



Department of Commerce

Program Guidelines for the 2017-2019 Behavioral Health Facilities Grant Program Round Two

November 2018



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Welcome to Round Two of the Commerce 2017-2019 Behavioral Health Facilities Grant Program.

Commerce has developed these guidelines to help you understand our program - the application, the scoring process, contracting and invoicing/payment.

Background and Purpose

Engrossed Substitute Senate Bill 6090, Chapter 2, Laws of 2018, Section 1020, and Engrossed Substitute Senate Bill 6095, Section 1007, as passed by the 2018 Legislature. Here is a [clickable link to the legislation](#), then click on the **Section 1007** bookmark in the left column. Together, these two provisos include an appropriation of \$90,876,000 million to the Washington State Department of Commerce for a behavioral health facilities program.

The legislative appropriation included:

- \$49,600,000 for competitive grants in categories listed below
- \$41,276,000 for direct appropriation awarded grants

Program Eligibility

The Behavioral Health Facilities program is open to nonprofits, public entities, for-profit businesses and tribes. You must be registered in the State of Washington and licensed to provide behavioral health services under specific RCWs or WACs.

Application Categories and Grant Amounts

Round Two of the Commerce 2017 – 2019 Behavioral Health Facilities program has competitive grants available in these categories:

- Secure detoxification
- Acute detoxification
- Crisis diversion or stabilization facility
- Community hospitals or free standing evaluation and treatment providers

Behavioral Health Facilities Grants

The maximum amount of funds an applicant can receive is \$2,000,000 per project, except for the Acute Detox category, which has a maximum grant request amount of \$661,341.

If your project received a direct appropriation in the 2017-2019 state capital budget and/or the 2018 state capital supplemental budget, you may still apply for a competitive grant, but **not** for the **same project** that received direct appropriation in either budget. No federal dollars are involved in these grants.



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Note: Commerce reserves the right to modify grant request amounts based on application demand levels. Additionally, final awards may take into account fair and equitable geographical distribution and the applicant's access to other sources of funds necessary to complete the project.

Funding Availability and Timing

Applications for Round Two are due on January 30, 2019 by 5:00 p.m. sharp. Application web access will be shut down at this time. Applications must be submitted through *ZoomGrants*, a web-based application portal.

Funding Availability:

- \$2,514,697 for secure detox treatment beds
- \$661,341 for acute detox treatment beds
- \$4,218,392 for crisis diversion or stabilization facilities - at least two facilities must be located in King County
- \$2,350,000 for community hospitals or free standing evaluation and treatment facilities for beds to serve 90 or 180 day civil commitments

Awarded Commerce grants, whether through a competition or a direct appropriation, are subject to an administrative fee. Commerce Community Capital Facilities is authorized to retain funds from each award to cover all administration costs. The administrative fee for competitive grants is three percent or up to \$50,000. The total project budget included in your grant contract will use a net grant amount (i.e. a grant request of \$1,000,000 would result in a net award of \$970,000).

Eligible Project Costs

Commerce's capital funds may generally be used to pay for the following expenses:

- Design, engineering, architectural, and planning;
- Construction management and observation (from external sources only);
- Construction costs including, but not limited to, the following:
 - Site preparation and improvements;
 - Permits and fees;
 - Labor and materials;
 - Taxes on Project goods and services;
 - Capitalized equipment (such as beds);
 - Information technology infrastructure (cables and wiring); and
 - Landscaping.

Ineligible Project Costs

Our grants fund bricks and mortar unless otherwise designated in the budget or supporting legislative materials. This is why the following costs are not eligible for reimbursement.

- Grant funds may not be used for property acquisition (purchasing land and/or a building)
- Internal administrative costs, in-house labor, or activities;



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- Feasibility studies (unless associated with project development such as required by local government transportation studies for new construction);
- Computers or office equipment (Furnishings and equipment are considered eligible project costs as long as the average useful life of the item purchased is 13 years or more;
- Rolling stock (such as vehicles);
- Lease payments for rental of equipment or facilities;
- Any maintenance or operating costs or the moving of equipment, furniture, etc., between facilities.

