

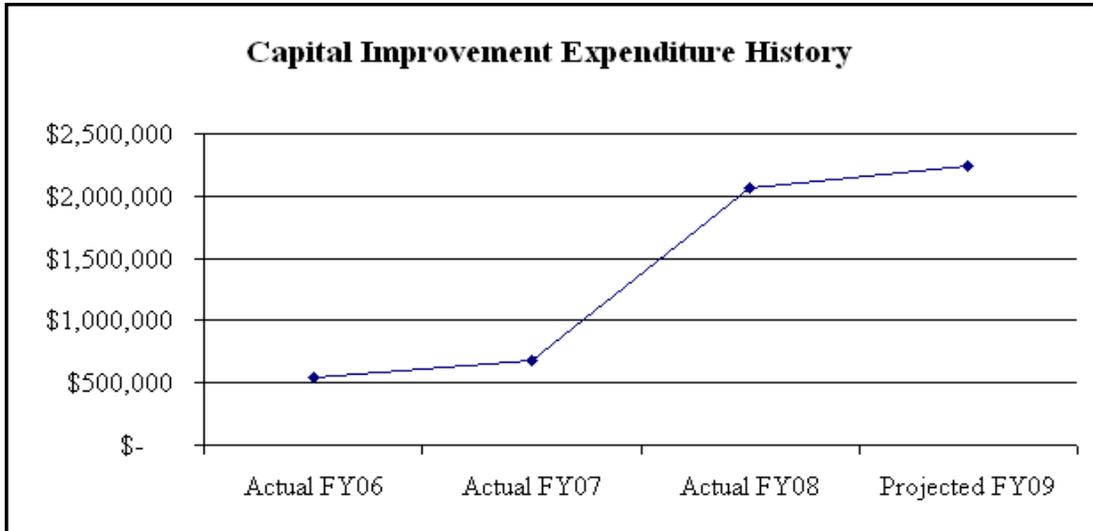
The charts below depict the budget growth over the past four years.

Bryce Hospital	Original Budget	Actual Costs
FY 2006	42,923,899	44,936,978
FY 2007	48,601,505	48,615,314
FY 2008	53,358,890	52,804,316
FY 2009	55,452,263	55,219,020

Capital Improvements

A special review was conducted of the capital expenditures relative to the maintenance and repairs of Bryce Hospital over the years. This review included maintenance and capital improvement expenditures found in the operating budgets, as well as, a review of expenditures from the ADMH/MR Capital Improvement Fund, which is independent of the operating budget and not legislatively appropriated. (The latter funds are primarily derived from sale and leases of ADMH/MR lands.)

Expenditures for maintenance and improvements increased from approximately \$346,000 in FY 2006 to more than \$534,000 projected in FY 2009. However, significant increases were noted in expenditures in the Capital Improvement Fund, from approximately \$549,000 in FY 2006 to a projected \$2.2M in FY 2009. Thus, the total expenditures for maintenance, repairs and capital improvements have grown from \$895,000 in FY 2006 to \$2.7M in FY 2009, which represents an average increase of approximately \$461,000 per year.



Monitoring and cleanup of groundwater contamination represents approximately \$1.6M of expenditures from the Capital Improvement Fund over the past four years to date, with an estimated \$1.3M remaining in obligated funds for FY 2009.

According to findings of TTL, ADMH/MR Contractor, the groundwater contamination is of two types: petroleum (gasoline/diesel fuel) and chlorinated hydrocarbons. TTL has worked with the ADMH/MR since 2004 to comply with a draft Consent Order issued by Alabama Department of Environmental Management (ADEM) in 2004. While the Consent Order has not been finalized to date, ADEM required ADMH/MR and TTL to: Determine contamination source; Investigate soil and groundwater; Remediate contamination at source and seeps; and Mitigate off-site migration onto adjacent University of Alabama property (approximately 2 acres).

Although ADMH/MR and TTL Officials report ADEM's satisfaction with remediation and monitoring activity, ADEM has requested that remediation efforts continue, which TTL estimates will cost approximately \$300,000 annually and an additional \$350,000 in one time/capital costs. TTL estimates that further remediation of University of Alabama's property will cost \$1.9M to 2.5M. However, without knowledge of specific future land use plans; TTL indicates it would be extremely difficult to accurately estimate cleanup

costs to comply with applicable ADEM standards. (See Appendix C for more detailed TTL Reports)

Value of Bryce Property: What DMH Needs

An appraisal of 200.5 acres of the Bryce property was completed in 2005 with an approximate value of \$43M. This appraisal established a floor below which the property should not be sold for less; however, the appraisal included some 19 acres that was later sold in 2008. The appraisal also did not include estimated costs for ground contamination cleanup if property was used for other than institutional purposes. (Reference Realvest Appraisal, Robert G. Enslin, MAI, 2005)

Despite an appraised value, consultant approached this issue as follows: “What costs would the ADMH/MR incur to construct and relocate Bryce Hospital and its operations?”

Five categories of potential costs were identified as follows:

- Construction Costs
- Land Costs
- Patient Displacement and Transitioning Costs
- Employee Displacement and Transitioning Costs
- Relocation of Hospital Operations, Equipment, and Furnishings Costs

Data used to derive this information included: Proposals received for construction of new hospital; Most recent land appraisals; ADMH/MR personnel, census and budget data; and data from the ADMH/MR recently approved “System Reconfiguration Plan.”

Construction Costs

As of the writing of this report, ADMH/MR, the University of Alabama and the Governor's Office have received two proposals relative to costs of constructing a new Bryce Hospital. These proposals were useful solely in determining approximate costs for construction. Proposals were based on constructing a 350 bed replacement hospital with amenities as identified by ADMH/MR Officials. Two story model options were chosen for this report to provide similar cost comparisons.

Construction costs associated with these proposals ranged from a low of \$253,222 per bed to a high of \$405,466 per bed as shown in the chart on the following page. It should be noted however that these cost estimates do not include land acquisition costs, site preparation, design fees or other related costs. Further, it should be noted that the Burrell proposal represents a more scaled down design and space version than that of Clark Nexsen. ADMH/MR Officials for the Burrell proposal reduced non patient space for administrative, maintenance, and other non patient purposes.

Company	Total Area	Total Cost	Cost per Bed
Clark Nexsen	436,656	\$141,913,200	\$405,466
Burrell Group	342,825	\$ 88,627,600	\$253,222

A third unsolicited proposal, received by the Governor's Office from GEO Care, provides comparisons of psychiatric hospital construction costs in the State of Florida. These comparisons are shown in the chart below.

Facility	Total Beds	Total Cost	Cost per Bed
Civil Hospital	335	\$38M	\$113,000
Forensic Hospital	238	\$40M	\$168,000

Using an average of these proposed construction costs, it is estimated construction costs for a 350 bed replacement hospital will be approximately \$234,922 per bed for a total

approximate construction cost of \$82,222,700. However, these are only estimates used to approximate costs ADMH/MR will incur for replacement construction. More accurate costs can only be determined through the state's competitive bid process.

Land Acquisition and Costs

Since ADMH/MR owns large parcels of land, largely in the Tuscaloosa area, ADMH/MR formed a Work Group in 2008 to look at a number of these properties that could be used to relocate Bryce Hospital. The group recommended the Partlow Developmental Center site and in October 2008, the ADMH/MR engaged the Burrell Group, PC and McGiffert and Associates, LLC to conduct a feasibility study of the Partlow Developmental Center site. This study provided three options for consideration.

- **Option 1** Two story, 350 bed hospital on the northwest corner of Partlow campus, 342, 825 total square feet, +/- 13 acre minimum site requirement, \$4.8M site preparation costs.
- **Option 2** Single story, 350 bed hospital centered on the south end of the Partlow campus, 342, 825 total square feet, +/- 18 acre minimum site requirement, \$4.1M site preparation costs.
- **Option 3** Single story, 350 bed hospital on the southeast corner of the Partlow campus, 342, 825 total square feet, +/- 18 acre minimum site requirement, \$4.5M site preparation costs.

Option 2 was recommended as it provided for a distinct separation of the two campuses, maximum patient privacy and capability of separate entrances, among other favorable features. Based on this recommendation, approximately 18 acres of the Partlow campus could be used for Bryce Hospital replacement.

