



AGENDA
Washington County Board of Supervisors Meeting
Wednesday, April 12, 2023 - 6:00 PM
Herbert J. Tennes Government Center - Room 1019
432 E. Washington Street, West Bend, WI 53095

This meeting will stream live on [YouTube.com/washcowi](https://www.youtube.com/watch?v=...)

The following business will be brought before the Committee for initiation, discussion, deliberation, and possible formal action subject to the rules of the Board, which may be inspected in the office of the County Clerk.

- 1. Call to Order, A Moment of Silent Prayer, and Pledge of Allegiance**
- 2. Roll Call**
- 3. Affidavit of Posting**
- 4. Personal Appearances, Letters, and Other Communications**
 - a. Samaritan Ad Hoc Committee Presentation
 - *Appearance by: Paul Roback - UW Extension Professor & Community Development Educator and Patrick Carroll - WIPFLI*
 - b. 2021 Samaritan Task Force Findings
- 5. Consideration, and upon Request, Reading of Resolutions and Ordinances**
 - a. 2023 Resolution 6: Advisory Resolution Supporting the Concept of Creating a Pilot Community College System
 - b. 2023 Resolution 7: Resolution Authorizing the Sale of Samaritan Campus
 - c. 2023 Resolution 8: Initial Resolution Authorizing \$16,500,000 General Obligation Bonds for Samaritan Health Center Renovations
 - d. 2023 Resolution 9: Initial Resolution Authorizing \$35,000,000 General Obligation Bonds for Demolition and Rebuild of Samaritan Health Center
- 6. Closed Session**

Entertain a motion to convene in Closed Session pursuant to §19.85(1)(e), Wis. Stats., deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, specifically to "Discuss the potential sale of the Samaritan Health

Center.”

7. Open Session

8. Action(s) on Items Discussed in Closed Session

9. Next Meeting Date: Wednesday, May 10th, 2023 at 6:00 p.m.

10. Adjournment Subject to the Call of the Chair

It is possible that individual members of other governing bodies of the County government may attend the above meeting. It is possible that such attendance may constitute a meeting of any such other governing body pursuant to State ex rel. Badke v. Greendale Village Board, 173 Wis. 2d 553, 494 N.W. 2d 408 (1993). This notice is given solely to comply with the notice requirements of the open meeting law. No action will be taken by any other governmental body except by the governing body noticed in the caption above.

AFFIDAVIT OF POSTING

This agenda was posted in the office of the County Clerk on the 8th day of April, 2023. Notice was sent to the West Bend Daily News, Express News, WIBD/WMBZ Radio, WTKM Radio, My Community NOW, Hartford Times Press, Kewaskum Statesman, Milwaukee Journal-Sentinel. Individuals with disabilities requiring special accommodations for attendance at the meeting should contact the County Clerk at (262) 335-4301 at least 48 hours prior to the meeting.

ATTACHMENTS:

	Description	Type
▣	Samaritan Ad Hoc Committee Report Part 1	Report
▣	Samaritan Ad Hoc Committee Report Part 2	Report
▣	Samaritan Ad Hoc Committee Presentation	Backup Material



WASHINGTON
EST **COUNTY** 1836
WISCONSIN

Samaritan Ad-Hoc Committee Report of Findings: 2023

03-22-23

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Ad-Hoc Committee Members

- Chris Bossert
- James Burg
- Linda Gurath, Chair
- Jodi Schulteis
- Tony Thoma, Vice-Chair

Document Prepared By

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Executive Summary

At the October 2022 meeting of the Washington County Board of Supervisors, a motion was made “to direct the County Board Chair to form an ad hoc committee to study options for the Samaritan, and report findings to the Human Services Committee.” After the meeting, a five-member Samaritan Ad Hoc Committee was appointed by Chairman Jeffery Schleif.

The committee met seven times from October 2022 to March 2023 and was tasked by the County Board to research and discuss the following options:

1. Renovation of the Samaritan Health Center
2. Replacement of the Samaritan Campus
3. Closing of the Samaritan Campus
4. Selling Samaritan Campus or Selling the SNF 131 Bed License
5. Public/Private Partnership or Public/Public Partnership
6. Committee Recommended Additional Options

Presentations were provided for Options 1-4 and the committee identified strengths and limitations of each. Option 5 was researched by staff and discussed by the county board. The committee did not discuss this option further. For Option 6, a committee member forwarded resolution to the January 2023 County Board meeting to request funds for additional studies concerning the future of Samaritan. This resolution failed to pass. No additional options were considered by the committee.

In addition to discussing the four options, the committee received information on Samaritan staffing and the overall nursing industry. Due to demographics and other factors, there is nursing shortage across the U.S. and in other parts of the world. Barron County, WI has successfully recruited staff from the Philippines, which may be a possibility for Washington County to pursue.

WIPFLI presented financial five-year projections for the replacement and renovation options. County staff developed an estimate for the costs associated with closing the facility. Financial information can be found on Page 9 and in Appendix I of this report. It is anticipated that WIPFLI will present updated financial numbers at the April 2023 County Board Meeting.

The committee reached a General Consensus Recommendation for renovation. This includes obtaining an in-depth evaluation of the building needs estimate and expected life. The goal of the committee’s recommendation was “to take care of those most in need (Title 19 skilled nursing)” in the community. Additionally, the committee developed the following rank order preference (1 = most preferred to 4 = least preferred):

1. Renovation
2. Replacement
3. Selling
4. Closing

Overview

Washington County has provided long-term care services for well over a century, initially through its asylum and work farm. In 1968, the county opened Samaritan nursing home with over 300 residents. The building was renovated in 2009 and there is approximately \$3 million (as of March 2023) in bond debt to repay. The county opened the Fields in 2006, which expanded long-term care offerings to include assisted living. The current Samaritan Campus can accommodate 131 skilled nursing residents, 31 Community-Based Residential Facility (CBRF) residents, and a 24 Residential Care Apartment Complex (RCAC). Together, the CBRF and RCAC are referred to as Assisted Living.

In 2019, the county retained WIPFLI to complete a market analysis of long-term care in Washington County and to assist with the financial analysis regarding the present and future of the Samaritan Campus. WIPFLI completed their analysis and presented their findings at the August 2020 County Board meeting. For many years, nursing home reimbursements rates have not kept up with costs and the Samaritan nursing home requires millions in renovations. The concern was this could cause taxpayers to support the Samaritan Campus with property tax dollars for the first time in recent years.

County Executive Josh Schoemann formed a seven-member citizen Samaritan Task Force in February 2021 to provide a recommendation on the policy question; “Should Washington County remain in long-term care (nursing home) services?” After studying and discussing the issue, the Task Force recommended “that the Washington County Board continues to provide long-term care services while balancing financial and moral obligations through a partnership with a third-party provider with up to \$500,000 in annual levy support over a 20 to 30-year lease term.” This recommendation was the consensus of six members of the task force and one member preferred the county not compete with the private sector.

County staff explored this recommendation with potential private and public sector partners. At the October 2022 County Board meeting, a resolution (Appendix A) passed to continue “pursuing a public/public partnership with a neighboring county, while simultaneously pursuing a public/private partnership with the potential sale of Samaritan Campus to a private entity, both of which are consistent with 2021 Resolution 5.” At the same meeting, the County Board passed a motion “to direct the County Board Chair to form an ad hoc committee to study options for the Samaritan, and report findings to the Human Services Committee no later than January 31st, 2023.” Due to the amount of time to gather data and schedule meetings over the holiday season, the County Board passed a motion “to approve an extension of 90 days for the Samaritan Ad Hoc Committee.”

While researching options, the committee learned of two important issues that may impact the decision making process. First, the Wisconsin Department of Health Services announced in November 2022 that Medicaid cost coverage for nursing homes will increase from 77% for fiscal year 2022 to 91% for fiscal year 2023. Second, recruiting and retaining nursing staff at Samaritan has been historically challenging and has been getting worse in recent years. A nursing shortage is also a statewide and national issue, which has led to a few Wisconsin counties to explore the use of international recruiting to fill nursing vacancies.

The following report provides an overview of the Ad Hoc Committee’s process, the strengths and limitations for the options researched, staffing considerations, financials, and a recommendation.

Process

The Ad Hoc Committee met 7 times from October 2022 to March 2023. Meeting agendas and minutes can be found in Appendix B. Extension Community Development Educator Paul Roback was asked to facilitate the committee discussions, develop a report of their work, and present their recommendation to the Human Services Committee and County Board. Policy Director / Campus Administrator Matt Furno arranged presenters and responded to inquiries. The following is an overview of the topics covered at each meeting and the names of those who presented at the meeting.

October 26, 2022 Watch at <https://www.youtube.com/watch?v=4Bg-OdXJr6o>

- Dilemma of Today's Senior Care Industry- Matt Furno, Policy Director / Campus Administrator, Washington County (Appendix C)
- Future of Samaritan Options- Matt Furno & Julie Driscoll, Chief Health & Human Services Officer, Washington County

November 14, 2022 Watch at <https://www.youtube.com/watch?v=70vULifkcRE>

- Renovation of the Samaritan Health Center- John Cronin, Senior Design Architect, AG Architecture (Appendix D)
- Replacement of the Samaritan Health Center- John Cronin (Appendix E)

November 29, 2022 Watch Part One at https://www.youtube.com/watch?v=xo_xQgCktDg
Watch Part Two at <https://www.youtube.com/watch?v=2bTFZuySO7Y>

- Demolition of Samaritan Health Center- Matt Furno (Appendix F)
- Closing of Samaritan Campus- Matt Furno (Appendix G)

January 9, 2023 Watch at https://www.youtube.com/watch?v=9FGCb0Z_idg

- Discussion of resolutions to be voted on at the January 11, 2023 Washington County Board of Supervisors meeting regarding the future of Samaritan
 - Request for a 90-day extension for reporting findings to the County Board
 - Transfer from the General Fund for additional studies concerning the future of the Samaritan Health Center

February 13, 2023 Watch at <https://www.youtube.com/watch?v=U6jUPhmtJLU>

- Staffing Considerations (Appendix H)
 - Historical and Current Samaritan Staffing- Todd Scott, Director of Human Resources, Washington County
 - Nursing Perspectives in 2023- Sheryl Scott, DNP, RN, CNE, Associate Professor & Director of School of Nursing, Wisconsin Lutheran College
 - State of Overall Employment Market: From Pandemic to "Sansdemic"- Jim Morgan, Vice-President, MRA
 - Immigration Options- Ed Somers, MHA, NHA, Clearview of Dodge County

February 27, 2023 Watch at <https://www.youtube.com/watch?v=g7MZ2dCjnaY>

- Samaritan Health Center Financial 5-Year Projections for Replacement & Renovation- Patrick Carroll, Senior Manager, WIPFLI (Appendix I)

March 1, 2023 Watch at <https://www.youtube.com/watch?v=HvKL8VH3VOM>

- Formulate the Presentation to Human Services Committee

Option Considerations

The Committee was tasked by the County Board to research and discuss the following options:

7. Renovation of the Samaritan Health Center
8. Replacement of the Samaritan Campus
9. Closing of the Samaritan Campus
10. Selling Samaritan Campus or Selling the SNF 131 Bed License
11. Public/Private Partnership or Public/Public Partnership
12. Committee Recommended Additional Options

Presentations were provided for Options 1-4. Option 5, Public/Private Partnership or Public/Public Partnership, was researched by staff and discussed by the county board. Although discussions were initiated with both a private and a public partner, both parties eventually ended discussions. Since no other partners have come forward, the Committee did not discuss this option further. For Option 6, a Committee member forwarded 2022 Resolution 49 to the County Board at their January 11, 2023 meeting requesting “that an amount of \$30,000.00 is hereby transferred from the General Fund to fund additional studies concerning the future of the Samaritan Health Center. Monies not expended shall be returned to the General Fund.” The Resolution failed to receive a two-thirds affirmative vote and failed to pass. No additional options were considered by the Committee.

The Committee identified the following strengths and limitations of each of the options presented.

Renovation	
<u>Strengths</u>	<u>Limitations</u>
<ul style="list-style-type: none"> ▪ Lower number of beds reduces the bed tax by \$182,750 ▪ Probably a solid and strong building ▪ Underutilized space could be repurposed for other uses (e.g., family visit rooms) ▪ Medicaid reimbursement increasing ▪ Good staff ▪ 4 out of 5 stars for quality of care ▪ Able to keep the morgue ▪ Chapter 55’s can be taken care of here ▪ Value of renovated building ▪ Medicaid reimbursements increasing January 2023 ▪ Ability to use vacant rooms to potentially house international employees, RCAC residents, or independent living residents ▪ Financial projections are more positive than previously thought ▪ Community may support this option ▪ Reduce financing cost if County makes a bigger down-payment 	<ul style="list-style-type: none"> ▪ Projected cost is \$15 million, which will require bonding and may be difficult to secure ¾ County Board vote ▪ Underutilized vacant space ▪ Environmental issues (e.g., asbestos) ▪ Failing and broken mechanical systems ▪ Unknown costs associated with future maintenance ▪ Location - primarily serves West Bend residents. Is there county-wide political support? ▪ Unknown structural issues ▪ Fit, finish, and aesthetics for residents, visitors, and staff ▪ Institutional feel ▪ Staffing shortages ▪ Regulations keep increasing ▪ Don’t have a defined cost on what specifically needs to be done ▪ Renovation is noisy and messy- this will impact the quality of life of residents. ▪ Renovation will take longer than building new ▪ After renovation, we will still have an old building

Replacement

Strengths

- Lower number of beds reduces the bed tax by \$182,750
- Improve quality of care
- On-going maintenance is delayed with new construction
- Cost-efficient and energy-efficient construction and utilities
- Potentially higher Medicaid reimbursement
- Retain and attract good staff
- Cost savings from wood frame construction
- Multi-generational community interaction
- Improved quality of life (e.g., heated patios)
- Less disruption for residents with “Mothership” building
- Chapter 55’s could be at the facility
- Park-like setting with landscaping
- Non-institutional feel
- Everything would be up to current code
- Helps us meet moral obligation to county residents
- Opportunity value of land that would become vacant (old campus)
- Value of property
- Medicaid reimbursements increasing January 2023
- Resident quality of life- won’t have to experience construction
- Less time than renovation
- Reduce financing cost if County makes a bigger down-payment
- Greater flexibility to adjust to future needs (e.g. decreasing skilled nursing and increasing CBRF over time)
- Aligns with County Campus Master Plan of having County operations north of Washington Street