Scoring

All competitive applications will be scored on the following questions. When answering these questions, please be as thorough as possible. Do not assume the person reading and scoring the application knows anything about your project(s). You must answer all of the questions pertaining to your grant request(s).

1. Evidence the application was developed in collaboration with one or more behavioral health organizations (BHO) as defined in RCW 71.24.025, or entities that assume the responsibilities of the BHO in regions in which the Health Care Authority (HCA) is purchasing medical and behavioral health services through fully integrated contracts pursuant to RCW 71.24.380.
2. Evidence the applicant has assessed and would meet gaps in geographical behavioral health services needs in their region.
3. A commitment by the applicant to serve persons who are publicly funded and persons detained under the involuntary treatment act under chapter 71.05 RCW.
4. A commitment by the applicant to maintain the beds or facility for at least a ten-year period.
5. The date upon which structural modifications or construction would begin and the anticipated date of completion of the project.
6. A detailed estimate of the costs associated with opening the beds.
7. The applicant's commitment to work with local courts and prosecutors to ensure that prosecutors and courts in the area served by the hospital or facility will be available to conduct involuntary commitment hearings and proceedings under chapter 71.05 RCW.
8. Evidence of any local or partner resources applied to the project, including, but not limited to, regional non-Medicaid operating reserves or fund balances.



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9. If the applicant is applying for a crisis diversion or stabilization facility grant, two of the applications must meet this additional scoring criteria:
 - Located in King County
10. If a community hospital or freestanding evaluation and treatment facility is applying for a grant to develop capacity for beds to serve individuals on 90 to 180 civil commitments as an alternative to treatment in state hospitals, additional scoring criteria include:
 - Evidence this facility will increase the capacity related to serving individuals who will be transitioned from or diverted from state hospitals;
 - Evidence this facility is not subject to federal funding restrictions that apply to institutions of mental diseases;
 - Evidence the applicant has submitted a proposal for operating the facility to DSHS;
 - Evidence the applicant has demonstrated to the Department of Health (DOH) and DSHS that it is able to meet applicable licensing and certification requirements in the facility that will be used to provide services; and
 - Evidence DSHS has confirmed that it intends to contract with the applicant for operating costs.

Contracting Specifics

All Grantees are required to have a signed executed contract with Commerce for their project. Generally, contracts can take up to three weeks to execute once all required information is provided to Commerce. It can take longer if a Grantee wishes to request any change to state-approved contract language. Any contract language change must be reviewed and agreed upon by the assistant attorney general for Commerce.

These funds expire on June 30, 2019. Washington operates under a biennial (two-year) budget and each appropriation in the 2017 - 2019 Capital Budget, must, by law, lapse at the close of the biennium (June 30, 2019). Since projects may take more than two years to complete, Commerce has already requested reappropriation of any unspent funds as of that date. However, we cannot guarantee that the Legislature will agree to extend funding, nor can we legally obligate funds from one biennium to the next.

Governor Executive Order 05-05 (Archaeology and Cultural Resources Review)

Some projects may need to be reviewed for archaeological and cultural resources. This is required of projects not undergoing a federal Section 106 review under the National Historic Preservation Act if the project:

- acquires property,
- disturbs ground, and/or
- involves structures more than 50 years old.

If your project falls into any of these categories, please contact the Washington Department of Archeology and Historic Preservation. [Click here for more information.](#)



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If your project has already begun or is finished and falls under the 05-05 criteria, your project will still be required to follow Executive Order 05-05 requirements as part of the application process.

Deed of Trust and Title Insurance

Projects performed by **for-profit businesses and nonprofits** for construction and renovation that are \$500,000 or more in state funds must provide property title insurance and list Department of Commerce on a recorded deed of trust or leasehold deed of trust and a promissory note. All projects must provide certification of liability insurance for the project. The deed of trust or leasehold deed of trust must be recorded before reimbursement can begin. Commerce will provide you with more detailed information on these requirements.

Binding Agreements with Contractors

All grant awards are contingent on Grantees reaching binding agreements with their contractors.

Prevailing Wages

If your project receives any federal funds then you are required to pay whichever wage class rate is higher, either the Davis–Bacon Act federal wage scale or state prevailing wage requirements.