Although this property is owned by the ADMH/MR, the value of this acreage must be considered in determining the replacement value of Bryce Hospital. The 2005 Realvest

Appraisal is the most recent appraisal of similar use property available to ADMH/MR and the Department of Conservation and Natural Resources. This appraisal indicates a value of \$80,000 per acre, which would value the 18 acres of Partlow at \$1,440,000.

Patient Displacement and Transitioning Costs

In 2006 ADMH/MR Commissioner engaged a strategic planning process to evaluate the acute care and extended care service needs of the ADMH/MR population post Wyatt. Two Work Groups were formed, the Acute Care Work Group and the System Reconfiguration Work Group. These groups rendered a series of recommendations that were approved by stakeholders and later adopted by the ADMH/MR. For purposes of this project, the ADMH/MR was asked to identify those aspects of the plans that directly impact the future of Bryce Hospital. Four recommendations taken from these plans were identified as follows:

- Transition 25% of acute care to the community
- Close and contract the Bryce Adolescent School and Residential Program
- Reduce the extended care beds by 40%
- Consolidate forensic services at Tuscaloosa

ADMH/MR has also developed plans to close the Alice Kidd Nursing Facility

Outcomes of these plans are intended to reduce the census of Bryce Hospital for both acute and extended care services by expanding services and supports in communities. In addition, the plans seek to provide a less restrictive, more efficient and cost effective system of care as the average annual per person cost in the community is \$60,000 compared to \$137,000 at Bryce Hospital.

The ADMH/MR began implementation of the acute care plans in 2008 but later suspended these plans because of lack of funding due to state budget cuts. To date, there has been no implementation of the System Reconfiguration Plan, with the exception of completing evaluations of the current patient population to determine most appropriate service needs. However, in considering a potential sale and relocation of Bryce Hospital, these plans should serve as the blueprint for decisions pertaining to the displacement and transitioning of persons currently served, as well as those to be served in the future at Bryce Hospital. If implemented, these plans will downsize Bryce Hospital from 350 beds to 268 beds by FY 2011 as follows: (See Appendix D)

Adolescent School and Program: At the writing of this report, the census of the Bryce Adolescent School and Program was reported to be 12 and serves approximately 40 adolescents annually at a cost of \$4M. ADMH/MR will close and contract out these services.

Acute Care Census: Currently, the average acute care census is approximately 140. ADMH/MR will reduce acute care census to 96 by expanding community crisis beds, community inpatient and ER services, supported housing and other community supports and services.

Extended Care: Currently, the extended care census (civil commitments) is 122. ADMH/MR will reduce extended care beds to 72 by expanding community residential beds and supports.

Forensic: Currently, the forensic care census is 60. ADMH/MR will transfer 40 extended forensic patients from Searcy to Bryce; thus, increasing the forensic census at Bryce to 100.

To accomplish these shifts in services and patient populations at Bryce Hospital, an additional \$10.6M will be needed initially as seed money to develop the service capacity in communities where patients would return. However, these shifts by FY 2012 are

anticipated to yield an approximate \$6.4M reduction in the Bryce Hospital operating budget, which should be reallocated and used for continuation and further development of community based services.

Employee Displacement and Transitioning

Currently, there are 675 employees on the Bryce payroll which constitutes approximately 70% of the operating budget as shown on the previous pages. According to ADMH/MR Officials, should reductions at Bryce, Kidd and the Adolescent School and Program occur there would be 140 overage positions and staff based on current staffing plans. However, there are 102 vacant positions in Tuscaloosa facilities, which could be used for the transfer and placement of overage employees. Additionally, 49 Bryce employees are reportedly retirement eligible.

To avoid disruption in patient care, every attempt should be made to retain current Bryce employees in transitioning the care of patients based on staffing plans approved for accreditation and certification. Further, in view of the state's current economic and unemployment climate, every attempt should be made to secure employment for overage staff and positions through partnerships with area employers.

Administrative and Other Associated Costs

A final task during this contract period was to review other administrative supports and services provided by Bryce Hospital, which could be adversely impacted if the hospital was to relocate and the property sold. Three areas were identified:

- Administrative supports to the Harper Facility
- Maintenance of the Bryce Cemetery
- Historical Preservation and Restoration of historical buildings and sites

Harper Facility

The Harper Geriatric Psychiatry Center currently contracts with Bryce Hospital (\$460,000) for a number of administrative supports and services including: Admissions; Engineering; Personnel; Security; Central Nursing; Dental, Mailroom and Beauty/Barber services. ADMH/MR and the University of Alabama have already agreed to allow the Harper facility to remain on the property. If Bryce Hospital is relocated in Tuscaloosa, ADMH/MR Officials indicate that these services and supports can continue under contract with Bryce Hospital if relocated in the Tuscaloosa area.

Bryce Cemetery

One of three Bryce cemeteries is located on the 200 plus acres of the Bryce property, which is being maintained by the Bryce Maintenance and Grounds staff. However, maintenance and preservation of the cemeteries have been problematic for the ADMH/MR for many years. Many of the gravesites are without proper markings, gravesites have been vandalized and grounds have not been consistently maintained over the years.



ADMH/MR Officials indicate that if the Bryce property is sold and Bryce is relocated in Tuscaloosa, the Bryce staff can continue the current level of maintenance services at no additional costs. However, it is widely recognized that much more is needed to properly preserve and maintain the Bryce cemeteries, which have been a subject of the ADMH/MR Bryce Historical Committee.

Bryce Historical Sites

In 2008 the ADMH/MR Commissioner appointed a Historical committee to formulate a “comprehensive restoration and preservation plan for the historic portion of Bryce Hospital, its historical documents, and other artifacts relative to the history of the facility.” After months of deliberations the committee issued its first Interim Report. The report identified certain structures of the 21 deemed historically significant by the Alabama Historical Commission to be given priority. While the committee recognized the historical significance of all the structures, it was sensitive to the financial limitations of ADMH/MR and the current economic climate.

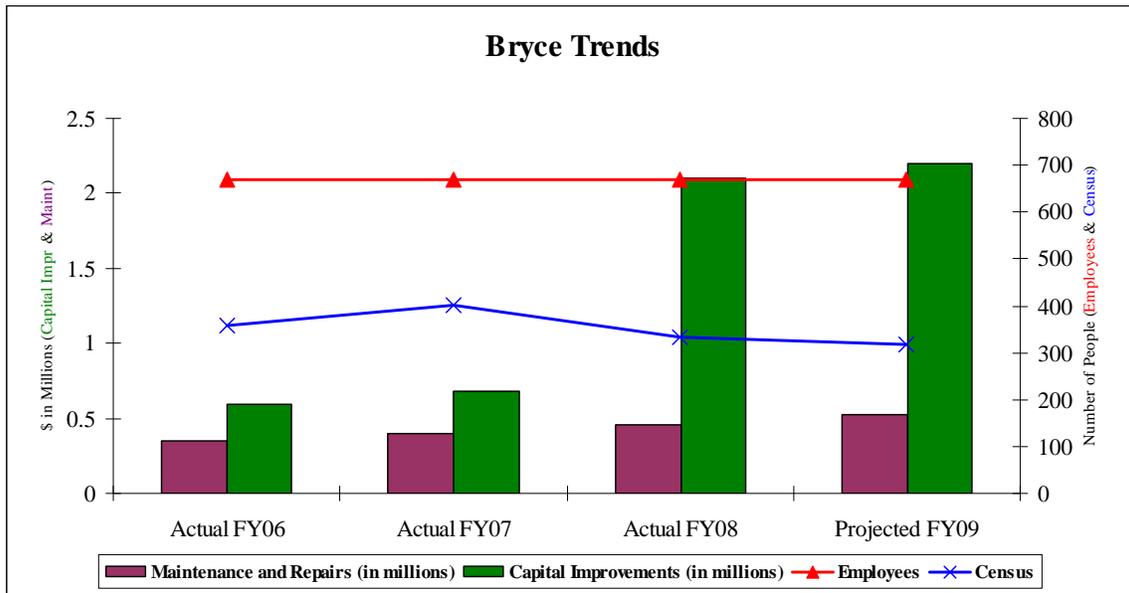


Therefore the committee recommended that priority be given to the main building, the grand approach from campus drive; the gravesites; and the Superintendent’s Mansion.