Limitations

- Projected cost is \$31 million, which will require bonding and may be difficult to secure $\frac{3}{4}$ County Board vote
- Length of time for design and construction
- Have ongoing maintenance needs in current building as new facility is constructed
- Funding options (e.g., bonding, tax levy...)
- Location in West Bend - politics of continuing to attract primarily West Bend residents
- Staffing shortages
- Regulations keep increasing

Closing	
<u>Strengths</u>	<u>Limitations</u>
<ul style="list-style-type: none"> ▪ Lower number of beds reduces the bed tax by \$182,750 ▪ Resolves staffing issues ▪ Not competing with private sector ▪ Opportunity value of existing facility (selling healthcare center and/or The Fields) and land ▪ Potentially ends fiscal commitment for long-term care ▪ Could sell bed licenses 	<ul style="list-style-type: none"> ▪ \$7.2 million (\$4.2M to close the “books.” \$1M for razing the health center. Estimate of \$2M for staffing costs during wind-down) ▪ Cost associated with trying to place people in other facilities ▪ Hardship on residents, families, and staff ▪ Not consistent with community values ▪ Regulations ▪ Sale of RCAC and the changes residents may experience with a private provider ▪ Finding placement facilities ▪ Short-term staffing cost increases ▪ Residents could be placed outside of county and be as far away as La Crosse and Wausau ▪ Lose the economic impact of having these facilities (e.g. employees spending money in the community)

Selling	
<u>Strengths</u>	<u>Limitations</u>
<ul style="list-style-type: none"> ▪ Lower number of beds reduces the bed tax by \$182,750 ▪ County would be out of the skilled nursing and assisted living business- would no longer compete with private sector ▪ Private sector may take more Title 19 residents if reimbursement rates increase ▪ Bigger companies have economy of scale for supply purchases and staffing ▪ Potentially pay our debt off ▪ Potentially find a buyer that maintains quality of care ▪ Potentially retain staff ▪ Potential buyer may have a payer mix that will serve county residents 	<ul style="list-style-type: none"> ▪ This may not be supported by the greater West Bend community ▪ Potential buyers have different visions and the county would lose control ▪ Trying to get assurance that a private company would take Title 19 residents ▪ Potentially diminished quality of care for residents

Staffing Considerations

At the February 13, 2023 meeting, committee members identified the following items from the staffing presentations.

- Staffing risk- will there be adequate staffing to sustain operations for a remodeled or new facility?
- Nursing shortage is not only a Wisconsin and U.S. issue, it is also a global issue
- Working at a skilled nursing facility is not a first choice for nursing school graduates
- Staffing is a demographic issue, not an economic issue- past staffing shortages could be addressed by financial incentives. This shortage is mostly due to:
 - Low birth rates
 - Aging demographics
 - Wisconsin not attracting people from other states (migration) or countries (immigration)
- High staffing turnover has led to financial incentives for attraction and retention. Also results in costs for job training.
- ARPA funds are temporary, which impacts pay incentives for staffing
- Trend of increased in-home care and decreased demand for skilled nursing
- International staffing is something to explore and could provide a “safety net”
 - Visa requirements take 24 months or expedited in 12-16 months for an additional fee.
 - Required to work for two years, which could help stabilize Samaritan staffing.
 - Explore staffing from Puerto Rico, which does not require a Visa.
 - Other Wisconsin county nursing facilities are using staff from the Philippines (Barron County has had a positive experience. Workers are excited to come to the U.S. and are hardworking. They are well qualified, and some are RNs in the Philippines. They would start in the U.S. as caregivers and would be trained to become CNAs. Before arriving to the U.S., they participate in a training to prepare them for this program. Participants frequently send funds back to the Philippines.)
- State has programs that offer financial incentives to go into nursing programs
- Carroll University is interested in using Samaritan for clinical- other colleges and universities may be interested as well
- One Washington County skilled nursing facility reports their staffing has improve

Financial Summary

WIPFLI presented financial five-year projections for the replacement and renovation options (Appendix I). County staff developed an estimate for the costs associated with closing the facility. It is anticipated that WIPFLI will present updated financial numbers at the April 2023 County Board Meeting.

	Renovation	New Build	Sale	Close
Estimated Tax Levy	NONE	Approx. \$500,000	NONE	Unknown levy until close, then NONE
Property Tax Revenue	NONE	NONE	Yes, if sold to for-profit	NONE
WIPFLI Operating Projections:				
Average Annual Income(Loss)-Yrs. 3 to 5	\$37,000	(\$685,000)	-	-
Average Annual Income w/o Depreciation Expense - Yrs. 3 to 5	\$685,000	\$644,000	-	-
Average Cash Flow – Yrs. 3 to 5	\$270,000	(\$566,000)	-	-
Amount to Invest/Borrow	\$15 Million/ 20 Yr. Bond	\$31 Million/ 20 Yr. Bond	-	-
<i>Note: A large portion of the investment is recoverable over time through Medicaid</i>				
Sale Proceeds	-	-	Unknown	-
Other Costs:				
Bond Retirement	\$3 Million	\$3 Million	\$3 Million	\$3 Million
Demolition	-	\$2.6 Million	????	\$2.6 Million
Value of Asset - Building	\$35 Million (\$25 Assessed + \$10 to be conservative)	Up to \$27 Million	-	-
Extra Floor renovated = \$ Opportunity	????	-	-	-
Other Opportunities:				
More Assisted Living / Independent Living	\$500,000 - \$1M Profit	\$500,000 – \$1M Profit	-	-
Staffing Option - Bring in trained people from the Philippines	XXXX	XXXX	-	-

Recommendation

The goal of the committee's recommendation was "to take care of those most in need (Title 19 skilled nursing)" in the community. The committee reached a General Consensus Recommendation for renovation. This includes obtaining an in-depth evaluation of the building needs estimate and expected life. The benefits of renovation identified by the committee include:

- Extra space to repurpose and the ability to explore what the State will allow on the vacant floor, including independent living.
- Current residents have communicated this as their preferred choice.
- Lower financial projections due to the elimination of retention bonuses, increase in Medicaid reimbursement, and staffing reductions.

Additionally, the committee developed the following rank order preference (1 = most preferred to 4 = least preferred):

5. Renovation
6. Replacement
7. Selling
8. Closing

Appendix A: October 12, 2022 County Board Report



County Board of Supervisors

Jeffrey D Schleif, Chair
Carroll Merry, First Vice-Chair
Christopher Bossert, Second Vice-Chair

Herbert J. Tennes Government Center
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COUNTY BOARD REPORT

To: County Board
From: Michael Foti, Legislative Clerk
Date: 12 October 2022
RE: Samaritan Campus

POLICY QUESTION:

Should Washington County continue in its efforts to pursue a Public/Private Partnership or a Public/Public Partnership?

STRATEGIC PRIORITY/RESULT ACHIEVED:

Well-governed and Administered County

DISCUSSION:

Washington County has provided long-term care services for well over a century, initially through its asylum and work farm. In 1968, the county opened what is currently known as the Samaritan nursing home with over 300 residents. The building was renovated in 2009. The county opened the Fields in 2006, expanding long-term care offerings to include assisted living, which put the county in direct competition with the private sector with the justification of using new revenues to offset losses from Medicaid reimbursement. The current Samaritan Campus can accommodate 131 skilled nursing residents in its Skilled Nursing Facility (SNF), 31 Community-Based Residential Facility (CBRF) residents, and a 24 Residential Care Apartment Complex (RCAC). Together, the CBRF and RCAC are referred to as Assisted Living.

For many years, in Wisconsin, Medicaid (T-19) nursing home reimbursement rates have not kept up with the actual operational costs; and today, the Samaritan Health Center building would require \$10 million in renovations, both causing a need for substantial annual tax levy for support. To assist the county in its decision-making process, County Executive Josh Schoemann formed the Samaritan Task Force in February 2021 to provide a recommendation on the policy question; "Should Washington County remain in long-term care (nursing home) services?" The goal of the Task Force was to make a nonbinding recommendation to the Washington County Board Human Services Committee, and then to the full County Board.

The seven-member Task Force met three times in less than five weeks. Extension Community Development Educator Paul Roback was asked to facilitate the task force process, develop a report of their work, and present their recommendation to the Human Services Committee and County Board. Policy Director Matt Furno arranged presenters and responded to Task Force inquiries.

The Samaritan Task Force's recommendation was: The Samaritan Task Force recommends that the Washington County Board continues to provide long-term care services while balancing financial and moral obligations through a partnership with a third-party provider with up to \$500,000 in annual levy support over a 20 to 30-year lease term. This recommendation was the general consensus of six members of the task force and one member preferred the county not compete with the private sector.

At the 24 March 2021 Human Services Committee discussion and vote on Task Force Recommendation pursued.

Mr. Roback presented the findings and recommendations of the Samaritan Task Force. Members of the Task Force that were present, were introduced. Mr. Sadownikow addressed the committee.

Moved by Ms. Konrath, seconded by Mr. Sorce to approve the draft Resolution supporting the continuation of providing a long-term health care service for the seniors of Washington County, and seeking public-private partnership possibilities in an effort to reduce the building costs and operating expenses for such services, and forward to the County Board. Motion carried.

At the 14 April 2021 Washington County Board of Supervisors meeting 2021 Resolution 5 was brought before the board. Within this resolution it states that this Board hereby approves the concept of continuum of care for county residents with the preference that a public/private partnership model be utilized in the delivery of services moving forward. The Washington County Board of Supervisors passed 2021 Resolution 5 with a 24-1 vote.

Since that meeting the County has looked at multiple options in terms of a Public/Private Partnership.

- Cedar Communities – From 01 September 2020 through 16 June 2021 Washington County was in viable discussions and proactive action planning for a public-private partnership with Cedar Communities located in West Bend. Washington County was prepared to subsidize Cedar Campus with a several million-dollar agreement. Formal discussions ended with Cedar Community on 16 June 2021 and later the Cedar Community Board voted to discontinue the pursuit of this partnership.
- 11 November 2021 Washington County submitted an application to the Neighborhood Investment Grant for \$12,000,000 in grant funds, with an \$18,000,000 match. In March 2022, Washington County was notified the grant was not secured.
- In March 2022 Washington County initiated discussions with Ozaukee County to pursue a public-public partnership between Samaritan and Lasata Senior Living Campus. A formal offer was made to Ozaukee County on 01 August 2022 and a counteroffer was received on 01 September 2022. Negotiations are currently ongoing.
- Washington County has been approached by private entities regarding the purchase of licenses &/or property of the Samaritan Campus.

The underfunding of long-term care by Medicare and Medicaid has left nursing homes across the country struggling to stay afloat for over a decade, and Samaritan Campus is no exception. The COVID-19 pandemic has added to staffing challenges. In October 2021, County Executive Josh Schoemann approved, an 18-month, \$2.3 million retention/incentive package utilizing County ARPA funds. Given today's market, it has become increasingly evident that competing nursing homes have increased base pay, and a similar level of pay will need to be continued in order to remain competitive.

Many significant efforts continue to be made with pursuing the Samaritan Task Force recommendation as well as following 2021 Resolution 5. The County would like to continue pursuing a Public/Private Partnership or a Public/Public Partnership.

At the 28 September 2022 Human Services Committee meeting, the following motion was made:

Moved by Mr. Symicek, seconded by Ms. Bailey to approve the County to pursue a Public/Private Partnership or a Public/Public Partnership, and forward onto the County Board. Supervisors Gurath and Bailey voted no.

County Attorney Stern issued a formal opinion stating "under County Board rules, the County Board Chair serves an "ex officio" member of each standing committee. In that capacity, per Board rules, Chairman Schleif typically does not have voting rights. However, section 15-3E of the Code of Washington County provides that the County Board Chair is granted the privilege of voting in order to break a tie. Therefore, it is my ruling as Board Parliamentarian that Chairman Schleif's vote counts. Accordingly, the motion carries 3-2." Motion Carried.

ATTACHMENTS:

- 2021 Resolution 5: Resolution Supporting Concept of Continuing Long-term Care for Washington County Residents
- 28 September 2022 Human Services Committee Packet

STAFF RECOMMENDATION:

Motion to endorse Option 1, pursuing a public/public partnership with a neighboring county, while simultaneously pursuing a public/private partnership with the potential sale of Samaritan Campus to a private entity, both of which are consistent with 2021 Resolution 5.

WASHINGTON COUNTY, WISCONSIN
Samaritan Health Center
Statement of Revenues and Expenses
For the Years Ended December 31

