



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

May 1, 2019

SENT VIA ELECTRONIC MAIL

The Honorable Joyce Krawiec, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 308, Legislative Office Building
Raleigh, NC 27603

The Honorable Josh Dobson, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 307B, Legislative Office Building
Raleigh, NC 27603

The Honorable Donny Lambeth, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 303, Legislative Office Building
Raleigh, NC 27603

Dear Chairmen:

Session Law 2018-5, Section 11F.4.(b) requires the Department of Health and Human Services to submit a report on the status of the construction project of a new satellite TROSA facility in the Triad area, including a breakdown of all expenditures from the funds allocated pursuant to subsection (a) of this section and a projected completion date. This report is due to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on or before May 1, 2019. Pursuant to the provisions of law, the Department is pleased to submit the attached report.

Should you have any question, please contact Kody Kinsley, Deputy Secretary for Behavioral Health and Intellectual/Developmental Disabilities, at 919-733-7011.

Sincerely,

Mandy Cohen, MD, MPH
Secretary

cc:	Rob Kindsvatter	Matt Gross	Theresa Matula	Katherine Restrepo
	Joyce Jones	Lisa Wilks	Marjorie Donaldson	Erin Matteson
	<u>Kody Kinsley</u>	LT McCrimmon	Deborah Landry	Dave Richard
	<u>reports@ncleg.net</u>	Mark Benton	Susan Perry-Manning	Zack Wortman
	Steve Owen	Mark Collins	Denise Thomas	Jessica Meed

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TEL 919-855-4800 • FAX 919-715-4645

LOCATION: 101 BLAIR DRIVE • ADAMS BUILDING • RALEIGH, NC 27603

MAILING ADDRESS: 2001 MAIL SERVICE CENTER • RALEIGH, NC 27699-2001

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
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MANDY COHEN, MD, MPH
SECRETARY

May 1, 2019

SENT VIA ELECTRONIC MAIL

Mr. Mark Trogdon, Director
Fiscal Research Division
Suite 619, Legislative Office Building
Raleigh, NC 27603-5925

Dear Director Trogdon:

Session Law 2018-5, Section 11F.4.(b) requires the Department of Health and Human Services to submit a report on the status of the construction project of a new satellite TROSA facility in the Triad area, including a breakdown of all expenditures from the funds allocated pursuant to subsection (a) of this section and a projected completion date. This report is due to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on or before May 1, 2019. Pursuant to the provisions of law, the Department is pleased to submit the attached report.

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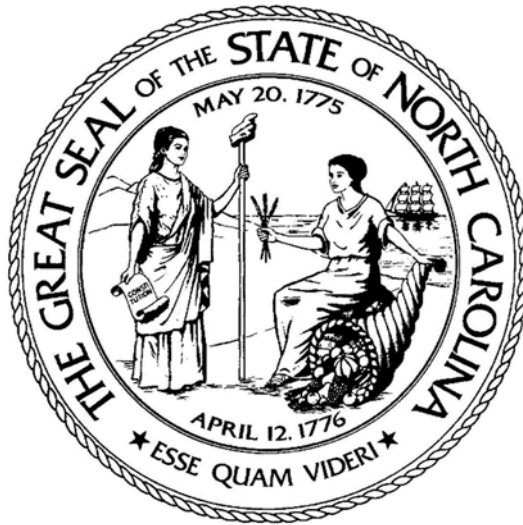
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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

**Funds for TROSA to Expand Substance Use Disorder
Treatment and Recovery Services
Session Law 2018-5, Section 11F.4.(a) and (b)**



Report to

**The Joint Legislative Oversight Committee on
Health and Human Services**

and

Fiscal Research Division

by

NC Department of Health and Human Services.

May 1, 2019

Triangle Residential Options for Substance Abusers (TROSA) is a licensed, two-year residential therapeutic community for adults with substance use disorders located in Durham, North Carolina. This facility currently provides counseling services, employment training and skill development, and room and board in a community setting or atmosphere to approximately 500 individuals from all across the state. These services, in addition to health care, are provided at no cost to participants.

In order to meet a growing need for substance use disorder services, fueled in part by the opioid crisis, TROSA sought additional funding to establish a second campus in the Triad area of the state. This second campus is expected to initially serve 100 adults, with plans for expansion for an additional 100 beds, dependent upon funding availability.

As per Session Law 2018-5, Section 11F.4.(a): Of the funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities and Substance Abuse Services, for the 2018-2019 fiscal year, the Department shall allocate six million dollars (\$6,000,000) in nonrecurring funds as a grant-in-aid to Triangle Residential Options for Substance Abusers (TROSA), Inc., a nonprofit organization, for the construction of a new satellite TROSA facility in the Triad area of the State for the provision of comprehensive, long-term residential substance use disorder recovery services. TROSA shall not use these funds for any purpose other than the purpose stated in this subsection.