The committee was also sensitive to the extreme deterioration of many of the main structures and recommended that the exterior be only preserved, specifically the Kirkbride footprint but that a small representative portion of the interior be restored to appreciate the historical value of the original hospital.

Conclusion

For decades Bryce Hospital has enjoyed a nationally significant place in the history of mental health treatment. Not only has it been recognized for unique, architectural structures and grounds but for its novel approach to mental illness treatment in the mid to late 1800’s. Today, however, Bryce Hospital and its many structures have fallen to disrepair, many of its buildings unoccupied and its grounds contaminated from practices of the distant past. Maintenance and upkeep of Bryce Hospital and its grounds have weighed heavily on the ADMH/MR budgets for many years, as shown in the following chart.



This trend will undoubtedly continue despite budget cuts and projected declining revenues in the state. These funds expended for maintenance and major repairs of outdated and inefficient facilities should more appropriately be used in providing treatment and services for those vested to the state’s care.

The State of Alabama should immediately seize this opportunity to replace Bryce Hospital with a new state of the art facility; one that is reflective of the therapeutic environment found in modern day treatment of persons with mental illness. This opportunity should likewise not ignore the state's need to aggressively seek to downsize traditional institutional settings; and provide patients, no longer requiring this level of care, more community integrated and cost effective best practice services and settings. Further, every effort should be made to preserve and restore the historical significance of the original Bryce Hospital. These efforts, however, should be practical and sensitive to the fiscal realities of our times.

Likewise, the growing needs of the University of Alabama should not be overlooked as it continues to establish and expand its reputation and legacy in academics, research and service. It is obvious that the Bryce Property is needed for the continuity of the main campus but more importantly, for providing housing and academic facilities for the University's growing enrollment.

Guiding Principles

To meet the needs of these two historic institutions, State Officials must be mindful and sensitive to the rich history and needs of both as they seek to negotiate a mutually beneficial agreement. The following understandings and principles should be recognized and should guide any future negotiations.

- It should first be understood that this potential intra-governmental sale of Bryce Hospital property is not intended to result in maximum price as found in an open competitive market, but rather, to allow the Governor as the Chief Executive Officer of both state entities, to broker the state's resources for the good of both institutions.

- Second, it should be recognized that the ADMH/MR establishes the value of its property, which in this scenario, should be one that is reasonable to meet the needs of replacing and enhancing services and facilities for those to be displaced.
- Third, it should be understood that Bryce Hospital's 200 plus acreage represents one of the largest and most valuable landholdings of the ADMH/MR. Public mental health operations do not realize profits in their programs and produce very little revenues to sustain operations from year to year. These operations depend totally on state appropriated funds that have already been cut in the current year and forecasted to be cut in the coming year, due to declining state revenues. Thus, ADMH/MR lands are valuable assets that must be protected and dissolved of in ways that not only meet immediate needs but also supplement revenues for future obligations.
- Fourth, it should be understood that the University in this scenario should not be expected to finance the visions and plans of the ADMH/MR entire service system. Thus, the ADMH/MR should affix a reasonable value that affords it the opportunity to replace the number and quality of only those facilities and services to be vacated.
- Fifth, it should be understood that in order to reach an acceptable purchase agreement, both parties must be committed to open collaboration, compromise, and willingness to seek creative strategies to meet their mutual needs.

Recommendations

In accordance with the findings and conclusions outlined in this Interim Report, the following recommendations are offered for consideration:

- 1) Within sixty days, the Governor should seek to have a tentative Purchase Agreement between the ADMH/MR and University for the sale of Bryce Hospital. Any tentative agreement reached should include contingencies

related to critical cost estimations that were not available at the writing of this report.

- 2) The sale price is recommended to be \$84.2M using best estimations available at this writing. These estimations are outlined below. However, an updated appraisal of the Bryce property based on future use should be completed prior to finalizing an agreement. If the appraised value is higher than that recommended, the sale price should be the higher value. Further, cost estimates should be obtained for the groundwater contamination cleanup and preservation of historical structures, which should likewise be considered in the sale price.

Estimations**	Unit	Projected Cost
Property	18 acres	\$1,400,000
Site Preparation	18 acres	\$4,100,000
Construction	268 bed hospital	\$62,980,000
Patient Displacement	342 patients	\$10,680,000
Partlow Restructuring	3 structures	\$5,000,000
Total Projected Costs		\$84,160,000

**Note that these represent best estimations based on information available to date.

There are other costs to be expected for which there is currently no data available to accurately project costs i.e. contamination cleanup, furnishings, IT equipment transfer, inventory, etc.

- 3) It should be understood that negotiations around the cost of the Bryce property may be contingent upon additional cost estimations as described above. However, it is recommended that these negotiations also consider the following:
- a) ADMH/MR agrees to provide the 18 acres of Partlow land at no cost to the University. Any additional pre-construction costs are incurred

by ADMH/MR and paid from other funding sources i.e. Stimulus funds.

- b) ADMH/MR reduces new hospital size to 250 as opposed to 268 beds. This would increase patient community placement costs by approximately \$1.1M but reduce construction costs by an estimated \$4.2M, for a net savings or cost reduction of \$3.1M.
- c) University agrees to assume costs of preserving seven items with historical significance and restoring a small area for historical museum or similar use as identified by the ADMH/MR Historical Preservation Committee. Preservation and restoration should be completed within same timeline required for construction of new hospital.
- d) University agrees to incur costs associated with contamination cleanup, using funds such as Brownfields grants.

4) Payment is made to ADMH/MR in three installments.

- a) 1/3 immediately (for development of community resources)
- b) 1/3 no later than 10/1/2010
- c) 1/3 upon vacancy of Bryce and occupancy of new hospital

5) If the University leases and/or sells any portion of the Bryce property to public or private entities for profit making, a percentage of these profits are paid to the ADMH/MR at a rate and for a period of time to be determined and established in the purchase agreement.

- 6) Construction of new Bryce Hospital should follow the state's competitive bid process using construction proposal models of the Building Commission.
- 7) To determine if the ADMH/MR can reduce operation costs of Bryce Hospital, a national, competitive Request for Proposal (RFP) should be issued for both eligible public and private contractors. At a minimum, the RFP should cap costs at current level of Bryce operating budget, excluding capital repairs. It is recommended that the State of Florida's RFP be used as a model.
- 8) ADMH/MR should consider placing a moratorium on discharges/placements of consumers into Tuscaloosa County due to any relocation plans of Bryce Hospital, unless the consumer has been admitted/committed from Tuscaloosa. The ADMH/MR and local Community Mental Health Authority should conduct an assessment of consumers already outplaced, their counties of origin and service needs. This assessment should likewise include meetings with local elected officials, service agencies, etc. to determine impact on services and to develop plans to meet identified needs.
- 9) ADMH/MR should appoint a Work Group to develop a Displacement and Transition Plan for current employees, who would be impacted by transfer and closure of Bryce facilities. Representation should include: ADMH/MR personnel representatives, as well as, representatives from state employee associations, State Personnel Department, Industrial Relations Department, Tuscaloosa Chamber of Commerce and the University of Alabama.
- 10) If a tentative purchase agreement is reached, immediately establish the following work groups. These groups will assist in developing the actual plans for the Bryce Hospital relocation, construction and management of consumers and employees. Their combined final plans will constitute the Bryce Hospital Relocation Strategic Plan:

Workgroup	Minimum Representation	Purpose
Purchase Agreement	Legal staff from ADMH/MR, Governor's Office, University	Develop a purchase agreement that sufficiently sets forth all the agreements and protections for both parties.
New Construction	ADMH/MR, Building Commission, DMH Board of Trustees	Develop, monitor and evaluate proposals and bids resulting from a national request for proposals for new hospital construction.
Operation	ADMH/MR, Families and Consumers, Advocacy Program, ADAP, Tuscaloosa Legislative and Elected Officials	Develop, monitor and evaluate proposals resulting from a national request for proposals for operation of the new hospital.
Workforce Consolidation	ADMH/MR, State Personnel, Industrial Relations, Employee Organizations, and Tuscaloosa Chamber, Legislative and Elected Officials	Develop, implement and monitor a plan for the relocation and displacement of employees.
Consumer/Patient Displacement	ADMH/MR, Community Providers, Consumers and Families, Advocacy Program and ADAP, Tuscaloosa Legislative and Elected Officials	Develop, implement and monitor a plan for the hospital transition and community placement of patients.
Hospital Relocation	ADMH/MR, State IT Department and Other State Departments	Develop, implement and monitor a plan for the inventory and relocation of property.
Historical Preservation	University, ADMH.MR, and AL Historical Commission	Develop and monitor plans for the historical preservation and restoration of Bryce structures.
Bryce Information and Marketing	ADMH/MR, University, DMH Board of Trustees	Develop and make available timely and factual information about the Bryce Hospital Project.
Partlow Restructuring	ADMH/MR Consumers, Families, ADAP and Advocacy Program	Develop, monitor and implement plans for Partlow restructuring that accommodates new Bryce Hospital.