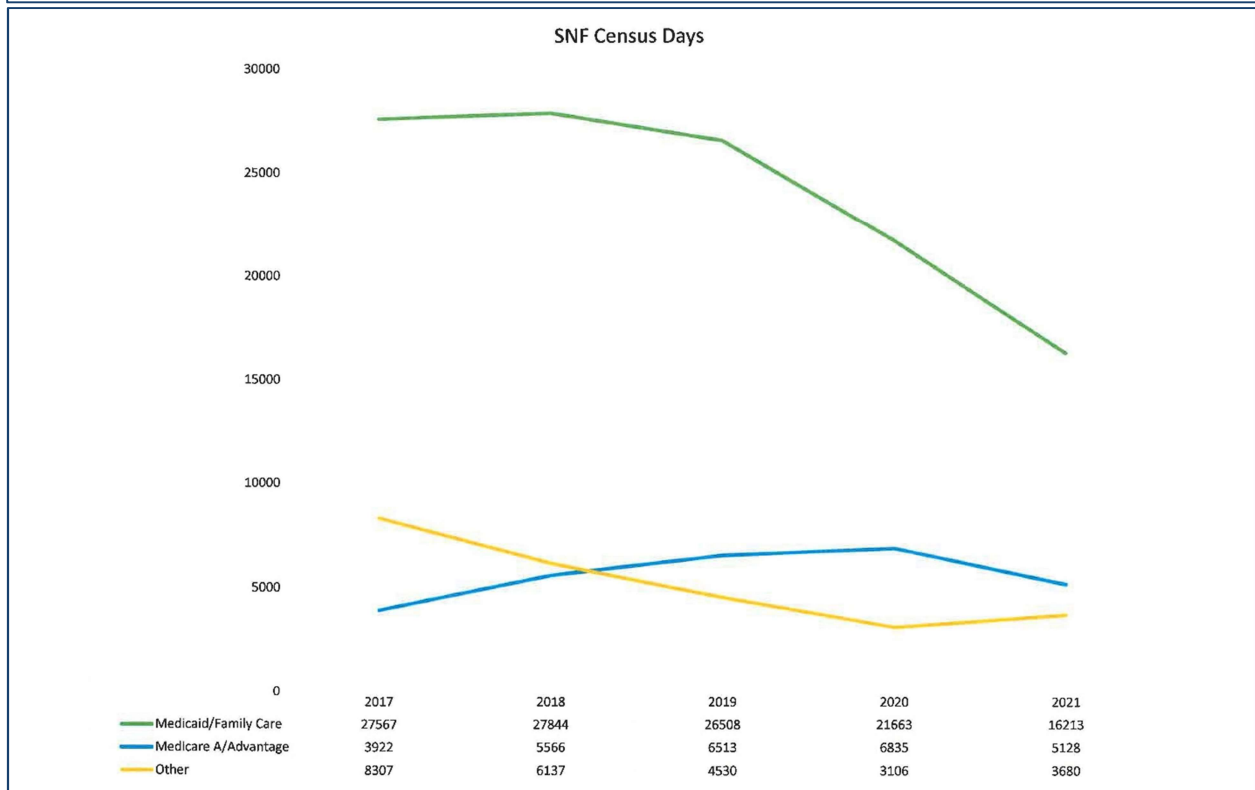
	2021	2020	2019	2018	2017
Operating Revenues					
Charges for services	\$ 8,466,783	10,468,645	10,225,766	10,528,246	9,990,532
Other	(6,513)	24,172	27,141	40,303	60,651
Total operating revenue	<u>8,460,270</u>	<u>10,492,817</u>	<u>10,252,907</u>	<u>10,568,549</u>	<u>10,051,183</u>
Operating Expenses					
Administration	1,569,457	1,355,294	1,115,498	1,293,450	1,281,379
Operation and maintenance	9,115,971	10,624,541	10,946,995	10,813,152	10,750,376
Depreciation	279,131	280,231	509,696	537,655	542,814
Total operating expenses	<u>10,964,559</u>	<u>12,260,066</u>	<u>12,572,189</u>	<u>12,644,257</u>	<u>12,574,569</u>
Operating Incomes(Loss)	<u>(2,504,289)</u>	<u>(1,767,249)</u>	<u>(2,319,282)</u>	<u>(2,075,708)</u>	<u>(2,523,386)</u>
Nonoperating Revenues(Expenses)					
Property tax	---	---	---	---	---
County sales tax	---	---	---	---	---
Other taxes	---	---	---	---	---
Gain (Loss) on sale of capital assets	---	---	---	4,050	---
Supplemental payment program	1,312,577	1,560,998	2,005,493	2,126,307	1,264,300
Investment income(loss)	3,248	350	1,300	1,425	---
Interest and fiscal charges	(109,359)	(117,837)	(126,153)	(134,987)	(147,610)
Total nonoperating revenues(expenses)	<u>1,206,466</u>	<u>1,443,511</u>	<u>1,880,640</u>	<u>1,996,795</u>	<u>1,116,690</u>
Income (Loss)	<u>\$ (1,297,823)</u>	<u>(323,738)</u>	<u>(438,642)</u>	<u>(78,913)</u>	<u>(1,406,696)</u>

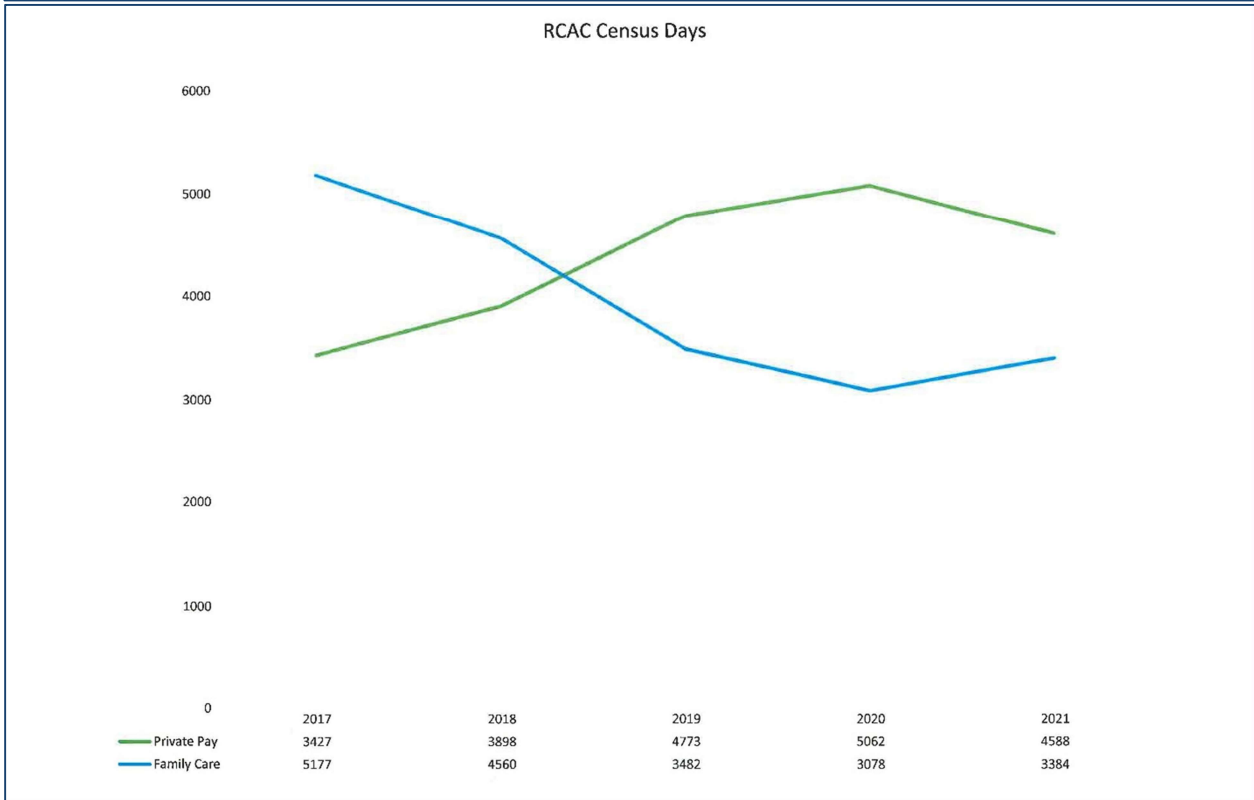
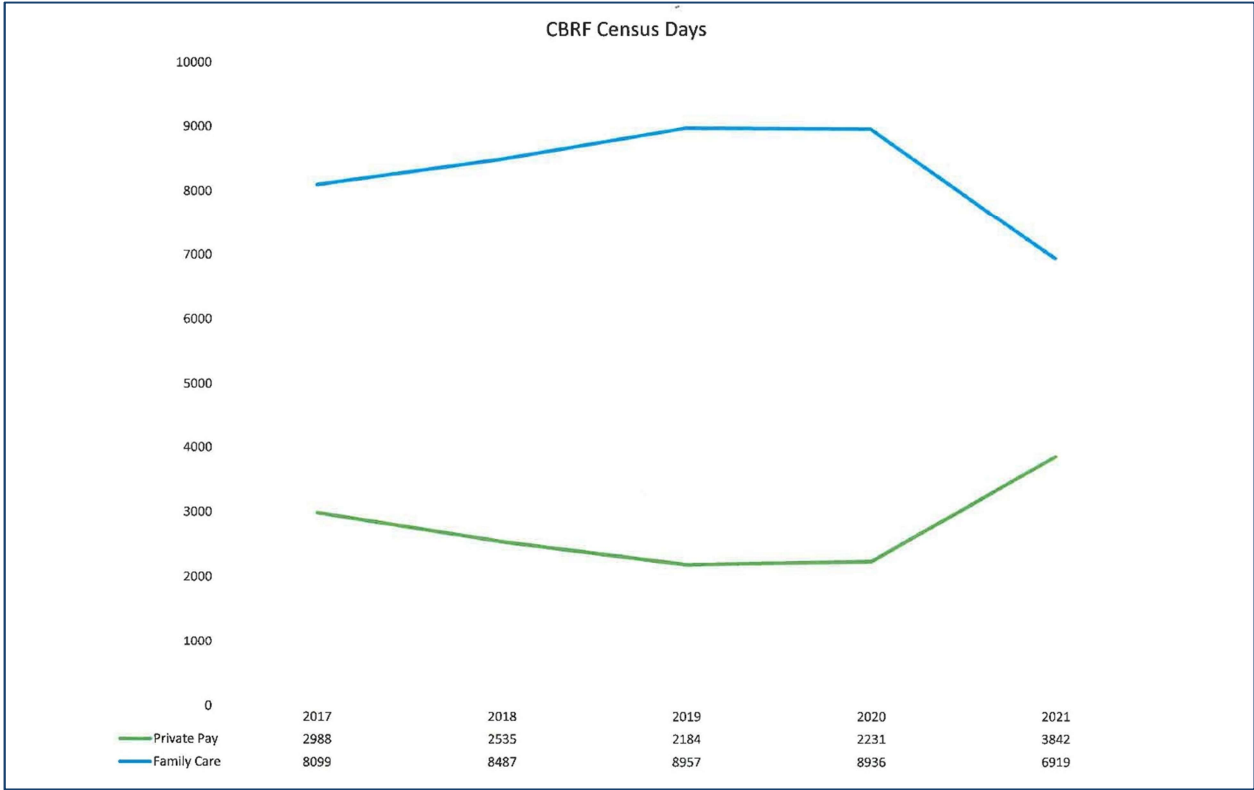
This report is a summary of prior audited financial statements.

WASHINGTON COUNTY, WISCONSIN
Fields of Washington County
Statement of Revenues and Expenses
For the Years Ended December 31

	2021	2020	2019	2018	2017
Operating Revenues					
Charges for services	\$ 2,587,277	2,441,607	2,376,980	2,321,183	2,309,934
Other	203,552	9,045	---	836	120
Total operating revenue	<u>2,790,829</u>	<u>2,450,652</u>	<u>2,376,980</u>	<u>2,322,019</u>	<u>2,310,054</u>
Operating Expenses					
Administration	---	---	---	---	---
Operation and maintenance	2,052,713	2,373,222	2,247,894	2,290,730	2,223,196
Depreciation	89,160	89,671	91,720	95,039	94,494
Total operating expenses	<u>2,141,873</u>	<u>2,462,893</u>	<u>2,339,614</u>	<u>2,385,769</u>	<u>2,317,690</u>
Operating Incomes(Loss)	<u>648,956</u>	<u>(12,241)</u>	<u>37,366</u>	<u>(63,750)</u>	<u>(7,636)</u>
Nonoperating Revenues(Expenses)					
Property tax	---	---	---	---	---
County sales tax	---	---	---	---	---
Other taxes	---	---	---	---	---
Gain (Loss) on sale of capital assets	---	---	---	---	---
Supplemental payment program	---	---	---	---	---
Investment income(loss)	6	(1,565)	383	2,586	309
Interest and fiscal charges	(22,434)	(24,423)	(26,374)	(28,596)	(32,310)
Total nonoperating revenues(expenses)	<u>(22,428)</u>	<u>(25,988)</u>	<u>(25,991)</u>	<u>(26,010)</u>	<u>(32,001)</u>
Income (Loss)	<u>\$ 626,528</u>	<u>(38,229)</u>	<u>11,375</u>	<u>(69,760)</u>	<u>(39,637)</u>

This report is a summary of prior audited financial statements.





COMMITTEE REPORT

To: Washington County Health & Human Services

From: Julie Driscoll, Chief Health & Human Services Officer

Date: September 28, 2022

Re: Future of the Samaritan

POLICY QUESTION:

Should Washington County remain in the business of long-term care and if so, which option would the Washington County Board approve to pursue.

DISCUSSION:

See report attached

FISCAL EFFECT:

Dependent on the option chosen the fiscal impact varies

ATTACHMENTS:

**Future of Samaritan Report
Samaritan Taskforce Report – April 14, 2021**

RECOMMENDATION:

It is recommended that the Washington County Health & Human Service Committee and the Washington County Board choose Option 1. If Option 2 through Option 4 are chosen the County Board would need to recommend another resolution and will require $\frac{3}{4}$ vote for debt issuance.

Future of Samaritan Report

Washington County Health & Human Services – September 28, 2022

Washington County Board – October 12, 2022

Overview:

Washington County has provided long-term care services for well over a century, initially through its asylum and work farm. In 1968, the county opened what is currently known as the Samaritan nursing home with over 300 residents. The building was renovated in 2009. The county opened the Fields in 2006, which expanded long-term care offerings to include assisted living. The current Samaritan Campus can accommodate 131 skilled nursing residents in its Skilled Nursing Facility (SNF), 31 Community-Based Residential Facility (CBRF) residents, and a 24 Residential Care Apartment Complex (RCAC). Together, the CBRF and RCAC are referred to as Assisted Living.

In 2019, the county retained WIPFLI to complete a market analysis of long-term care in Washington County and to assist with the financial analysis regarding the present and future of Samaritan Campus. WIPFLI completed their analysis and presented findings at the August 12, 2020 County Board meeting.

For many years, in Wisconsin, Medicaid (T-19) nursing home reimbursement rates have not kept up with the actual operational costs; and today, the Samaritan Health Center building would require 10million dollars in renovations, causing a need for an annual tax levy for support. To assist the county in its decision making process, County Executive Josh Schoemann formed the Samaritan Task Force in February 2021 to provide a recommendation on the policy question; “Should Washington County remain in long-term care (nursing home) services?” The goal of the Task Force was to make a nonbinding recommendation to the Washington County Board Human Services Committee, and then to the full County Board.

The Taskforce met from February 1, 2021 to April 14, 2021 and a full report (attached to packet) was presented to the Washington County Board on April 14, 2021. At the April 14, 2021 County Board Meeting – 2021 Resolution 5 (see next page), was passed, approving the concept of a continuum of care with the preference for a public-private partnership.

1 **WASHINGTON COUNTY, WISCONSIN**

2
3 Date of enactment: _____
4 Date of publication: _____
5

6 **2021 RESOLUTION 5**

7
8 **Resolution Supporting Concept of Continuing Long-term Care for**
9 **Washington County Residents**

10 **WHEREAS**, Washington County has served elderly residents for over 100 years; and

11
12 **WHEREAS**, Samaritan Health Care Center first opened its doors in 1968 as a nursing
13 home and the building is over 50 years old needing significant repairs and replacements; and

14
15 **WHEREAS**, the model of continuum care for the physical, emotional and mental health
16 of the elderly has changed significantly, the need of taking care of our most vulnerable citizens
17 and Washington County's value of love-thy-neighbor has not changed; and

18
19 **WHEREAS**, the campus has grown to include a wide array of service offerings and in
20 order to continue offering a continuum of care that is second to none, whether it's assisted living,
21 short term rehabilitation, sub-acute care, skilled nursing, bariatric, long term care or end of life
22 care;

23
24 **NOW, THEREFORE, BE IT RESOLVED** by the Washington County Board of
25 Supervisors that this Board hereby approves the concept of continuum of care for county residents
26 with the preference that a public/private partnership model be utilized in the delivery of services
27 moving forward.