In order to provide funds as stated above, the Division of Mental Health, Developmental Disabilities and Substance Abuse Services, in conjunction with the Department of Health and Human Services (DHHS) Counsel and the Office of State Budget and Management, begin work to initiate a contract with TROSA shortly after the legislation was passed. The contract was signed by the TROSA Chief Financial Officer on February 25, 2019 and the TROSA Chief Operating Officer on March 5, 2019 and was fully executed with an effective date of November 1, 2018 through June 30, 2022. *It should be noted however that due to expenditures that occurred prior to November 1, 2018, a request to amend the start date of the contract to an effective date of July 1, 2018 is currently underway.*

As per the scope of work in the executed contract, "TROSA will utilize the state funds to establish a new campus in the Triad. TROSA has identified a residential campus that it will acquire if proper zoning and use permits can be secured. This budget assumes this property will be secured, and licensure as a therapeutic community can be secured quickly through DHHS in order to begin serving people as soon as possible. Specifically, funds will be applied to the acquisition and renovation of this property and supportive properties (including warehousing, thrift store and lawn care), and the construction of some needed additions to the existing campus. In addition, funds will be used for the purchase of equipment and assets needed for the initial establishment of the TROSA program in the Triad."

“Once the property is acquired and the facilities are in a condition to support it, TROSA’s Triad campus will provide substance abusers the tools and support they need to be productive, recovering individuals by providing counseling/mentoring, work-based vocational training, education and continuing care.” Additionally, TROSA states that these services, as well as housing, food, clothing and personal care, will be provided at no cost to the participants.

TROSA submitted their first payment request on March 5, 2019, for slightly over two million dollars (\$2,100,000). As this amount represents more than ten percent of the award, an exception request was sought by TROSA and approved by the Office of State Budget and Management. Total expenditures to date total \$156,970.86, and are as follows:

- In July 2018, TROSA purchased a 2017 Ford Transit van for \$40,662.17 and in August 2018, purchased a 2010 Dodge Caravan for \$11,631.94. These vehicles will be used initially to go back and forth to the Triad and then will remain at the Triad, once the facility opens.
- In September 2018, TROSA purchased various kitchen equipment for \$28,173. The equipment includes: Baxter oven, single door freezer, tables, Tuxton dishes, skillets, sheet pans, etc.
- In January and February 2019, TROSA purchased a 12’x 16’ walk-in cooler for \$5,760.
- TROSA has spent \$36,483.75 with Coulter Jewell and \$34,260.00 with MHAworks in order to obtain proper zoning for the Triad location on Felicity Lane.

The remaining funds from this initial invoice will be used to acquire the property. TROSA estimates that closing costs will be between \$1.2 million and \$2.3 million. They have noted that if the final closing costs are less than the amount requested, these funds will be used for immediate renovation and constructions needs for the residential campus, as well the thrift store.

As per Session Law 2018-5, Section 11F.4.(b): By April 1, 2019, TROSA shall submit a report on the status of the construction project described in subsection (a) of this section. This report must include a breakdown of all expenditures from the funds allocated pursuant to subsection (a) of this section and a projected completion date for the construction project. By May 1, 2019, the Department shall submit this information in a report to the Joint Legislative Oversight Committee on health and Human Services and the Fiscal Research Division.

The following information is taken directly from a report submitted by TROSA for the period of July 1, 2018 through March 30, 2019.

TROSA entered into a purchase agreement with The Commons (14+ acre property in Winston-Salem) in early February 2019. *Closing is conditional on successful rezoning and securing of a special use permit that will allow TROSA to operate its program at the*

site. If for some reason the rezoning effort is not successful, TROSA will not purchase the property.

As part of rezoning efforts, TROSA held a second pre-submittal meeting with the Winston-Salem/Forsyth County Planning Department on February 1, 2019 (this followed an initial meeting in November 2018). TROSA's application for rezoning was submitted on March 5, 2019, with a resubmittal in response to the initial review, on March 11, 2019. The architectural team met again with the Winston-Salem/Forsyth County Planning Department on March 27, 2019, for a final round of comments in advance of an upcoming Planning Board meeting on April 11, 2019.

TROSA, in cooperation with the current owner of The Commons, has conducted a wide range of community outreach events which began in January. This has included:

- January 15 and 16, 2019: door-to-door outreach to neighbors with information about TROSA and invitation to several upcoming Community Information Sessions and tour of TROSA Durham;
- January 18, 2019: Community Information Session #1 (mid-day);
- Late January 2019: letter to over 150 residential neighbors inviting them to Community Information Sessions #2, 3 and 4, and a tour of TROSA Durham;
- February 5, 2019: Community Information Session #2 (evening);
- February 8, 2019: Tour of TROSA Durham (transportation from Winston-Salem provided by The Commons);
- February 9, 2019: Community Information Session #3 (Saturday morning); and
- February 28, 2019: Community Information Session #4 (evening).

TROSA has continued meeting with a wide range of potential clinical, educational and funding partners in the Triad, including Golden LEAF Foundation, United Health Centers, CareNet, Appalachian Regional Commission, and UNC Greensboro. TROSA has also reached out to all members of the Winston-Salem City Council, and has spoken with or had meetings with four members, with hopes to meet with more in advance of the City Council meeting scheduled for May 6, 2019.

As per the contract, TROSA will submit quarterly progress reports by the 15th of the month following the end of the quarter. The next quarterly report, for the period of April 1, 2019 through June 30, 2019, is due July 15, 2019.