Upon review of this Interim Report and Recommendations, the ADMH/MR Commissioner and Governor should advise Contractor of decision to adopt or reject recommendations, in part or whole, and directions for proceeding with future work plans.

Appendix A

Bryce Hospital Project Work Plan

Submitted By:

**Kathy E. Sawyer, ACSW
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Public Affairs Research Council of Alabama
(PARCA)**

January 5, 2009

Introduction

Over the past year, the Alabama Department of Mental Health and Mental Retardation and the Governor's Office have been presented with a number of proposals pertaining to the future of Bryce Hospital located in Tuscaloosa, Alabama. The oldest psychiatric hospital in the state, Bryce Hospital occupies a complex of some 21 buildings on more than 200 acres adjacent to the University of Alabama's main campus. The hospital's location is critical to future growth plans of the University, which has prompted the University's request to purchase the Bryce property. However, the decision to sell significant acreage of Bryce property is challenged by a number of factors that must be carefully considered to ensure the integrity and mutual benefit of both state systems.

Among the most noted factors that must be considered are:

- **Transition of long term fragile and vulnerable patients**
- **Cost of relocation and potential new construction of hospital**
- **Historical significance and designation of existing Bryce Hospital**
- **Impact on Long Range Plans for Reconfiguration of Mental Health Service System**
- **Maintenance of Bryce Cemeteries**
- **Maintenance and operation of remaining facilities i.e. Kidd, Harper, Adolescent School, etc.**

The following work plan is proposed to establish the Bryce Hospital Project as a priority and identify preliminary tasks to be undertaken over the next 60 days. The Work Plan includes the following goals with related tasks, timelines and responsible persons for proper reporting and accountability.

- 1) To establish the Bryce Hospital Project as a priority for decision making by DMH/MR and the Governor.**
- 2) To assess the feasibility and cost effectiveness of continuing Bryce Hospital operations at existing site.**

- 3) To determine fair and reasonable value of the Bryce property for hospital relocation, construction and continued operations.**
- 4) To determine administrative and other support services provided by Bryce Hospital to other DMH/MR facilities and properties located in the Bryce Complex that may impact the value of the Bryce property.**

It is anticipated that adjustments in the Work Plan may be necessary as the plan is further developed and implemented. However, at the end of the 60 day period, data and other information critical to decision making about the Bryce Hospital Project will be identified, collected and carefully analyzed, as well as, recommendations formalized for decision makers consideration. The Work Plan will be overseen by contractor in close collaboration and communication with DMH/MR, Governor's Office and other vested stakeholders.

Goal 1: To establish the Bryce Hospital Project as a priority for decision making by the DMH/MR and the Governor.

Task	Responsible Party	Timeline
A. Designate DMH/MR staff to serve as contact persons for project.	DMH/MR Commissioner	January 12, 2009
B. Designate Governor's staff to serve as contact person for project.	Governor	January 12, 2009
C. Meet with the DMH/MR Board of Trustees to announce preliminary plans.	DMH/MR Commissioner, Governor and Contractor	January 31, 2009
D. Meet with DMH/MR Stakeholder groups to announce preliminary plans.	DMH/MR Commissioner and Contractor	January 31, 2009
E. Meet with University of Alabama Board of Trustees to announce preliminary plans.	Governor and Contractor(as needed)	January 31, 2009

Goal 2: To assess feasibility and cost effectiveness of continuing Bryce Hospital operations at existing site.

Task	Responsible Party	Timeline
1. Review operations budget for past 3 fiscal years (2006 thru 2009).	Contractor	January 25, 2009
2. Review budget request for next fiscal year (2010).	Contractor	January 25, 2009
3. Review Capital Improvement expenditures for past 3 fiscal years (2006 thru 2009).	Contractor	January 25, 2009
4. Review projected Capital Improvement expenditures for next fiscal year (2010).	Contractor	January 25, 2009

Goal 3: To determine fair value of Bryce property for hospital relocation, construction and continued operations.

Task	Responsible Party	Timeline
1. Review most recent appraisal.	Contractor	February 2, 2009
2. Request current appraisal as deemed necessary.	DMH/MR Commissioner	February 5, 2009
3. Finalize DMH/MR Reconfiguration Plan with fiscal impact.	DMH/MR Commissioner	February 5, 2009
4. Review existing proposals for new hospital construction.	Contractor	February 5, 2009
5. Issue RFI to qualified and eligible contractors for new hospital construction and operation (optional).	DMH/MR Commissioner and Contractor	February 8, 2009
6. Research potential sites for relocation and reconstruction of new hospital.	DMH/MR Commissioner and Contractor	February 15, 2009

Goal 4: To determine additional administrative and other support services provided by Bryce Hospital to other DMH/MR facilities and properties located in the Bryce Complex that may impact the value of Bryce property.

Task	Responsible Party	Timeline
1. Review administrative support services and budgets for Kidd, Harper, Adolescent School, Bryce Cemeteries and others identified.	Contractor	February 5, 2009
2. Finalize Bryce Hospital Historical Designation and Preservation Plans with fiscal impact.	DMH/MR Commissioner	February 5, 2009
3. Determine projected relocation costs including consumer transitioning, property inventory, furnishings, etc.	DMH/MR Commissioner	February 10, 2009

RESUME

KATHY ELMORE SAWYER, ACSW
3815 Pine Valley Court
Montgomery, Alabama 36116
(334) 284-4219

EDUCATION

Master of Social Work Degree (MSW), 1976, University of Alabama, School of Social Work, Tuscaloosa, Alabama

Bachelor of Science in Social Welfare Degree (BSSW), 1975, University of Alabama, School of Social Work, Tuscaloosa, Alabama, Graduated Cum Laude

High School Diploma, 1971, Sidney Lanier High School, Montgomery, Alabama.

PROFESSIONAL EXPERIENCE

(June 2005 – Present) Consultant and Interim Director, Department on Disability Services, Washington, D.C.

Appointed by Mayor to provide administrative oversight and supervision of the District's service system for persons with mental retardation and developmental disabilities. Managed system serving approximately 2000 District residents with a budget of approximately \$83million. Assisted in the establishment of the agency as a cabinet level agency reporting to the Mayor of the District. Responsible for major service reforms and compliance initiatives in the federal litigation styled Evans v. Fenty.

(June 2005 – 2006) Independent Consultant

Provide consultation and technical assistance to clients in health, mental health, human service and governmental areas. Areas of specialty include: public speaking, policy and program development, performance budgeting, strategic planning and expert witness testimony. Contracts include: Governor's Finance Office, State of Alabama; Public Affairs Research Council of Alabama; Alabama Youth Justice Coalition, Southern Poverty Law Center; Eli Lilly Lecture Bureau; National Center for Women, Trauma and Violence; and the Franklin Resources Group.

(January, 1999-2005) Commissioner, Alabama Department of Mental Health and Mental Retardation

Appointed Commissioner in January 1999 by Governor Don Siegelman (D). Re-appointed Commissioner December 2002 by Governor-Elect Bob Riley (R). Responsible for the overall administration and management of the Department of

Mental Health and Mental Retardation, including all state in-patient facilities and community contracted and certified programs for mental health, mental retardation and substance abuse services. Responsible for a budget of over \$600 million, including state and federal revenues (Medicaid and Block Grant). Responsible for the settlement and termination of the 33 year *Wyatt vs. Stickney* Federal Class Action Lawsuit and the consolidation and closure of eight of Alabama's 14 state institutions.