28
29 **BE IT FURTHER RESOLVED** that this Board hereby directs the Washington County
30 Clerk to forward a copy of this Resolution to all state senators and assembly members representing
31 Washington County constituents.

32
33 _____
34
35 **VOTE REQUIREMENT FOR PASSAGE:** Majority

36
37 **RESOLUTION SUMMARY:** Approve the concept of continuum of care at the Samaritan Health
38 Center for county residents with preference that a public/private partnership model be utilized.

Public-Private Partnership Efforts:

- **Cedar Communities** – From September 10, 2020 through June 16, 2021 Washington County was in viable discussions and proactive action planning for a public-private partnership with Cedar Communities located in West Bend. Through this proposed partnership, Samaritan Campus would have moved into vacant space at Cedar Campus – running two separately licensed long-term nursing home facilities. Washington County was prepared to subsidize Cedar Campus with a several million-dollar agreement. On May 14, 2021, Cedar Communities Executive Director Lynn Olsen retired. Formal discussions ended with Cedar Community on June 16, 2021 and later the Cedar Community Board voted to discontinue the pursuit of this partnership.
- **AG Architecture** – August 2021 Washington County engaged AG Architecture for the design of a replacement facility.
- **Neighborhood Investment Grant** – November 11, 2021 Washington County submitted an application to the Neighborhood Investment Grant for \$12,000,000 in grant funds, with an \$18,000,000 (county?) match. The Neighborhood Investment Grant, administered by the State of Wisconsin Department of Administration, provided up to \$200 million in American Rescue Plan Act (ARPA) Federal funding to Wisconsin counties. In March 2022, Washington County was notified the grant was not secured.
- **Ozaukee County, Lasata Senior Living Campus - OPEN – In May 2022**, Washington County initiated discussions with Ozaukee County to pursue a public-public partnership between Samaritan and Lasata Senior Living Campus. A formal offer was made to Ozaukee County on August 1, 2022 and a counteroffer was received on September 1, 2022. Negotiations are currently ongoing.
- **AG Architecture Assessment for cost to remodel existing facility – OPEN** – On August 10, 2022 Washington County requested (a third?) formal estimate from AG Architecture to remodel the existing facility. This information is forthcoming.
- **Private Sale –OPEN** – Washington County has begun preliminary discussions with private entities regarding the purchase of licenses &/or property of the Samaritan Campus.

Financial Status:

The Samaritan Campus operates as an Enterprise Fund – a self-supporting government fund that sells goods and services to the public for a fee - and for many years has remained off the Washington County tax levy. Projections completed by WIPFLI in 2020 and 2021 indicated that there was a potential that Samaritan would need a tax levy subsidy of up to \$500,000 per year for the next five years.

Longstanding historically low Medicaid reimbursement rates and healthcare staffing struggles have been exacerbated by the COVID-19 pandemic pushing the Samaritan Campus financial viability to present day.

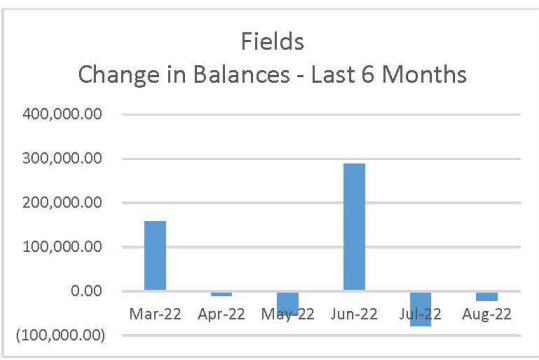
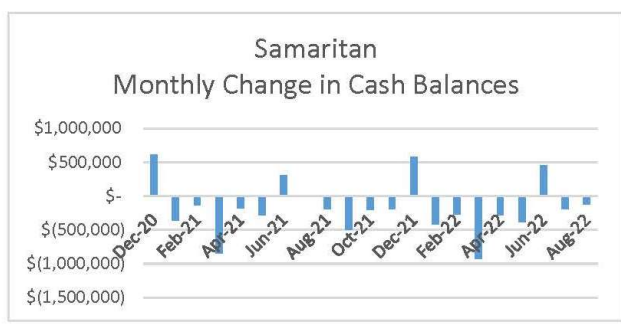
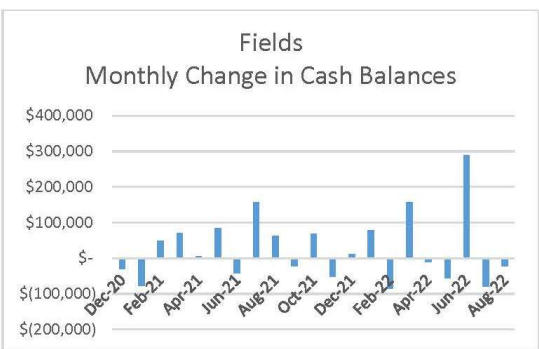
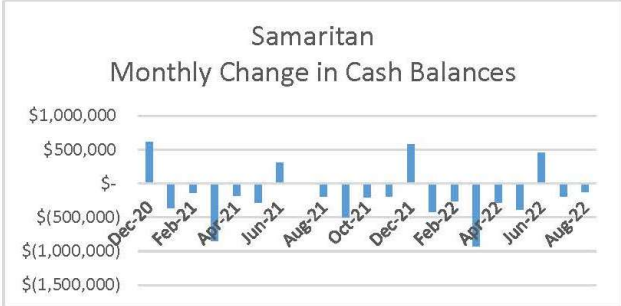
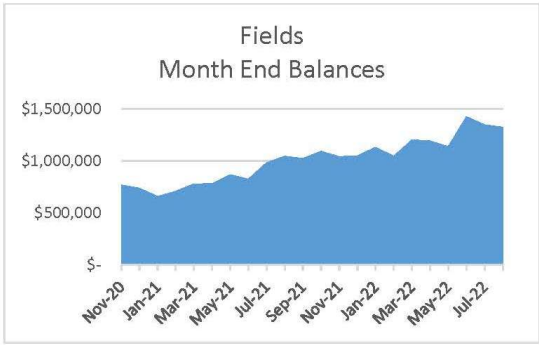
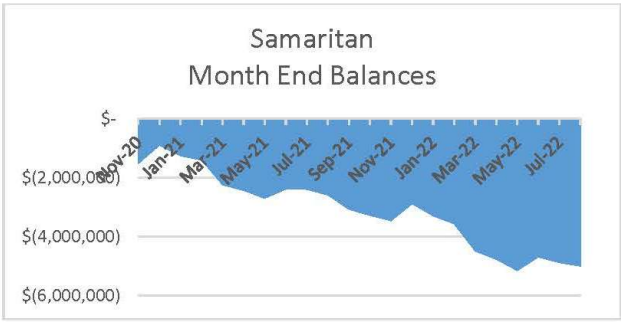
- **Staffing:** The underfunding of long-term care has left nursing homes across the country struggling to compete for qualified caregivers for over a decade, and Samaritan Campus is no exception. The COVID-19 pandemic has added to staffing challenges, along with the uncertainty of the future of the Samaritan. To address these challenges, in October 2021, the County Executive approved, an 18-month, \$2.3 million retention/incentive package utilizing County ARPA funds.

INCENTIVE	AMOUNT
1. Hourly Staff Retention Incentive Pay A	\$ 1,902,070.00
2. Salaried Staff Retention Pay Model B	273,133.00
3. CNAs & RAs Additional Second Shift Hourly Premium	81,760.00
4. CNA or RA Staff transferring to 2 nd shift	5,000.00
5. Salaried Staff working routinely extra hours	42,000.00
TOTAL	\$ 2,303,963.00

For hourly staff, that equates to a \$6/hr increase. Given today’s market, it has become increasingly evident that a similar level of pay will need to be continued in order to attract and retain staff. Maintaining this level of pay will increase the amount of tax levy required to maintain Samaritan Campus operations. Despite this generous incentive package, Samaritan continues to have staffing shortages for direct care positions, often necessitating additional one-time bonuses to fill open shifts to meet required staffing-to-resident ratios.

- **Census:** The Samaritan skilled nursing facility is licensed for 131 beds. In 2022 and 2023, the budget supported 75 beds. Due to admission requirements during the pandemic, and staffing shortages, Samaritan has consistently remained between 58-62 beds at any given time. This has significantly affected the bottom line of the Samaritan budget, creating a shortfall for 2022 and 2023. This means the projected need for a \$500,000/year tax levy commitment in a five year timeline has accelerated and the need for tax levy subsidy is immediate. In the current facility, with current staffing needs, the reality is the amount could far exceed \$500,000.

CASH BALANCE	Samaritan		Fields	
	Month End	Change from	Month End	Change from
	Balance	Previous Month	Balance	Previous Month
Nov-20	(1,515,438.47)		769,588.43	
Dec-20	(900,619.45)	614,819.02	738,811.07	(30,777.36)
Jan-21	(1,262,223.91)	(361,604.46)	661,322.32	(77,488.75)
Feb-21	(1,400,423.17)	(138,199.26)	709,444.54	48,122.22
Mar-21	(2,247,768.05)	(847,344.88)	779,231.35	69,786.81
Apr-21	(2,428,379.80)	(180,611.75)	784,660.87	5,429.52
May-21	(2,703,805.95)	(275,426.15)	868,609.24	83,948.37
Jun-21	(2,390,569.42)	313,236.53	826,806.62	(41,802.62)
Jul-21	(2,395,894.85)	(5,325.43)	984,461.47	157,654.85
Aug-21	(2,583,970.91)	(188,076.06)	1,046,566.80	62,105.33
Sep-21	(3,074,972.31)	(491,001.40)	1,023,832.36	(22,734.44)
Oct-21	(3,277,644.97)	(202,672.66)	1,093,398.13	69,565.77
Nov-21	(3,462,503.81)	(184,858.84)	1,041,512.41	(51,885.72)
Dec-21	(2,879,305.77)	583,198.04	1,052,560.15	11,047.74
Jan-22	(3,298,864.56)	(419,558.79)	1,132,053.36	79,493.21
Feb-22	(3,561,557.78)	(262,693.22)	1,046,237.58	(85,815.78)
Mar-22	(4,487,178.29)	(925,620.51)	1,203,868.81	157,631.23
Apr-22	(4,767,777.01)	(280,598.72)	1,193,087.77	(10,781.04)
May-22	(5,145,983.17)	(378,206.16)	1,138,371.73	(54,716.04)
Jun-22	(4,692,102.59)	453,880.58	1,427,145.91	288,774.18
Jul-22	(4,877,187.38)	(185,084.79)	1,348,177.25	(78,968.66)
Aug-22	(5,002,735.92)	(125,548.54)	1,326,747.46	(21,429.79)
12-Month Running Average		(4,043,984.46)		1,168,916.08



Summary & Options:

The Washington County Board passed a resolution in April 2021 directing the Washington County staff to pursue a public/private partnership. Many significant efforts have been made and continue to be made, to achieve this directive. However, there are significant contributing factors that indicate a final recommendation should be reached, with urgency. The building is in need of significant and costly repair; staff and residents are becoming increasingly worried about their future; and the monthly budget, in the red, is not sustainable. At this time, the Health & Human Services Committee and the County Board have several available options.

1. **Pursue a Public/Private Partnership or a Public/Public Partnership** - Continue to negotiations with Ozaukee County Lasata Senior Living; and/or pursue a partnership to sell Samaritan Campus to a private entity. Both options will require a significant one-time cost.
2. **Build a New Facility** - It is estimated that it will cost between \$30-40 million to build a new facility. This will require a debt issuance and $\frac{3}{4}$ vote of the County Board to approve that loan. It will also require an investment of continued and perpetual tax levy allocation in the County Budget.
3. **Remodel the Existing Facility** - It is estimated that this will cost at least \$10,000,000 and would support continued operations for the next 10 years, effectively postponing the ultimate decision about the Future of Samaritan. This will require a debt issuance and $\frac{3}{4}$ vote of the County Board to approve that loan. It will also require an investment of continued and perpetual tax levy allocation in the County Budget.
4. **Close the Facility** - This option would cost the county taxpayers \$3,610,000 to pay off the outstanding bond, plus additional costs to close and leave the county with fewer options for our community's seniors.

Recommendation:

It is recommended that the Washington County Health & Human Service Committee and the Washington County Board choose Option One. If Option Two through Four are chosen the County Board would need to recommend another resolution and will require $\frac{3}{4}$ vote for debt issuance.

Appendix B: Agendas & Minutes



AGENDA
Samaritan Ad Hoc Committee Meeting
Wednesday, October 26, 2022 - 3:30 PM
Herbert J. Tennes Government Center - Room 1019
432 E. Washington Street, West Bend, WI 53095

Live stream for this meeting will be available on [YouTube.com/washcowi](https://www.youtube.com/washcowi)

The following business will be brought before the Committee for initiation, discussion, deliberation, and possible formal action subject to the rules of the Board, which may be inspected in the office of the County Clerk.

- 1. Call to Order and Affidavit of Posting**
- 2. Roll Call**
- 3. Pledge of Allegiance**
- 4. Election of Chairperson**
- 5. Election of Vice-Chairperson**
- 6. Discussion Items**
 - a. Dilemma of Today's Senior Care Industry
 - b. Future of Samaritan Options
 1. Public/Private Partnership or Public/Public Partnership
 2. Selling Samaritan Campus or Selling the SNF 131 Bed License
 3. Renovation of the Samaritan Health Center
 4. Replacement of the Samaritan Campus
 5. Closing of the Samaritan Campus
 6. Committee Recommended Additional Options
- 7. Next Meeting Date: To Be Determined**
- 8. Adjournment**

It is possible that individual members of other governing bodies of the County government may attend the above meeting. It is possible that such attendance may constitute a meeting of any such other governing body pursuant to State ex rel. Badke v. Greendale Village Board, 173 Wis. 2d 553, 494 N.W. 2d 408 (1993). This notice is given solely to comply with the notice requirements of the open meeting law. No action will be taken by any other governmental body except by the governing body noticed in the caption above.