If you need technical information about prevailing wages, please contact Jim Christensen at the state Department of Labor and Industries. He can be reached at 360.902.5330 or chrj235@Lni.wa.gov

Public Works Statutes

All projects awarded to public entities (i.e. cities, counties, public hospitals, special purpose districts, etc.) must comply with public works statutes (RCW 39.80 and 39.04 that cover ordinary public works contracting). Apprenticeships are required on all construction costs over \$1 million.

Minority/Women Business Enterprises (M/WBE)

Commerce does not require that a percentage of the project work is given to small businesses or M/WBE companies. However, if your local jurisdiction has such laws they must be followed.

Commerce does require you to submit a “Diverse Spend” form that enumerates subcontractors and sub-subcontractors and if they are M/WBE. Commerce will provide you with this form when you receive your contract.

Lead Based Paint Requirements - Washington Administrative Code (WAC 365-3230)

If a project includes remodeling, repairing, or painting a residential property, or child occupied facility built before 1978, the project must employ a Certified Lead Renovation Firm, who must assign an Individual Certified Lead Renovator to lead the activities.



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Option 1: The Grantee needs to ensure that they hire someone fully certified with Firm, and Individual Certifications (ask to see the contractor's certifications).

Option 2: The Grantee can have their own Certified Lead Renovation Firm, and Individual Certified Lead Renovator assigned to lead their project. (Reasonable cost of approx. \$275 complete).

Questions? Contact: The Lead-Based Paint Program at Department of Commerce, lbinfo@commerce.wa.gov or call: 360.586.5323

10-Year Site Control Requirement

Grantees must provide written evidence of site control, for a minimum of 10 years after final grant payment, either through outright ownership of the subject property or a long-term lease. This does not apply to awards designated solely for preconstruction or property acquisition.

Contract Amendments

If the project's scope of work changes (due to unforeseen circumstances) an amendment to the Grantees' contract with Commerce is required.

Costs, Invoicing and Payment

Funds are available once a contract is executed. Funds are available on a reimbursement basis only, and cannot be advanced under **any** circumstances. Reimbursement costs are those the grantee has already incurred and paid.

We may reimburse Grantee costs (included in the applicant's scope of work) incurred prior to the date a contract is executed, back to July 1, 2017. Project costs incurred after July 1, 2017 can be reimbursed with appropriate backup once a fully executed contract is in place.

Grantees may draw down funds as frequently as once a month. If the Grantee prefers, they may be paid quarterly, or at the end of the project. Requests for reimbursement must be submitted on an A-19 form supplied by Commerce. An individual authorized by the grantee organization must sign each A-19 submitted. Copies of invoices and proof of payments that clearly document the expenses claimed must accompany all requests for payment.

You may submit your A-19 form and the back-up information electronically. Only one contracted project can be submitted on an A-19.

Funds are electronically transferred using a **Statewide Vendor Account (SWV)** number you provide to us. If you need to set up a SWV account number, please [click here](#) to visit the Department of Enterprise Services to learn how to create an account. This process may take a couple of weeks, so please make sure you have this information available for us at time of application.

To review an excellent FAQ regarding the SWV program [click here](#).



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After the contract is executed, you will receive instructions on how to submit a reimbursement request. Incomplete or improperly prepared submissions may result in payment delays.

Grantees are responsible for maintaining clear and accurate project records, and making them accessible to Commerce and the State Auditor. Site visits during construction and after completion may be scheduled.

Photos

We want to see photographic evidence of your project at 0%, 50% and 100% completion.

Rescinding Awards

The grant you receive may be rescinded under the following conditions:

- If the project's scope of work changes significantly and does not match the information stated in the application;
- If the Grantee does not have funding to complete the project;
- If the Grantee cannot demonstrate sufficient operating funding for the project.



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Commerce Behavioral Health Facilities Program Website:

<http://www.commerce.wa.gov/building-infrastructure/capital-facilities/behavioral-health-bed-grants/>

Link to the Enabling Legislation

<http://lawfilesexternal.leg.wa.gov/biennium/2017-18/Pdf/Bills/Senate%20Passed%20Legislature/6095-S.PL.pdf> Section 1007