(1985 - 1999) Director of Advocacy Services, Alabama Department of Mental Health and Mental Retardation

Employed as Director reporting to the Commissioner. Responsible for designing and implementing a Statewide Internal Rights Protection and Advocacy Program for persons served by the department and its contracted programs.

(1977 - 1985) Regional Coordinator, Alabama Department of Mental Health and Mental Retardation

Employed in the Region I Catchment area of Alabama - thirteen (13) northern counties. Responsible for the development and administration of community based programs for persons with mental retardation.

(1976-1977) Child Protective Services Worker, Arizona Department of Economic Security

Provided protective services for abused, abandoned and neglected children. Coordinated interstate inquiries and court preparations for legal proceedings.

CERTIFICATIONS AND LICENSURES

Certified Public Manager, CPM - 1990, State of Alabama, Auburn University in Montgomery, Department of Public Administration

Executive Development Certificate, 1984, University of Alabama in Birmingham, Department of Health Services Administration

Licensed Private Independent Practice (PIP), Social Work Administration, Alabama Board of Social Work Examiners, License No. PIP. 71-402-C

Licensed Certified Social Worker (LCSW), Alabama Board of Social Work Examiners,
License No. 0402C.

Academy of Certified Social Workers (ACSW), National Association of Social Workers, Inc.

Diplomate in Clinical Social Work (DCSW), National Association of Social Workers, Inc.

Qualified Mental Retardation Professional (QMRP), Alabama Department of Mental Health and Mental Retardation

PROFESSIONAL AFFILIATIONS

(2005-Present) Member, Alabama Department of Human Resources Board of Trustees, Montgomery, Alabama.

(2003-2005) Member, National Association of State Mental Health Program Directors Research Institute, Inc., Alexandria, Virginia

(2001-2005) Member, National Experts on Trauma and Violence, National Technical Assistance Center for State Mental Health Planning, Washington, DC

(2001-Present) Member, Social Work Board of Friends, The University of Alabama, Tuscaloosa, Alabama

(2000-2003) Member, Auburn University at Montgomery Advisory Board, Montgomery, Alabama

(1999-Present) Member, National Association of State Mental Health Program Directors and Commissioner Liaison Older Persons Advisory Committee, Alexandria, Virginia

(1999-Present) Member, Advisory Board, Social Work Department, Alabama State University, Montgomery, Alabama

(1995-Present) Board of Directors, Mental Health Association, Montgomery, Alabama

(1994-1996) Mental Illness Advisory Committee, Alabama Disabilities Advocacy Program, Tuscaloosa, Alabama

(1994-1996) Chair, National Conference Committee, National Association of Social Workers, Inc. Washington, DC

(1993-1994) Member, Institute for the Advancement of Social Work Research Board, Washington, DC

(1992-1995) Member, Advisory Board, Social Work Department, Troy State University

(1992-1993) Member, Board of Directors, Certified Public Managers, State of Alabama

(1990-1993) Member, Competence Certification Commission, National Association of Social Workers, Inc., Washington, D.C.

(1989-2005) Alabama Association for Retarded Citizens, Inc., Montgomery, Alabama.

(1987-2005) Alabama Alliance for the Mentally Ill (AAMI), Birmingham, Alabama

(1987-1990) Member, Wyatt Consultant Committee, Alabama Department of Mental Health and Mental Retardation

(1987-1990) Member, Advisory Board, School of Social Work, University of Alabama in Tuscaloosa

(1986-1989) Member, National Program Committee, National Association of Social Workers, Inc., Silver Springs, Maryland

(1978-1980) Member and Past President, Alabama Chapter, National Association of Social Workers, Inc.

CIVIC AND COMMUNITY AFFILIATIONS

(2005-2007) Member, Alabama Civil Justice Foundation Board

(2005-2006) Member, Leadership Montgomery Board of Directors

(1998) Member, Leadership Alabama, Class IX.

(1998) Chair, Welfare Reform Steering Committee, Day Street Baptist Church, Montgomery, Alabama

(1998-Present) Member, Board of Directors, Tukabatchee Area Boy Scouts Council

(1997) Member, Joint Civilian Orientation Conference - 60, United States Department of Defense-Pentagon, Washington D.C.

(1995 - 1999) Member, Board of Directors, Alabama Poverty Project Board

(1995 - 1997) Magnet School Advisory Committee, Montgomery County Board of Education, Montgomery, Alabama

(1996-Present) Member, Beta Nu Omega Chapter, Alpha Kappa Alpha Sorority, Inc.

(1995 - Present) Member, Board of Directors, Landmarks Association, Montgomery, Alabama

(1992-Present) Member, Board of Directors, Success By Six, Montgomery, Alabama

(1988-Present) Assistant Director, Camp Sunshine for Girls and Boys

(1987-Present) Member, Leadership Montgomery, Inc., Montgomery, Alabama

(1992-1993) Past President, Leadership Montgomery, Montgomery, Alabama

(1992-1993) Member, Board of Directors, and Future Planning Chairperson, Junior League of Montgomery

(1990 - Present) Member, Junior League of Montgomery, Montgomery, Alabama

(1990-1993) Member, Board of Directors, United Way Montgomery Tri-County Area

(1990-1992) Member, Board of Directors, Montgomery Symphony

(1989-1991) Member, Board of Directors, Gift of Life Foundation, Montgomery, Alabama

HONORS

(2006) Mental Health Consumers, Outstanding Leadership Award, Mental Health Consumers of Alabama.

(2005) Lifetime Achievement Award, the Alabama Chapter of the National Association of Social Workers, Inc.

(2005) President's Award, the Council of Organizations Serving Deaf Alabamians

(2004) Legacy of the Dreamer Award, the Southern Christian Leadership Conference (SCLC)

(2004) ALLY Leadership Award, the People First of Alabama

(2004) Sustainer of the Year Award, the Junior League of Montgomery, Inc.

(2004) Citizen of the Year, the *Montgomery Advertiser*

(2004) Whitney M. Young, Jr. Service Award, Boy Scouts of America, Tuckabatchee Area Council

(2004) Eagle Award by the Minority Mental Health Consumers of Alabama

(2004) Outstanding Alumna Award, Theta Sigma Chapter of Alpha Kappa Alpha (University of Alabama)

(2004) Ann Denbo Lifetime Award, National Alliance for the Mentally Ill (NAMI) Decatur Chapter

(2004) Mental Health Issues Award, Montgomery Area Mental Health Authority

(2003) Dr. Mary Starke Harper Lecture Series Recognition

(2003) Civil Rights Pioneer Award, The University of Alabama

(2002) Hope Award from the Mental Health Consumers of Alabama

(2001) Outstanding Achievement in Government Award, Eli Lilly Reintegration, Eli Lilly Corporation

(2001) Government Service Legacy Award, Alpha Upsilon Lambda Chapter, Alpha Phi Alpha Fraternity

(2000) Outstanding Supportive Advocate Award, Mental Health Consumers of Alabama

(2000) Citizen of the Year Award, Montgomery Alumnae Chapter, Delta Sigma Theta Sorority, Inc.