AFFIDAVIT OF POSTING

This agenda was posted in the office of the County Clerk on the 24th day of October, 2022. Notice was sent to the West Bend Daily News,

Watch October 26, 2022 meeting at <https://www.youtube.com/watch?v=4Bg-OdXJr6o>

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**WASHINGTON COUNTY
SAMARITAN AD HOC COMMITTEE**

Courthouse Government Center
West Bend, WI

October 26, 2022
3:30 p.m.

Present: Chris Bossert, James Burg, Linda Gurath, Jodi Schulteis, and Tony Thoma.

Also Present: Chief of Staff Loni Hagerup, County Board Chairperson Jeff Schleif, Samaritan Campus Administrator and Policy Director Matt Furno, Director of Health and Human Services Julie Driscoll, Administrative Assistant Kristen Sass, Business Office Manager Trisha Holbrook, and Legislative Clerk Michael Foti.

Chairperson Schleif called the meeting to order and referenced the Affidavit of Posting, followed by the Pledge of Allegiance.

ELECTION OF OFFICERS

Nominations were open for the position of Chairperson. The following supervisors were nominated: A nominating ballot was cast and the result of this ballot was: Thoma, Gurath: Gurath - 4, Thoma - 1. Ms. Gurath received a majority of the votes cast and was declared the duly elected Chairperson.

Nominations were open for the position of Vice-Chairperson. The following supervisors were nominated: A nominating ballot was cast and the result of this ballot was: Thoma, Schulteis: Thoma - 3, Schulteis - 2. Mr. Thoma received a majority of the votes cast and was declared the duly elected Vice-Chairperson.

DISCUSSION ITEMS

Dilemma of Today's Senior Care Industry

Mr. Furno presented and answered questions regarding the Dilemma of Today's Senior Care Industry.

Future of Samaritan Options

1. Public/Private Partnership or Public/Public Partnership
2. Selling Samaritan Campus or Selling the SNF 131 Bed License
3. Renovation of the Samaritan Health Center
4. Replacement of the Samaritan Campus
5. Closing of the Samaritan Campus
6. Committee Recommended Additional Options

Mr. Furno and Ms. Driscoll presented and answered questions regarding the Future of Samaritan Options. The committee requested that Mr. Furno and Ms. Driscoll present more in-depth details pertaining to Options 3 and 4 at the following meeting.

NEXT MEETING DATE

1 The next tentative meeting of the Samaritan Ad Hoc Committee will be Friday, November 11th,
2 at 4:00 p.m.

3

4 **ADJOURNMENT**

5 Ms. Gurath declared the meeting adjourned at 4:48 p.m.

6

7

8

9

Ashley A. Reichert, County Clerk



AGENDA
Samaritan Ad Hoc Committee Meeting
Monday, November 14, 2022 - 4:00 PM
Herbert J. Tennes Government Center - Room 1019
432 E. Washington Street, West Bend, WI 53095

Live stream for this meeting will be available on [YouTube.com/washcowi](https://www.youtube.com/washcowi)

The following business will be brought before the Committee for initiation, discussion, deliberation, and possible formal action subject to the rules of the Board, which may be inspected in the office of the County Clerk.

- 1. Call to Order and Affidavit of Posting**
- 2. Roll Call**
- 3. Pledge of Allegiance**
- 4. Consent Agenda**
 - a. Minutes of October 26th, 2022
- 5. Discussion Items**
 - a. Introduction - Paul Roback Community Development Educator - Facilitator
 - b. Renovation of the Samaritan Health Center (SNF 48 & CBRF 31 Beds)
 - c. Replacement of the Samaritan Health Center (SNF 48 Beds & CBRF 32 Beds)
- 6. Next Meeting Date: To Be Determined**
- 7. Adjournment**

It is possible that individual members of other governing bodies of the County government may attend the above meeting. It is possible that such attendance may constitute a meeting of any such other governing body pursuant to State ex rel. Badke v. Greendale Village Board, 173 Wis. 2d 553, 494 N.W. 2d 408 (1993). This notice is given solely to comply with the notice requirements of the open meeting law. No action will be taken by any other governmental body except by the governing body noticed in the caption above.

AFFIDAVIT OF POSTING

This agenda was posted in the office of the County Clerk on the 9th day of November, 2022. Notice was sent to the West Bend Daily News, Express News, WIBD/WMBZ Radio, WTKM Radio, My Community NOW, Hartford Times Press, Kewaskum Statesman, Milwaukee Journal-Sentinel. Individuals with disabilities requiring special accommodations for attendance at the meeting should contact the County Clerk at (262) 335-4301 at least 48 hours prior to the meeting.

Watch November 14, 2022 meeting at <https://www.youtube.com/watch?v=70vULifkRE>

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**WASHINGTON COUNTY
SAMARITAN AD HOC COMMITTEE**

Courthouse Government Center
West Bend, WI

November 14, 2022
4:00 p.m.

Present: Chris Bossert, James Burg, Linda Gurath, Jodi Schulteis, and Tony Thoma.

Also Present: Chief of Staff Loni Hagerup, County Board Chairperson Jeff Schleif, Samaritan Campus Administrator and Policy Director Matt Furno, Communications Director Fran McLaughlin, Administrative Assistant Kristen Sass, Business Office Manager Trisha Holbrook, AG Architect Senior Design Architect John Cronin, County Clerk Ashley Reichert, and Legislative Clerk Michael Foti.

Chairperson Gurath called the meeting to order and referenced the Affidavit of Posting, followed by the Pledge of Allegiance.

CONSENT AGENDA

- Minutes of October 26, 2022

Moved by Mr. Burg, seconded by Mr. Bossert to approve the minutes on the Consent Agenda.
Motion carried.

DISCUSSION ITEMS

Introduction – Paul Roback Community Development Educator - Facilitator

Mr. Roback introduced himself and facilitated communication with the committee.

Renovation of the Samaritan Health Center (SNF 48 & CBRF 31 Beds)

Mr. Cronin presented and answered questions regarding the Renovation of the Samaritan Health Center (SNF 48 & CBRF 31 Beds).

Replacement of the Samaritan Health Center (SNF 48 Beds & CBRF 32 Beds)

Mr. Cronin presented and answered questions regarding the Replacement of the Samaritan Health Center (SNF 48 Beds & CBRF 32 Beds).

NEXT MEETING DATE

The next tentative meeting of the Samaritan Ad Hoc Committee will be to be determined.

ADJOURNMENT

Ms. Gurath declared the meeting adjourned at 6:02 p.m.

Ashley A. Reichert, County Clerk



AGENDA
Samaritan Ad Hoc Committee Meeting
Tuesday, November 29, 2022 - 4:00 PM
Herbert J. Tennes Government Center - Room 1019
432 E. Washington Street, West Bend, WI 53095

Live stream for this meeting will be available on [YouTube.com/washcowi](https://www.youtube.com/washcowi)

The following business will be brought before the Committee for initiation, discussion, deliberation, and possible formal action subject to the rules of the Board, which may be inspected in the office of the County Clerk.

- 1. Call to Order and Affidavit of Posting**
- 2. Roll Call**
- 3. Pledge of Allegiance**
- 4. Consent Agenda**
 - a. Minutes of November 14, 2022
- 5. Discussion Items**
 - a. Review and Update on Renovation and Replacement
 - b. Demolition of Samaritan Health Center
 - c. Closing of Samaritan Campus
- 6. Next Meeting Date: To Be Determined**
- 7. Adjournment**

It is possible that individual members of other governing bodies of the County government may attend the above meeting. It is possible that such attendance may constitute a meeting of any such other governing body pursuant to State ex rel. Badke v. Greendale Village Board, 173 Wis. 2d 553, 494 N.W. 2d 408 (1993). This notice is given solely to comply with the notice requirements of the open meeting law. No action will be taken by any other governmental body except by the governing body noticed in the caption above.

AFFIDAVIT OF POSTING

This agenda was posted in the office of the County Clerk on the 23rd day of November, 2022. Notice was sent to the West Bend Daily News, Express News, WIBD/WMBZ Radio, WTKM Radio, My Community NOW, Hartford Times Press, Kewaskum Statesman, Milwaukee Journal-Sentinel. Individuals with disabilities requiring special accommodations for attendance at the meeting should contact the County Clerk at (262) 335-4301 at least 48 hours prior to the meeting.

Watch November 29, 2022 meeting

Part One at https://www.youtube.com/watch?v=xo_xQqCktDg

Part Two at <https://www.youtube.com/watch?v=2bTFZuySO7Y>

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**WASHINGTON COUNTY
SAMARITAN AD HOC COMMITTEE**

Courthouse Government Center
West Bend, WI

November 29, 2022
4:00 p.m.

Present: Chris Bossert, James Burg, Linda Gurath, Jodi Schulteis, and Tony Thoma.

Also Present: Chief of Staff Loni Hagerup, Samaritan Campus Administrator and Policy Director Matt Furno, Communications Director Fran McLaughlin, Community Development Educator Paul Roback, Chief Deputy County Clerk Mary Schlitt and Legislative Clerk Michael Foti (via zoom).

Chairperson Gurath called the meeting to order and referenced the Affidavit of Posting, followed by the Pledge of Allegiance.

CONSENT AGENDA

- Minutes of November 14, 2022

Moved by Ms. Schulteis, seconded by Mr. Burg to approve the minutes on the Consent Agenda. Motion carried.

DISCUSSION ITEMS

Review and Update on Renovation and Replacement

Mr. Roback facilitated with the committee and updated the Strengths and Limitations for the options of Renovation and Replacement of the Samaritan Health Center.

Demolition of Samaritan Health Center

Mr. Furno presented and answered questions regarding the Demolition of the Samaritan Health Center.

Closing of Samaritan Campus

Mr. Furno presented and answered questions regarding the Closing of the Samaritan Campus.

NEXT MEETING DATE

The next tentative meeting of the Samaritan Ad Hoc Committee will be to be determined.

ADJOURNMENT

Ms. Gurath declared the meeting adjourned at 5:13 p.m.

Ashley A. Reichert, County Clerk

Watch November 29, 2022 meeting

Part One at https://www.youtube.com/watch?v=xo_xQqCktDg

Part Two at <https://www.youtube.com/watch?v=2bTFZuySO7Y>



AGENDA
Samaritan Ad Hoc Committee Meeting
Monday, January 9, 2023 - 3:30 PM
Herbert J. Tennes Government Center - Room 1019
432 E. Washington Street, West Bend, WI 53095

Live stream for this meeting will be available on [YouTube.com/washcowi](https://www.youtube.com/washcowi)

The following business will be brought before the Committee for initiation, discussion, deliberation, and possible formal action subject to the rules of the Board, which may be inspected in the office of the County Clerk.

- 1. Call to Order and Affidavit of Posting**
- 2. Roll Call**
- 3. Pledge of Allegiance**
- 4. Consent Agenda**
 - a. Minutes of November 29, 2022
- 5. Discussion Items**
 - a. Discussion Regarding the Future of Samaritan
- 6. Next Meeting Date: To Be Determined**
- 7. Adjournment**

It is possible that individual members of other governing bodies of the County government may attend the above meeting. It is possible that such attendance may constitute a meeting of any such other governing body pursuant to State ex rel. Badke v. Greendale Village Board, 173 Wis. 2d 553, 494 N. W. 2d 408 (1993). This notice is given solely to comply with the notice requirements of the open meeting law. No action will be taken by any other governmental body except by the governing body noticed in the caption above.

AFFIDAVIT OF POSTING

This agenda was posted in the office of the County Clerk on the 6th day of January, 2023. Notice was sent to the West Bend Daily News, Express News, WIBD/WMBZ Radio, WTKM Radio, My Community NOW, Hartford Times Press, Kewaskum Statesman, Milwaukee Journal-Sentinel. Individuals with disabilities requiring special accommodations for attendance at the meeting should contact the County Clerk at (262) 335-4301 at least 48 hours prior to the meeting.

Watch January 9, 2023 meeting at https://www.youtube.com/watch?v=9FGCb0Z_Idg

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**WASHINGTON COUNTY
SAMARITAN AD HOC COMMITTEE**

Courthouse Government Center
West Bend, WI

January 9, 2023
3:30 p.m.

Present: James Burg, Linda Gurath, Jodi Schulteis, and Tony Thoma.
Excused: Chris Bossert

Also Present: Chief of Staff Loni Hagerup, Samaritan Campus Administrator and Policy Director
Matt Furno, Chief Health and Human Services Officer Julie Driscoll, Community Development
Educator Paul Roback, and Legislative Clerk Michael Foti.

Chairperson Gurath called the meeting to order and referenced the Affidavit of Posting, followed
by the Pledge of Allegiance.

CONSENT AGENDA

- Minutes of November 29, 2022

Moved by Mr. Burg, seconded by Mr. Thoma to approve the minutes on the Consent Agenda.
Motion carried.

DISCUSSION ITEMS

Discussion Regarding the Future of Samaritan

- Ms. Gurath provided information to the committee regarding an industry wide RN shortage.
- Ms. Gurath and Mr. Furno provided information and answered questions from the committee regarding the newly built Monroe County facility.
- Ms. Gurath provided information and answered questions from the committee regarding the Samaritan Ad Hoc Committee request for an extension. This will be voted on at the Washington County Board of Supervisors meeting on Wednesday, January 11, 2023.
- Ms. Gurath and Mr. Furno provided information regarding 2022 Resolution 59: General Fund Transfer – Additional Studies for Future of Samaritan Health Center that will be presented at the Washington County Board of Supervisors meeting on Wednesday, January 11, 2023.
- Ms. Gurath and Mr. Furno outlined what the General Fund Transfer would be utilized for which would include a Market Analysis for Independent Living, in addition to ideas and options that may potentially reduce the cost of construction.

NEXT MEETING DATE

The next tentative meeting of the Samaritan Ad Hoc Committee is to be determined.

ADJOURNMENT

Ms. Gurath declared the meeting adjourned at 4:21 p.m.



AGENDA
Samaritan Ad Hoc Committee Meeting
Monday, February 13, 2023 - 4:00 PM
Herbert J. Tennes Government Center - Room 1019
432 E. Washington Street, West Bend, WI 53095

Live stream for this meeting will be available on [YouTube.com/washcowi](https://www.youtube.com/washcowi)

The following business will be brought before the Committee for initiation, discussion, deliberation, and possible formal action subject to the rules of the Board, which may be inspected in the office of the County Clerk.

- 1. Call to Order and Affidavit of Posting**
- 2. Roll Call**
- 3. Pledge of Allegiance**
- 4. Consent Agenda**
 - a. Minutes of January 9, 2023
- 5. Discussion Items**
 - a. Discussion Regarding the Future of Samaritan
- 6. Adjournment**

It is possible that individual members of other governing bodies of the County government may attend the above meeting. It is possible that such attendance may constitute a meeting of any such other governing body pursuant to State ex rel. Badke v. Greendale Village Board, 173 Wis. 2d 553, 494 N.W. 2d 408 (1993). This notice is given solely to comply with the notice requirements of the open meeting law. No action will be taken by any other governmental body except by the governing body noticed in the caption above.

AFFIDAVIT OF POSTING

This agenda was posted in the office of the County Clerk on the 10th day of February, 2023. Notice was sent to the West Bend Daily News, Express News, WIBD/WMBZ Radio, WTKM Radio, My Community NOW, Hartford Times Press, Kewaskum Statesman, Milwaukee Journal-Sentinel. Individuals with disabilities requiring special accommodations for attendance at the meeting should contact the County Clerk at (262) 335-4301 at least 48 hours prior to the meeting.

Watch February 13, 2023 meeting at <https://www.youtube.com/watch?v=U6jUPhmtJLU>

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**WASHINGTON COUNTY
SAMARITAN AD HOC COMMITTEE**

Courthouse Government Center
West Bend, WI

February 13, 2023
4:00 p.m.

Present: James Burg, Chris Bossert, Linda Gurath, Jodi Schulteis, and Tony Thoma.

Also Present: Samaritan Campus Administrator and Policy Director Matt Furno, Chief Administrative Officer Dave Barber, Human Resources Director Todd Scott, Human Resources Generalist Angie Tennes, Community Development Educator Paul Roback, Communications Director Fran McLaughlin, Associate Professor and Director of School of Nursing at Wisconsin Lutheran College Sheryl Scott, MRA Vice President Jim Morgan (via zoom), Clearview, Dodge County Ed Somers (via zoom), County Board Chair Jeff Schleif, and Legislative Clerk Michael Foti.

Chairperson Gurath called the meeting to order and referenced the Affidavit of Posting, followed by the Pledge of Allegiance.

CONSENT AGENDA

- Minutes of January 9, 2023

Moved by Mr. Bossert, seconded by Ms. Schulteis to approve the minutes on the Consent Agenda. Motion carried.

DISCUSSION ITEMS

Discussion Regarding the Future of Samaritan

- Mr. Scott provided information and answered questions from the committee regarding historical and current Samaritan staffing levels.
- Ms. Scott provided information and answered questions from the committee regarding the state of nursing needs/requirements/expectations – Education and Nursing Perspective.
- Mr. Morgan provided information and answered questions from the committee regarding the state of the overall employment market.
- Mr. Somers provided information and answered questions from the committee regarding immigration options.
- Mr. Roback and the committee discussed strengths and limitations on staffing.

NEXT MEETING DATE

The next tentative meeting of the Samaritan Ad Hoc Committee will be Monday, February 27th, 2023 at 4:00 p.m.

ADJOURNMENT

Ms. Gurath declared the meeting adjourned at 6:19 p.m.



AGENDA
Samaritan Ad Hoc Committee Meeting
Monday, February 27, 2023 - 4:00 PM
Herbert J. Tennes Government Center - Room 1019
432 E. Washington Street, West Bend, WI 53095

Live stream for this meeting will be available on [YouTube.com/washcowi](https://www.youtube.com/washcowi)

The following business will be brought before the Committee for initiation, discussion, deliberation, and possible formal action subject to the rules of the Board, which may be inspected in the office of the County Clerk.

- 1. Call to Order and Affidavit of Posting**
- 2. Roll Call**
- 3. Pledge of Allegiance**
- 4. Consent Agenda**
 - a. Minutes of February 13, 2023
- 5. Discussion Items**
 - a. WIPFLI - Samaritan Health Center Financial 5 Year Projections
 - Replacement
 - Renovation
 - b. Strengths/Limitations on Options Regarding Future of Samaritan Health Center and the Fields
 - Replacement
 - Renovation
 - Partnership
 - Closing
 - Selling
- 6. Next Meeting Date: Wednesday, March 1st, 2023 @ 4:00 p.m.**
- 7. Adjournment**

It is possible that individual members of other governing bodies of the County government may attend the above meeting. It is possible that such attendance may constitute a meeting of any such other governing body pursuant to State ex rel. Badke v. Greendale Village Board, 173 Wis. 2d 553, 494 N.W. 2d 408 (1993). This notice is given solely to comply with the notice requirements of the open meeting law. No action will be taken by any other governmental body except by the governing body noticed in the caption above.

Watch February 27, 2023 meeting at <https://www.youtube.com/watch?v=g7MZ2dCjnaY>

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**WASHINGTON COUNTY
SAMARITAN AD HOC COMMITTEE**

Courthouse Government Center
West Bend, WI

February 27, 2023
4:00 p.m.

Present: James Burg, Chris Bossert, Linda Gurath, Jodi Schulteis, and Tony Thoma.

Also Present: Samaritan Campus Administrator and Policy Director Matt Furno, Chief Administrative Officer Dave Barber, Community Development Educator Paul Roback, Communications Director Fran McLaughlin, Professor & Community Development Educator Paul Roback, WIPFLI Patrick Carroll, Samaritan Business Office Manager Trisha Holbrook, County Board Chair Jeff Schleif, County Board Supervisor Bob Hartwig, and County Clerk Ashley Reichert.

Chairperson Gurath called the meeting to order and referenced the Affidavit of Posting, followed by the Pledge of Allegiance.

CONSENT AGENDA

- Minutes of February 13, 2023

Moved by Mr. Bossert, seconded by Ms. Schulteis to approve the minutes on the Consent Agenda. Motion carried.

DISCUSSION ITEMS

WIPFLI - Samaritan Health Center Financial 5 Year Projections

- **Replacement, Renovation, Partnership, Closing, and Selling**

Mr. Carroll presented information and answered questions from the committee regarding WIPFLI – Samaritan Health Center Financial 5 Year Projections on Replacement, and Renovation.

Strengths/Limitations on Options Regarding Future of Samaritan Health Center

Mr. Roback, Mr. Carroll and the committee discussed and added items to their Samaritan Ad Hoc Committee Discussion Notes.

NEXT MEETING DATE

The next tentative meeting of the Samaritan Ad Hoc Committee will be Wednesday, March 1st, 2023 at 4:00 p.m.

ADJOURNMENT

Ms. Gurath declared the meeting adjourned at 6:11 p.m.

Ashley A. Reichert, County Clerk



AGENDA
Samaritan Ad Hoc Committee Meeting
Wednesday, March 1, 2023 - 4:00 PM
Herbert J. Tennes Government Center - Room 1019
432 E. Washington Street, West Bend, WI 53095

Live stream for this meeting will be available on [YouTube.com/washcowi](https://www.youtube.com/washcowi)

The following business will be brought before the Committee for initiation, discussion, deliberation, and possible formal action subject to the rules of the Board, which may be inspected in the office of the County Clerk.

- 1. Call to Order and Affidavit of Posting**
- 2. Roll Call**
- 3. Pledge of Allegiance**
- 4. Consent Agenda**
 - a. Minutes of February 27, 2023
- 5. Discussion Items**
 - a. Formulate the Presentation to Human Services Committee
- 6. Next Meeting Date: To Be Determined**
- 7. Adjournment**

It is possible that individual members of other governing bodies of the County government may attend the above meeting. It is possible that such attendance may constitute a meeting of any such other governing body pursuant to State ex rel. Badke v. Greendale Village Board, 173 Wis. 2d 553, 494 N.W. 2d 408 (1993). This notice is given solely to comply with the notice requirements of the open meeting law. No action will be taken by any other governmental body except by the governing body noticed in the caption above.

AFFIDAVIT OF POSTING

This agenda was posted in the office of the County Clerk on the 23rd day of February, 2023. Notice was sent to the West Bend Daily News, Express News, WIBD/WMBZ Radio, WTKM Radio, My Community NOW, Hartford Times Press, Kewaskum Statesman, Milwaukee Journal-Sentinel. Individuals with disabilities requiring special accommodations for attendance at the meeting should contact the County Clerk at (262) 335-4301 at least 48 hours prior to the meeting.

Watch March 1, 2023 meeting at <https://www.youtube.com/watch?v=HvKL8VH3VOM>

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**WASHINGTON COUNTY
SAMARITAN AD HOC COMMITTEE**

Courthouse Government Center
West Bend, WI

March 1, 2023
4:00 p.m.

Present: James Burg, Chris Bossert, Linda Gurath, Jodi Schulteis, and Tony Thoma.

Also Present: Samaritan Campus Administrator and Policy Director Matt Furno, Community Development Educator Paul Roback, Communications Director Fran McLaughlin, Supervisor Bob Hartwig, and County Clerk Ashley Reichert.

Chairperson Gurath called the meeting to order and referenced the Affidavit of Posting, followed by the Pledge of Allegiance.

CONSENT AGENDA

- Minutes of February 27, 2023

Moved by Mr. Bossert, seconded by Mr. Burg to approve the minutes on the Consent Agenda. Motion carried.

DISCUSSION ITEMS

Formulate the Presentation to Human Services Committee

The committee members discussed potential options and formulated a consensus recommendation for the Human Services Committee to review. The general consensus was to provide the preferred choice of renovation, with the following options listed in order of preference following the first choice of renovation which are building new, a sale, and lastly being closing.

NEXT MEETING DATE

The next meeting of the Samaritan Ad Hoc Committee is to be determined.

ADJOURNMENT

Ms. Gurath declared the meeting adjourned at 5:56 p.m.

Ashley A. Reichert, County Clerk

Watch March 1, 2023 meeting at <https://www.youtube.com/watch?v=HvKL8VH3VOM>

Appendix C: Dilemma of Today's Senior Care Industry

ADMISSION LOCATION CENSUS ON 10/24/2022

Skilled Nursing Facility (SNF)

Germantown	Hartford	Jackson	Kewaskum	Slinger	West Bend	Milwaukee			TOTAL
1	1	3	-	2	45	1*			53

*Admission on 2/22/2018 from Community Hospital – Medicare/Medicaid

Community Based Residential Facility (CBRF)

Germantown	Hartford	Jackson	Kewaskum	Slinger	West Bend	Milwaukee		Campbellsport	TOTAL
2	2	2	2	1	17	1*		1**	28

*8/26/2016 SNF – 12/23/2016 CBRF PVT PAY

** 12/16/2020 SNF – 1/20/2021 RCAC – 7/29/2022 - Medicare/PVT PAY/PVT PAY

Residential Care Apartment Complex (RCAC)

Germantown	Hartford	Jackson	Kewaskum	Slinger	West Bend	Milwaukee	Brookfield		TOTAL
1	3	-	1	-	14	1*	1**		21

*9/8/2021 SNF – 10/21/2021 RCAC – UHC/PVT PAY

**5/28/2018 PVT PAY – 10/1/2019 FAMILY CARE

Future of Samaritan Options

Dilemma of Today's Senior Care Industry

- Severe direct-care staffing shortages (currently 43 vacancies) causing overtime coverage.
- Staffing Incentives to cover 18 months (7 months remaining) using ARPA dollars = \$2.3 million plus up to another \$400,000 to cover *pick-up* pay from October 2022 to April 30, 2023 with additional ARPA funds.
- Additional Incentive expenses = \$250,000 to \$1,000,000 depending on the length of time for the completion of the resident placement process, again being covered from ARPA Funds.

1. Public/Private Partnership or Public/Public Partnership

- Licensed Senior Health Care Areas
 - SNF (131 Beds – Skilled Nursing Facility) [52]
 - CBRF (31 Beds – Community-Based Residential Facility) [28]
 - RCAC (24 Apartments – Residential Care Apartment Complex) [21]
- Lasata Senior Living Campus - Ozaukee County, WI
 - Currently in the start-up of negotiations with Samaritan Campus - Washington County
- Determination of allowable Wisconsin Statutory parameters regarding Medicaid partnership
 - Washington County Attorney
 - Reinhart Boerner Van Deuren s.c. Attorney Firm
- Exploration of other partnerships

2. Selling Samaritan Campus or Selling the SNF 131 Bed License

- Sell the entire property including: Total Campus with 3 licenses: Samaritan Health Center (SNF & Fields CBRF), Fields RCAC, 2 Parking Lots, and associated property.
- Sell the Fields RCAC with license, South Parking Lot, and associated property (without the Samaritan Health Center).
- Sell the Skilled Nursing Facility 131 Beds License (with option of licensed beds remaining in Washington County or licensed beds remaining in Wisconsin).
- Options a, b, or c, with or without the current resident population (without resident population, Washington County would be responsible to secure acceptable placement for each resident).
- Options b, or c, would require the razing of the Samaritan Health Center building (estimated cost =?).
- Options a, b, or c would require Washington County to retire the \$3.5 million bond debt.

3. Renovation of the Samaritan Health Center (31 CBRF Beds + 48 SNF Beds)

- Initial Estimate of \$10,000,000
- Renovated with General Funds
- Renovated with a Bond Issue
- Combination of b. & c.

- e. County/Samaritan Campus/Medicaid Debt = \$3.5 million bond debt + Renovation Debt
- f. Spring of 2023, if operating at the present Samaritan Health Center, the chiller will need to be relocated to the roof and reconnected. At the estimated cost of \$100,000.

4. Replacement of the Samaritan Health Center

- a. RCAC would remain; causing the need to raze the Samaritan Health Center (estimated cost =?)
- b. Estimated replacement cost of \$31-\$35 million (48 SNF beds & 32 CBRF beds)
- c. Combination of General Fund & a 20-year Bond Issue (e.g., \$15 million GF + 20 million bond)
- d. Timeframe of 18-30 months
- e. Built on existing Washington County property (North of the Herbert J. Tennies Government Center)
- f. Replacement model would allow the 16 bed SNF & the 16 bed CBRF to be interchangeable
- g. If Samaritan SNF reduces its license bed count from 131 to 48, it will save approximately \$182,750 annually from the bed tax expenditure.

5. Closing of the Samaritan Campus

- a. Would be required to submit to the State Survey Agency, the State LTC ombudsman, residents of the facilities, and the legal representatives of such residents or other responsible parties, written notification of an impending closure.
- b. Notification must be at least 60 days prior to the date of closure.
- c. The State Survey Agency staff will work with the Samaritan Campus staff ensuring a safe and satisfactory placement.
- d. Placement estimated time of 3-6 months
- e. Additional monetary incentives will be needed to maintain the required Samaritan Campus staffing during the placement process (estimated additional cost = \$250,000 to \$1,000,000 depending on the length of time for the completion of the placement process).
- f. If Samaritan Campus is closed, unemployment and severance pay will need to be addressed.
- g. If Samaritan Campus is closed, all Chapter 55 Protective Placements will require “outside” placement at the expense of Washington County (daily or monthly rate).