(1999) Professional of the Year Award, Mobile Association for Retarded Citizens

(1999) Meritorious Award, *The Montgomery Tuskegee Times*

(1999) The Silver Beaver Award, Tuckabatchee Area Council, Boy Scouts of America

(1998-99) Achievement in Leadership Award, Mental Health Association in Montgomery

(1997) Women of Distinction Award, South Central Alabama Girl Scouts Council

(1996) Inductee, Sidney Lanier High School Hall of Fame, Montgomery, Alabama

- (1996) Distinguished Service Award**, Alabama Alliance for the Mentally Ill
- 1994) Volunteer of the Year Award**, Association of Junior Leagues of America
- (1993) Respect Award**, Mental Health Consumers of Alabama and DMH/MR
Office of Consumer and Ex-patient Relations
- (1993) Social Worker of the Year**, Alabama Chapter, National Association of
Social Workers, Montgomery Unit
- (1992) District IX State Employee Public Service Bishop Barron Award**, State
of Alabama Employee Association
- (1992) Women of Achievement Award**, The Montgomery Advertiser, Montgomery,
Alabama
- (1992) Image Trailblazer Award**, Delta Sigma Theta Sorority, Inc., Montgomery
Alumnae Chapter
- (1991) Who's Who in Government Services**
- (1991) Distinguished Leadership Award**, National Association for Community
Leadership
- (1990) Governor's Volunteer of the Year Award**, State of Alabama
- (1986) Who's Who in Human Service Professionals**
- (1976) Inductee, Omicron Delta Kappa Leadership Society**, University of
Alabama, Tuscaloosa, Alabama
- (1975) Who's Who in Colleges and Universities**, University of Alabama,
Tuscaloosa, Alabama
- (1974) Inductee, Mortar Board, Hypatia Chapter**, University of Alabama,
Tuscaloosa, Alabama.

Appendix B

Appendix C



HOUSE OF REPRESENTATIVES
ALABAMA STATE HOUSE
MONTGOMERY, ALABAMA 36130

*Gave copy to
Jane*

DISTRICT NO. 61
PICKENS AND TUSCALOOSA
COUNTIES

ALAN HARPER
POST OFFICE BOX 403
ALICEVILLE, ALABAMA 35442
HOME: 205/373-2433
CELL: 205/391-7885
EMAIL: aharper@nctv.com

COMMITTEES:
COMMERCE, VICE CHAIRMAN
BOARDS AND COMMISSIONS
AGRICULTURE AND FORESTRY
TUSCALOOSA COUNTY LEGISLATION
NATIONAL/REGIONAL COMMITTEE:
NCSI-LABOR AND ECONOMIC DEVELOPMENT

March 16, 2009

Mr. John Houston
Alabama Department of Mental Health
P.O. Box 301410
Montgomery, Alabama 36130

Dear Mr. Houston:

Thank you for meeting and sharing information with the Tuscaloosa County Delegation. Ms. Sawyer did an outstanding job in her presentation. This letter will ensure my comments and my colleagues comments are documented.

In summary, I offer the following three points relative to mine and others concerns:

Clients Stressing Local Services:

Due to the release of mental health clients into the Tuscaloosa community over the past few years, instead of back to the client's home community, there are a disproportionate number of clients living in Tuscaloosa County. I am sure this is the case where other state facilities are located but this does not appear to be equitable. This large number of clients in Tuscaloosa County has placed an undue burden on local facilities (Indian Rivers, Druid City Hospital, Metro Jail, etc.) and the ability to maintain services for these clients. I hope there is some consideration, in the plan being developed, to relocate all previous released clients back to their home community (as well as those released in the future) so they can take advantage of their local mental health facilities...at home. Or, some significant financial considerations provided for Tuscaloosa County to ensure a quality of life for those clients that all citizens deserve.

Local Input:

It is important that you meet with local elected officials in Tuscaloosa County as well as the other entities that are impacted - prior to completing the new plan. Their input is vital to the plan. These organizations include Indian Rivers Mental Health, DCH Regional Medical Center, local law enforcement and others that are impacted daily by the disproportionate share of clients located in Tuscaloosa County. **This is very important to some of our delegation members.**

Privatization:

Privatization of mental health facilities is a concern. I heard Ms. Sawyer's comments and I am sure there are some very good private companies providing mental health services around the nation today. Privatization should be about providing good quality services/products in addition to some cost saving measure. My experience suggests that this is frequently not the case. The quality of services/products usually declines when a company strives to maintain a specific profit margin as the company is held to a contractual agreement. I am not suggesting this is intended by the new plan, but I am making a case for quality of care for Alabama's mental health clients. As a side note, privatization will usually lead to the loss of jobs. Efforts must be included in the plan to ensure every current employee is taken care of and "made whole."

-more-

Page Two

In closing, please let me reinforce that I am not opposed to the University of Alabama purchasing the mental health property. I believe this to be a separate issue from taking care of Alabama's mental health clients.

Thank you again for the informational meeting. I look forward to reviewing the plan upon completion. My home address should you need it is P.O. Box 403, Aliceville, Alabama, 35442 and my phone number is 205.391.7885.

Sincerely,

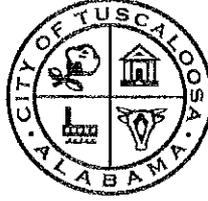


Alan Harper

C: Honorable Bob Riley
 Honorable Seth Hammett
 Honorable Members Tuscaloosa County Legislative Delegation
 Honorable Hardy McCollum
 Honorable Walt Maddox
 Honorable Bobby Herndon
 Ms. Kathy Sawyer

City of Tuscaloosa

COUNCIL
BOBBY E. HOWARD
District 1
HARRISON TAYLOR
District 2
President Pro Tem
CYNTHIA LEE ALMOND
District 3



WALTER MADDOX
Mayor

COUNCIL
LEE GARRISON
District 4
KIP TYNER
District 5
BOB LUNDELL
District 6
WILLIAM TINKER
District 7

March 31, 2009

Mr. John Houston, Commissioner
Alabama Department of Mental Health
Post Office Box 301410
Montgomery, Alabama 36130

Dear Commissioner Houston:

I am in receipt of a copy of a letter dated March 16, 2009, from State Representative Alan Harper to you in regard to the proposed changes at Bryce Hospital in the City of Tuscaloosa.

Although the City of Tuscaloosa has not been afforded an opportunity to be informed as to the details of the plan of the Alabama Department of Mental Health in regard to Bryce Hospital, I was alarmed by the concerns of Representative Harper. I would appreciate the Department providing me and other local leaders with an opportunity to meet with you so that we can be fully apprised of the Department's plan and evaluate its potential impact upon local governments.

I would also like to add that based upon the information of which I am aware, I concur fully with Representative Harper's comments. The City will be the entity upon which will fall the greatest burden of a release of mental health consumers into the community. In addition to those entities mentioned by Representative Harper, the release of such consumers will also stress local law enforcement, emergency medical response and municipal court, as well as a variety of nonprofit organizations supported by the City. For these reasons, I believe the need for local input is imperative on this issue.

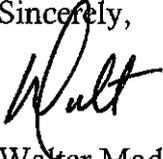
The City's experience with privatization of governmental services has not been positive. Inevitably, the quality of service declines when the vendor is unable to maintain a profit margin. While certainly some public services do lend themselves to privatization, other essential public services are not worth risking the negative consequences to the community that can result from privatization.

Mr. John Houston, Commissioner
March 30, 2009
Page 2

Finally, please do not in any manner construe my comments as being opposed to the University of Alabama purchasing the Bryce Hospital property. As with Representative Harper, I consider that a completely separate matter from the issue of the Department's plan concerning mental health consumers.

I look forward to hearing from you in the near future.

Sincerely,



Walter Maddox
Mayor

- c: Honorable Bob Riley, Governor
Honorable Members of the Tuscaloosa County Legislative Delegation:
Representative Gerald Allen
Representative Robert Bentley
Representative Chris England
Representative Ken Guin
Representative Alan Harper
Representative A. J. McCampbell
Representative William Thigpen
Senator Phil Poole
Senator Bobby Singleton
Tuscaloosa City Council

Appendix D



geotechnical • analytical • materials • environmental

2743-B Gunter Park Drive West
Montgomery, Alabama 36109-1019
Telephone 334.244.0766
Facsimile 334.244.6668
www.TTLINC.com

Decatur • Montgomery • Tuscaloosa ALABAMA
Albany • Valdosta GEORGIA
Nashville TENNESSEE

February 24, 2009

Ms. June Lynn
Alabama Department of Mental Health and Mental Retardation
P.O. Box 301410
Montgomery, Alabama 36130

Re: Cost Evaluation
Bryce Hospital Remediation
Tuscaloosa, Alabama

Dear Ms. Lynn:

TTL, Inc. is pleased to submit this cost evaluation of the Bryce Hospital remediation efforts, as requested by the Alabama Department of Mental Health and Mental Retardation (ADMHMR) following our meeting on February 5, 2009 with Ms. Kathy Sawyer and representatives of the ADMHMR. Specifically, we were tasked with developing an estimate of costs to address current requirements of the Alabama Department of Environmental Management (ADEM) related to the known groundwater contamination at the Bryce campus in Tuscaloosa, Alabama. The ADMHMR requested that TTL evaluate potential costs to comply with the requirements, assuming that the facility continues to be used for long term care. This letter provides a very general background of the groundwater contamination and related investigations and remedial actions as well as a discussion of the methods used to develop our cost estimate.