6. Committee’s *Next-Steps* Recommendation

Samaritan Alternative Idea
October 21, 2022

Close Samaritan and The Fields by relocating the residents to a private facility in Washington County by assisting with payment to each private facility for the period of time they require before the facility will accept the person on Medicaid. Ideally, we would not need a partnership agreement with the facilities. It would function as a grant program where the resident has to meet certain requirements to qualify.

Categories of research needed to explore the viability of this option:

1. Legal – Is it legal for the County to pay for qualifying people to go into the private facilities. The county would pay for the period of time required before the facility will accept Title 19 Medicaid. This would function as a grant program where the resident would have to meet certain requirements to qualify.
2. Demographics of Samaritan and The Fields to determine the level of care needed for each resident that is currently on Title 19. Purpose, to be able to estimate the cost of moving our residents. Also, will we need to provide any financial assistance to our full-pay residents to make them whole with a move to a private facility?
3. Demographics of Washington County – age, incomes, value of assets to estimate future needs.
4. Washington County private facility information:
 - a. Levels of care available
 - b. The period of time that private pay is required before they will accept Title 19.
 - c. Costs
 - d. Average availability
5. Details of the Waukesha County/Dodge County deal. Is Waukesha obligated to pay for each person going into the Dodge County facility for a period of time or forever forward? What are the details of this compensation plan? This will assist in deciding if we would provide this benefit for a certain period of time or forever forward.
6. Is there a possibility of creating a self-sustaining grant program?

Possible revenues with this plan:

- Sale of county owned licenses.
- Sale of buildings and/or land (may be net of cost for demolition)



Possible costs with this plan in addition to cost of placing residents:

- Severance packages for employees
- Possible demolition
- Cost of physically moving the residents and their belongings

Alternative legal structures to explore:

- Partner with multiple facilities with agreements to pay for individuals as they qualify.
- Lease agreement with one or more facilities, where we would lease one or more rooms, or a wing of the facility and contract for services, such as meals and laundry. Either keep our own staff or contract full services from the facilities.
- Long-term lease, such as 10 years, with a facility for the total number of rooms needed, some shared services, keep our staff.

Appendix D: Renovation of the Samaritan Health Center

<p>Bright Vision. Bold Communities</p>	
 <p data-bbox="946 506 1203 575">Samaritan Health Center</p> <p data-bbox="906 716 1219 753">Washington County - Samaritan Health Center 11 November 2022</p>	

 <p data-bbox="479 1266 638 1310">EXISTING DINING Samaritan Health Center</p>	

 <p data-bbox="378 1850 537 1894">EXISTING DINING Samaritan Health Center</p>	



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AG ARCHITECTURE

EXISTING CORRIDOR
Samaritan Health Center



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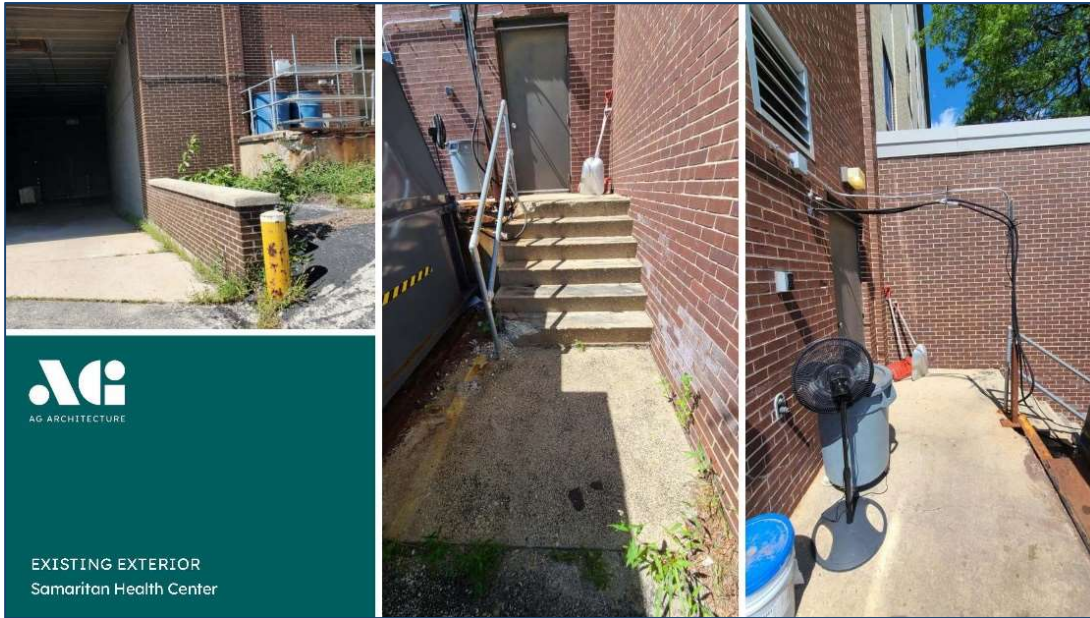
EXISTING BACK OF HOUSE
Samaritan Health Center



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AG ARCHITECTURE

EXISTING MECHANICAL
Samaritan Health Center





EXISTING EXTERIOR
Samaritan Health Center

ESTIMATED COST



Finish Updates

• Dining Rooms with Windows	\$250,000 per floor - \$1,000,000
• Corridors	\$75,000 per floor - \$300,000
• Resident Rooms	\$15,000 each at 100 rooms - \$1,500,000
• Main Entry	\$100,000

MEP & FP Systems

• Fire Protection	\$200,000
• Plumbing Systems	\$500,000-\$1,000,000
• HVAC	\$3,000,000
• Electric	\$1,000,000

Owner Soft Costs

• Fees	\$650,000
• Furniture, Fixtures & Equipment	\$1,000,000

Overall Project Budget Goal \$10,000,000

Appendix E: Replacement of the Samaritan Health Center

RESIZING OF REPLACEMENT

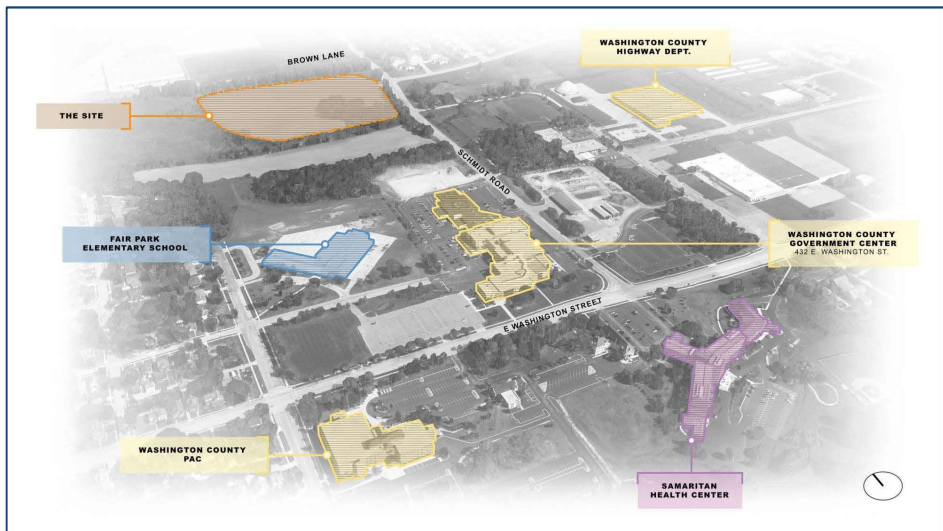
- SNF 131-75 TO 48-0
- CBRF 31 TO 32-80
- RCAC STAYS AS IS 24 APARTMENTS

AG ARCHITECTURE
Bright Vision. Bold Communities.

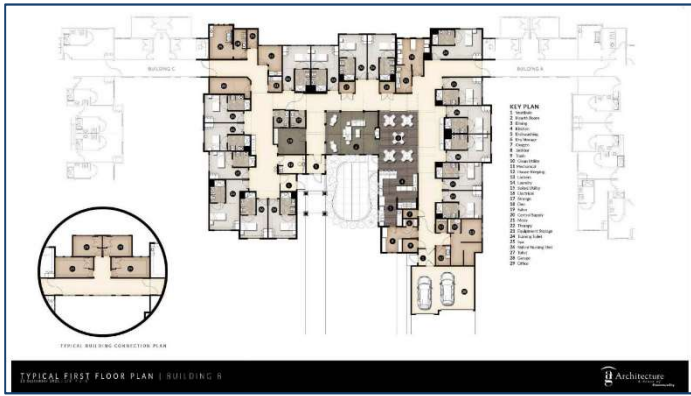


VICINITY MAP

AG Architecture
A Division of
Community







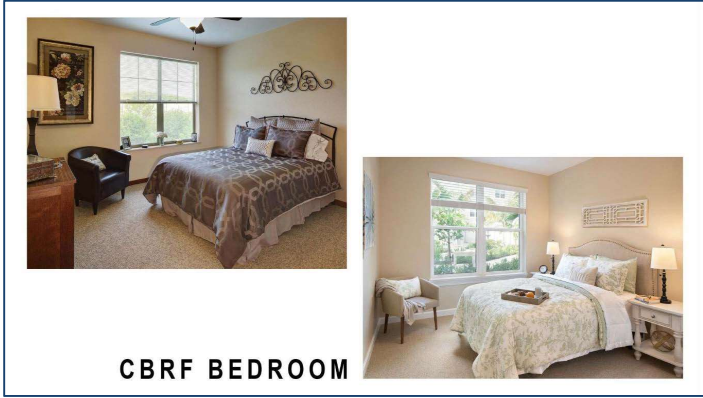




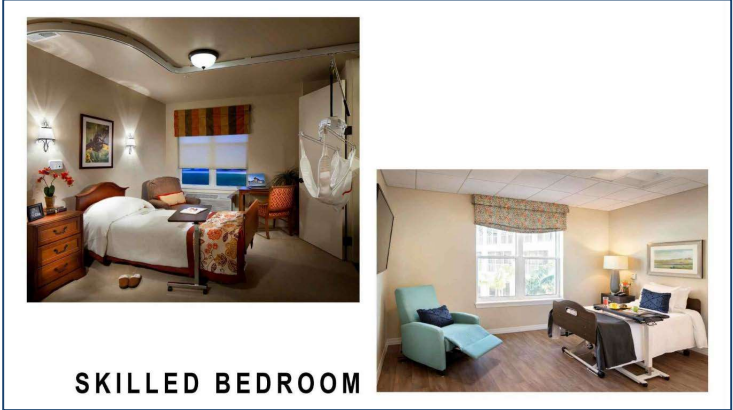
DINING



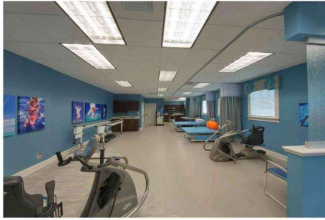
LIVING



CBRF BEDROOM



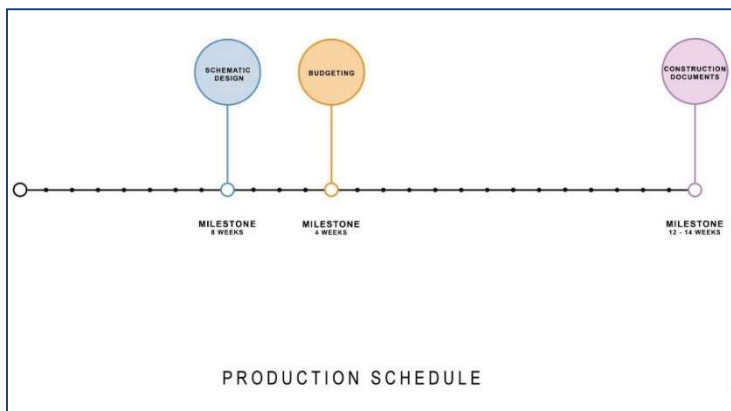
SKILLED BEDROOM



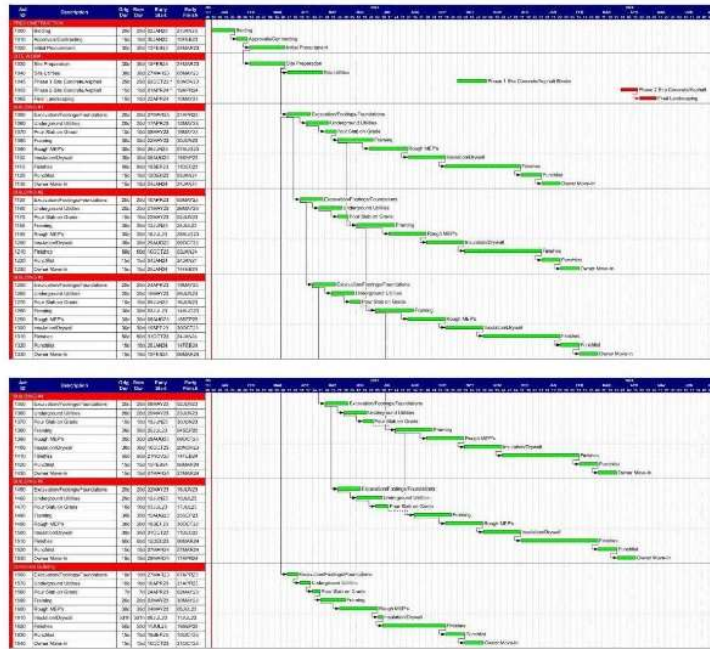
WELLNESS



OUTDOOR SPACE



GANTT CHART



ESTIMATED PROJECT COST



Construction Costs	Avg. Allocation	Costs
	Allocation of Costs	
• Construction	83.90%	\$25,170,000
• Furniture, Fixtures, and Equipment	8.00%	\$2,400,000
• Construction Contingency	6.50%	\$1,950,000
• Capitalized Interest	0.36%	\$108,000
• Cost of Issuance	1.24%	\$372,000
Total Cost of Construction	100.00%	\$30,000,000

Appendix F: Demolition Cost Estimates

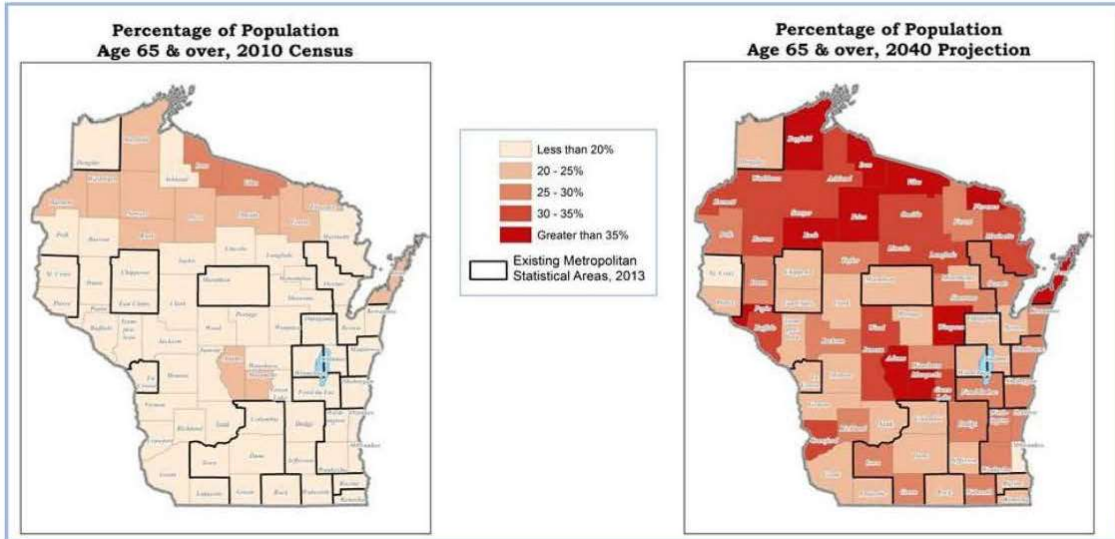
COST ESTIMATION – SAMARITAN HEALTH CENTER DEMOLITION

The Samaritan Health Center demolition cost estimate has been obtained from the Purchasing Department, Roy Hartmann, as a result of his past experiences and working with local firms in the procurement of separate estimates. Estimate includes the total demolition project and restoring of the Fields RCAC to full operation.