The majority of the groundwater contamination resulted from a former leaking underground pressurized pipe that connected a gasoline underground storage tank to above-ground tanks near the former Round House. Based on TTL's investigations, substantial gasoline leaked along the piping for an undetermined time. The long-term leak created an underground area of "free product" (i.e. free phase gasoline floating on the surface of the groundwater) between the Engineering Building and Building 1-North. Additionally, a dissolved-phase plume (area where gasoline is dissolved in the groundwater) encompasses about 40 acres generally between the Engineering building to the south, Building 2-North to the east, Jack Warner Parkway to the north, and east of the Highlands of Hackberry Apartments of the University of Alabama (see attached Figure 1). The dissolved-phase plume is beneath about 2 acres of University property. Groundwater depths range from about 10 to 30 feet below land surface across the project site. There are also isolated areas where dissolved chlorinated solvents are in groundwater; these solvents originated from former printing and dry cleaning at the facility.

Early in the investigations to determine the extent groundwater contamination, TTL discovered potentially explosive vapors in the elevator shaft of Building 1-North, which was, and is, unoccupied. TTL immediately (June 2004) connected a blower to ventilate the elevator shaft until a system to remediate the free product could be installed. The

blower was turned off in October 2008, and TTL monitors 1-North to determine if the remedial actions have abated the potentially explosive conditions. ADEM has indicated that the building should be monitored for one year before deciding whether to reoccupy the building.

TTL's investigations included delineation of the groundwater contamination and sampling soil vapors near buildings on the Bryce facility. The soil vapor sampling indicated that vapors from the groundwater contamination were not impacting buildings currently used by Bryce. The only potential impact identified was at the former Laundry Building, which TTL understands will be demolished. If future plans include reuse of that building, remediation of the vapor impacts will be needed.

In August 2006, TTL installed a remedial system to recover free product from the area between Building 1 North and the Engineering Building. The system is an Internal Combustion Engine (ICE) that is fueled with the gasoline recovered from the plume and by supplemental propane. To date, the system has recovered and burned 27,000 gallons of gasoline. The system may soon need to be replaced with a system that can be operated with less propane because the rate of recovery of hydrocarbons is declining. Replacement of the ICE will reduce monthly operations and maintenance costs.

There is an area of groundwater "seeps" along an embankment that adjoins the south side of Jack Warner Parkway. TTL collects samples from this seepage area and analyses the samples for gasoline constituents. Although the concentrations of the gasoline constituents have decreased to mostly "non-detect", TTL has installed and maintains a curtain that can absorb dissolved hydrocarbons at the seep area.

Currently, ADEM requires that ADMHMR continue free-product recovery until all the free product has been removed. ADMHMR then can perform a risk assessment to evaluate if additional remediation is warranted on the Bryce facility or University of Alabama property. Based on the effectiveness of current free product recovery efforts and prior vapor sampling, DMHMR can likely combine the active free-product recovery, institutional controls (environmental covenants with groundwater use restrictions, restrictions on deep excavations, no use of the former Laundry Building), and continued monitoring to comply with ADEM's remedial requirements for the Bryce facility. ADEM-required remediation of the University of Alabama property cannot be determined until the risk assessment is complete. TTL is currently calculating clean-up concentrations. Such calculations are time consuming and could not be completed prior to submitting the attached cost estimates. TTL can reevaluate and revise the cost estimates, if necessary, after the clean-up calculations are finalized.

The attached Table 1 provides estimated costs for ongoing remedial actions that should continue pursuant to ADEM indications, monitoring, and institutional controls that TTL anticipates will be required of the DMHMR, based on continued use of the property as it is currently being used. The assumptions and methods used to develop the costs are also provided in the table.

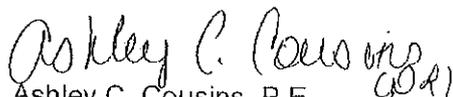
During a September 2008 meeting with University of Alabama personnel, Dr. Linda Gilbert requested that ADMHMR clean up the groundwater contamination that is on the two (2) acres of University of Alabama property to unrestricted land use standards,

Ms. Lynn
February 24, 2009
Page 3 of 3

which may be more stringent than what ADEM would require. TTL has evaluated measures which could quickly cut-off the flow of groundwater from the Bryce property onto the University of Alabama property and to rapidly remediate the groundwater within the 2-acre area. The attached Table 2 lists the assumptions and conditions that TTL used to estimate the remedial costs that likely would be incurred for ADMHMR to comply with Dr. Gilbert's request. Additional investigations would be needed prior to implementing the proposed remedial actions on the University of Alabama property to minimize disruptions to the residents that live in the Highlands of Hackberry apartments.

TTL is pleased to provide our services to the ADMHMR and is available to address questions or offer clarification as needed on this project.

Sincerely,
TTL, Inc.


Ashley C. Cousins, P.E. (APR)


Sheryle G. Reeves, P.E.

Attachments: Table 1
Table 2

Table 1 - Estimate of Probable Cost
Bryce Facility
Ongoing Remediation - Current Land Use Scenario

Description	Continuing Costs	Capital or One-time Costs
Operation and Maintenance of Existing ICE System	\$7000/mo TTL estimates operating the ICE system continuously through 2009 and then as-needed thereafter to remediate "hot spots"	
Purchase and install Dual Phase Extraction System with Off-Gas Treatment	NA	\$300,000
Operation and Maintenance of Dual-Phase Extraction System	\$5000/mo TTL estimates the dual-phase system will need to operate for approximately 5 years.	
Monitoring		
Semi-Annual Groundwater	\$110,000/yr Semi-annual groundwater monitoring may be required beyond 5 years	
Quarterly Status Reports	\$22,000/yr	
Weekly Vapor Monitoring of Bldg 1-North	\$14,000/yr TTL anticipates ADEM approval to end weekly monitoring of Building 1-North by January 2010	
Vapors Seeps	\$5,000/yr \$2,000/yr	
Alabama Risk-Based Corrective Action (ARBCA) Evaluation	NA	\$12,000
Institutional Controls	NA	\$20,000
Approximate Total Cost per Year (Operation/Maintenance/Monitoring)		\$300,000
Approximate Total Capital or One-Time Costs		\$350,000
<p>Note: All costs are estimated based on 2009 rates and do not incorporate increases due to inflation over time or elimination of costs for operation and maintenance of the ICE system and weekly vapor monitoring of Bldg 1-North.</p> <p>Assumptions used in generating cost estimate:</p> <ol style="list-style-type: none"> 1. No groundwater use; 2. No excavations to groundwater table within the plume; 3. No construction that would create a vapor exposure pathway or contact groundwater. 		

**Table 2 - Estimate of Probable Cost
Bryce Facility
Remediation of University of Alabama Property**

Description	Capital or One-time Costs
Design and Installation of Slurry Wall	\$350,000-\$450,000
Groundwater Treatment - Approximate Costs for three (3) Chemical Oxidation/Oxygen Release Compounds Injection Events	\$1.5-\$2 Million

Note: All costs are estimated based on 2009 rates and do not incorporate increases due to inflation over time.

Assumptions used in generating cost estimate:

1. Slurry wall installation of approximately 700 feet long;
2. Treatment area of two (2) acres on the University of Alabama property;
3. Access to the University of Alabama property for three (3) treatment injections.

Appendix E

**Bryce Hospital
FY2010-2011**

Vision: Bryce Hospital will operate with a capacity of 268.

Projected Decline in Average Daily Census (ADC)

	FY09	FY10	FY11
Civil Commitment	Acute 140 Extended Care 122 Total 272	Acute 107 Extended Care 84 Total 191	Acute Care 96 Extended Care 72 Total 168
Forensic	60	100*	100
Adolescent	20	0	0
Total	342**	291**	268**
Cost of New Services	0***	\$7.9M	\$2.7M
Cumulative Total Cost		\$7.9M	\$10.6M

*Transfer of 40 forensic patients from Searcy Hospital

**The proposed census targets can be met earlier if funds are available sooner than projected.

***Currently allocated \$4.3 M has reduced Bryce Acute Care Census from baseline of 189 to the current census of 140.

Goal 1: Transition 25% of acute care (first 90 days following commitment) to the community

Action Steps	Target Date	Estimated Cost	Outcome	Assessment Criteria Goal I:
<p>Continue operation of Region II Acute Care Services developed so far</p>	<p>Completed</p>	<p>\$4.3 M</p>	<p>Bryce Acute Care ADC reduced from 189 to 140</p>	<p>Quality Maintained:</p> <ul style="list-style-type: none"> Services will be provided in local inpatient units licensed under the same standards as Bryce Hospital or in a community program certified by and under contract with the Department of Mental Health
<p>Implement 75% of the remaining services proposed by Region II to reduce the census in the Bryce Acute Care Unit</p>	<p>FY10 This time frame can be adjusted based on funding availability.</p>	<p>\$5.5 M new funding</p>	<p>Maintain current census reduction and further reduce census from 140-101</p>	<p>Efficiency and Accessibility Enhanced:</p> <ul style="list-style-type: none"> Increased geographic accessibility through provision of services in the 20 counties of Region II Local law enforcement providing less transport to state hospital Supports greater family involvement in treatment Decreases length of stay through use of local continuum of care <p>Cost Effectiveness Enhanced:</p> <ul style="list-style-type: none"> Decreased length of stay results in decreased cost per episode of care (state hospital average length of stay is 60 days compared to expected 30 days in local inpatient with discharge to less costly residential or outpatient support) Enriched continuum of care permits either avoidance of inpatient care or earlier discharge to less intensive services
<p>Implement the final 25% of the services proposed by Region II to reduce the Bryce Acute Care census</p>	<p>FY11 This time can be adjusted based on funding availability.</p>	<p>Additional \$1.8 M new funding for total \$7.3M</p>	<p>Maintain reduced Acute Care census and further reduce to 96</p>	

Goal II: Close Adolescent Unit and contract services

Action Steps	Target Date	Estimated Cost	Outcome	Assessment Criteria Goal II:
Amend the Juvenile Code	FY09	0	Provides legal foundation for contracting services	<p>Quality Enhanced:</p> <ul style="list-style-type: none"> Adolescent services will be delivered by a licensed hospital operating under the same standards as Bryce Hospital in a less stigmatizing environment. <p>Efficiency and Accessibility Enhanced:</p> <ul style="list-style-type: none"> Contracting for services will permit closure of state hospital beds. <p>Cost Effectiveness Enhanced:</p> <ul style="list-style-type: none"> Adolescents will be served at no more than the cost of serving them in the state hospital. Medicaid can be accessed to pay for primary medical care for those served under contract.
Issue Request for Proposal with requirement that successful bidder be able to operate at no greater cost than the Adolescent Unit currently operates	FY09	0	Procures needed services at best price	
Develop plan for displaced Adolescent School employees	FY09	0	Prepares to assist displaced employees seek new employment	
Close unit	FY10	0	Bryce Hospital will operate 20 fewer beds.	
Implement plan for displaced employees	FY10	0	Adolescent Unit School employees will be assisted to find employment. Other unit staff can be absorbed into other hospital positions or positions will be vacated through attrition.	

Goal III: Reduce the number of extended care beds by 40%

Action Steps	Target Date	Estimated Cost	Outcome	Assessment Criteria:
<p>Evaluate 100% of Extended Care patients and 100% of community residential consumers in certain types of programs with a length of stay in excess of 1 year.</p> <p>The Financing Strategies Workgroup will analyze the hospital and community evaluations, recommend services to meet identified needs, and develop implementation timelines based upon prioritization of services with most immediate availability. The analysis and detailed implementation planning will be completed 5/09</p>	<p>03/09 Reviews Completed</p> <p>05/09 Analysis completed</p>	<p>0</p>	<p>Services will be planned based on systematic individualized review of needs.</p>	<p>Quality Enhanced:</p> <ul style="list-style-type: none"> Services will be created to meet individualized needs in smaller, more normalizing environments consistent with the Olmstead ruling. Service providers will be certified by and operate under contract with the Department of Mental Health. <p>Efficiency and Accessibility Enhanced:</p> <ul style="list-style-type: none"> Services will be more accessible geographically. State hospital beds will be closed. <p>Cost Effectiveness Enhanced:</p> <ul style="list-style-type: none"> The cost of community alternatives is considerably less than state hospital beds. Community services can be partially supported by Medicaid, reducing the demand for state dollars.
<p>Develop community resources necessary to achieve and sustain at least 75% of the proposed reduction of 50 (reduction of 38).</p>	<p>FY10 This time frame will be adjusted depending upon funding availability.</p>	<p>\$2.4M new funding</p>	<p>Bryce Extended Care Census will decline by 38 from 122 to 84.</p>	
<p>Develop community resources necessary to serve achieve the proposed reduction of 50 in Extended Care census (additional reduction of 12).</p>	<p>FY11 This time frame will be adjusted depending upon funding availability.</p>	<p>\$.9M new funding for a total of \$3.3M</p>	<p>Bryce Extended Care census will decline by a total of 50 to 72.</p>	

Goal IV: Consolidate forensic services in Tuscaloosa

Action Steps	Target Date	Estimated Cost	Outcome	Assessment Criteria:
<p>Evaluate 100% of forensic patients (will be done as part of evaluations done in Extended Care where forensic patients reside – See detail under Goal III)</p>	<p>FY09</p>	<p>0</p>	<p>Services will be planned based on systematic review of needs.</p>	<p>Quality Enhanced:</p> <ul style="list-style-type: none"> Consolidation of forensic services in Tuscaloosa will make best use of the special skills needed to work with the legal system on behalf of forensic consumers. Provision of new services in the community will be through entities certified by and under contract with the Department of Mental Health.
<p>Transfer Searcy forensic patients to Bryce Hospital and discharge those who can be as described under Goal III.</p>	<p>FY10</p>	<p>Included under Goal III</p>	<p>Increase census at Bryce by 40 and decrease census at Searcy by 40.</p>	<p>Efficiency and Accessibility Enhanced:</p> <ul style="list-style-type: none"> Having forensic services in one location will increase efficiency and expertise dealing with court systems across the state. New community services will enhance geographic accessibility to services. <p>Cost Effectiveness enhanced:</p> <ul style="list-style-type: none"> Creation of new community services will cost less than operation of state hospital beds. Community services can be supported in part by Medicaid funds, reducing the demand for state dollars.

Bryce Hospital Strategic Plan Timeline

FY09	FY10	FY11
<p>Action Steps:</p> <ul style="list-style-type: none"> • Amend the Juvenile Code • Issue Request for Proposal for Adolescent Unit • Develop plan for displaced employees from Adolescent Unit • Evaluate 100% of state hospital forensic and Extended Care patients and 100% of certain community residential consumers • Develop implementation plan for community services • Continue Region II Phase I existing services <p>Outcome: Foundation for future census reduction prepared.</p>	<p>Actions Steps:</p> <ul style="list-style-type: none"> • Contract for adolescent inpatient services • Close Adolescent Unit • Implement plan for displaced employees from the Adolescent Unit • Develop community services to support reduction in Acute Care census by 33 to 107 • Develop community resources to support reduction in Extended Care census by 38 to 84. • Transfer 40 forensic patients from Searcy Hospital to Bryce Hospital <p>Outcome: Bryce Hospital census reduced by 71 through creation of new community services. The net change in census will be 51 due to transfer of Searcy forensic patients.</p>	<p>Action Steps:</p> <ul style="list-style-type: none"> • Continue contract for Adolescent Unit • Complete development of Region II Phase I projects and reduce Acute Care census to 96. • Complete development of community services to support reduction in Extended Care census to 72 <p>Outcome: Bryce Hospital census reduced by 94 through creation of new community services. The net change in census will be 74 due to transfer of Searcy forensic patients.</p>