Samaritan Health Center Demolition Project (Estimates developed in 2021)

Major Categories	Estimated Cost
1. Initial asbestos and lead based paint testing	\$ 5,000
2. Abatement Process	170,000
3. Demolition	1,500,000
4. Utilities, storm drainage, and site restoration	225,000
5. Health Center and The Fields RCAC separation process	400,000
6. Engineering for building separation, layout, storm sewer drainage, site restoration, inspection, permitting costs, etc.	300,000
Estimated Total	\$ 2,600,000

Appendix G: Closing of Samaritan Campus



Wisconsin Population, 2010 Census and 2040 Projection, by Age Groups

Age Group	Census 2010	Projected 2040	Num. Change	Pct. Change
0-4	358,443	373,940	15,497	4.3%
5-17	981,049	1,007,370	26,321	2.7%
18-24	549,256	563,995	14,739	2.7%
25-44	1,447,360	1,493,595	46,235	3.2%
45-64	1,573,561	1,517,370	-56,191	-3.6%
65-84	658,809	1,251,765	592,956	90.0%
85 & over	118,505	283,600	165,095	139.3%
TOTAL	5,686,986	6,491,635	804,649	14.1%

Chapter 50 Resident Relocation Requirements

[https://docs.legis.wisconsin.gov/document/statutes/50/03\(5m\)\(a\)5](https://docs.legis.wisconsin.gov/document/statutes/50/03(5m)(a)5)

Contact the Department of Health Services Division of Quality Assurance and Division of Medicaid Services Relocation Coordinator for consultation in all the situations below.

When Chapter 50 Resident Relocation Requirements Might Apply:

Facility intends to change the means of reimbursement accepted and 5% or five or more residents will be discharged.*

Facility intends to change the type or level of services provided and 5% or five or more residents will be discharged.*

Facility intends to close and 5% or five or more residents will be discharged.*

*Chapter 50 resident relocation requirements apply when at least 5 residents or 5% will relocate, whichever is greater.

Next Steps:

- Review all state and federal regulations related to discharge.
- Review resident relocation manual.
- Submit resident relocation plan to DHS.
- Obtain approval of resident relocation plan before discharging residents.
- Follow DHS directives related to relocation of residents in a safe and orderly manner in order to prevent the effects of resident relocation stress syndrome over the specified timeframes found in Chapter 50.

When Chapter 50 Resident Relocation Requirements Might **Not** Apply:

Facility intends to reduce the census by natural attrition and no involuntary discharges are anticipated.

Facility intends to replace or renovate existing physical structure and no involuntary discharges are anticipated.

Next Steps:

- Contact the Board on Aging and Long Term Care Office of the State Long Term Care Ombudsman for technical assistance.
- Advise DQA and follow directives accordingly.

Contact Information:

Bureau of Nursing Home Resident Care
www.dhs.wisconsin.gov/dqa/bnhrc-regionalmap.htm
Bureau of Assisted Living
www.dhs.wisconsin.gov/dqa/bal-regionalmap.htm
Division of Medicaid Services Relocation Coordinator
www.dhs.wisconsin.gov/relocation/index.htm
Board on Aging and Long Term Care
longtermcare.wi.gov/Pages/Home.aspx

When the change at the facility results in less than five residents or 5% of residents being discharged, other state and federal regulations apply. Review all regulations, advise DQA, and follow directives accordingly.



WISCONSIN DEPARTMENT
of **HEALTH SERVICES**

Division of Medicaid Services
P-02088 (11/2022)

Closing of the Samaritan Campus

Department of Health Services – Division of Long-Term Care

- Resident Relocation Manual (146 pages)
- Facility Closure: F845 & F846
- Skilled Nursing Facilities (SNF) in Washington County
 - Cedar Lake Health and Rehabilitation Center = 90 Licensed Beds
 - Pavilion at Glacier Valley (The) = 106 Beds
 - Virginia Highlands Health and Rehabilitation Center = 121 Licensed Beds
- Today's Census = 43 + 5 in the Hospital
 - Medicare 2
 - Med Advantage 1
 - Partnership A 0
 - Optum A 1
 - Medicaid 17
 - Hospice T19 1
 - Hospice SP 0
 - Family Care Hospice 1
 - Family Care 15
 - Private 5
 - Total 43
- Resident Placements (estimated timeframe = 6-12 months)
- Community Based Residential Facility (CBRF)
 - Today's Census = 26
 - Self-Pay 13
 - Family Care 13
- Residential Care Apartment Complex (RCAC)
 - Today's Census = 21
 - Self-Pay 9
 - Family Care 12

Staffing Concerns due to Staff Shortages:

- Current Incentives and Bonuses
 - November 2021-April 2023 = \$2,300,000 ARPA Funds
 - May 2023 – December 2023 =?
- Pick-Up Nurses & CNAs
 - November 2022 – April 2023 = \$400,000 ARPA Funds
 - May 2023 – December 2023 =?

- Examples of Incentives & Bonuses

Position	FTE	gross wages w/*incentives	gross wages without *incentives
○ RN	1.0	\$10,201	\$ 6,205 + \$ 3,996
○ LPN	1.0	\$ 6,663	\$ 3,762 + \$ 2,901
○ Casual C.N.A.	0.2	\$ 7,774	\$ 1,619 + \$ 6,155
○ *Incentives include:		Retention Premium (\$6/hr.; \$9/hr. ot) 2nd shift Addt'l. \$2/hr. Prem for C.N.A./RA's only	
○ Wages taken from Payroll Register for 11/23/22 paycheck.			

- Severance Package¹

- Dates? and Cost?

- Agency Expenses for 2022 to October 31st = \$112,435

- Operational Losses will increase as the resident census is reduced even though we will begin a systematic approach of reducing the staff count.

- Reimbursement will cover less
- Example: 1-8 residents require 1 CNA on first & second shifts

Additional Issues

- Hardship on Washington County families with placing their loved ones who need long-term health care
- \$3,500,000 Bond Debt – 0 % reimbursement
- Samaritan Health Center Demolition = \$2,600,000
- Possible Revenue from the sale of the RCAC
- Possible Revenue from the sale of the Skilled Nursing Facility 131 Bed License

Appendix H: Staffing Considerations



2023 Samaritan Staffing Past/Current/Future

February 13, 2023

Agenda

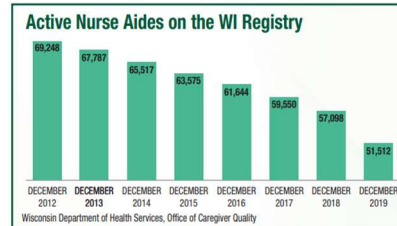
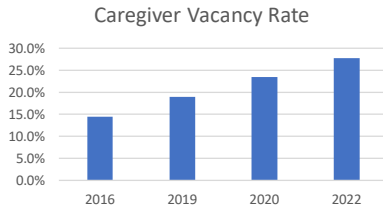


- Historical and current Samaritan staffing.
- Options to consider for future Samaritan staffing.
 - State of nursing needs/requirements/expectations. - Education and Nursing Perspective (Sheryl Scott, DNP, RN, CNE, Associate Professor and Director of School of Nursing at Wisconsin Lutheran College)
 - State of overall employment market (Jim Morgan, Vice President, MRA).
 - Immigration options (Ed Somers, MHA, NHA – Clearview, Dodge County, and Len Fast, BS, NHA – Barron Care and Rehab, Barron WI).
- Wrap-up/Questions

Historical/Current Staffing



- Ongoing and regular shortage of nursing talent.
 - Constant recruitment - consistent challenge for nursing staff (CNA/LPN/RN).



2023 Samaritan Staffing - Past/Present/Future

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Historical/Current Staffing



- Retention of staff
 - Turnover of 32% in 2021 and 29% in 2022 (below national average of 39% - 2021 and 45% - 2022).
- Consistently Low Unemployment:
 - Federal Reserve (2005) determined 5% unemployment deemed full employment in the United States.

YEAR	UNEMPLOYMENT RATE (DECEMBER)
2015	5.00%
2016	4.70%
2017	4.10%
2018	3.90%
2019	3.60%
2020	6.70%
2021	3.90%
2022	3.30%

2023 Samaritan Staffing - Past/Present/Future

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Historical/Current Staffing



- Consistent recruitment – 60 to 100 position open annually (from 2017 to 2022).
- High demand positions with active competition in our area – impacts wages, incentives, retention.

2023 Samaritan Staffing - Past/Present/Future

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Nursing perspectives in 2023

Sheryl Scott, DNP, RN, CNE



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The reality of the nursing shortage



- Nursing shortage – expected to reach 1.1 million nurses this year (American Nurses Association)
- Too many leaving, not enough entering the profession
- Shortage is global

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Demographic reasons



Retirement
Problems in nursing education
Not enough choosing nursing

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What is driving the exodus?



Workplace Factors

- Insufficient staffing
- Desire for increased pay
- Lack administrative support
- Quality of care
- Lack of institution values
nurses' health and safety
- Lack of meaningful
recognition
- Lack mentorship in workplace

Personal Factors

- Emotional toll
of the job –
burnout, moral
distress

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Is it just because of covid?



Nurses were leaving before the pandemic
2021 study of critical care nurses found 67%
leaving within the following three years
(compared to 55% in 2018)

Top reasons:

- Retirement
- Return to school
- Leave the profession
- Finances

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Why do people stay?

Feel they are doing
meaningful work

Able to maintain good health

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Statistics to consider

2012

Employed RNs – 2.6 million

Employed LPNs – 718,800

2021

Employed RNs – 3.05 million

Employed LPNs – 641,240

Wisconsin has 1000-1200 RNs and LPNs per 100,000 people

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trends

- Travel nurses
- Nurses leaving nursing
- Increased workload
- Decrease in younger people in nursing
- More nurses retiring
- Many nurses working more than one job
- Hospital recruitment efforts – residency programs, bonuses, tuition reimbursement
- Increase in substance abuse, suicide
- Increase in nurse practitioners (more than doubled between 2012-2021)

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My view of trends

- New graduate jobs are plentiful
- Very few want long-term care
- New grads are going to acute care...2021 survey: 73.5% of new RNs work in hospitals dealing with acute conditions
- The CNA and LPN roles...steps to an RN?
- Bedside nursing is a stepping stone
- Unstable workforce, safety issues

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recommendations



- Make work meaningful
- Facilitate loyalty
- Strong leadership
- High expectations, with high levels of support
- Ongoing training
- Flexibility
- Creativity
- Staff empowerment

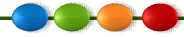
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MRA – THE MANAGE



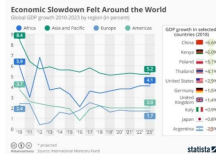
From Pandemic to “Sansdemic”
Jim Morgan | Vice President | @JimMorgan1960 | @MRA_HR_Pro

2023 Samaritan Staffing - Past/Present/Future

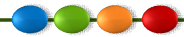


Why Is This Time Different?

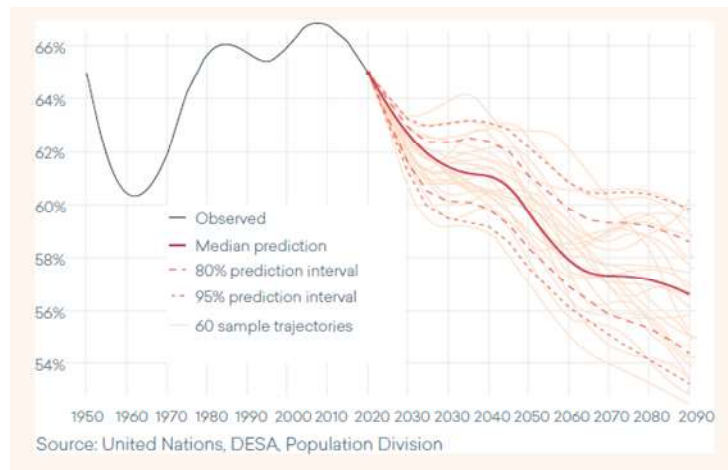
Past talent issues have been **ECONOMIC** more than **DEMOGRAPHIC**

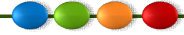


This one is more **DEMOGRAPHIC** than **ECONOMIC**



U.S.: % of Population Ages 15 – 64



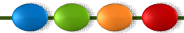


We Are Past Full Employment

- <3%
- A bit of a false “good” measure
- Changes the game
 - Different audience
 - Different approach
 - More employer involvement

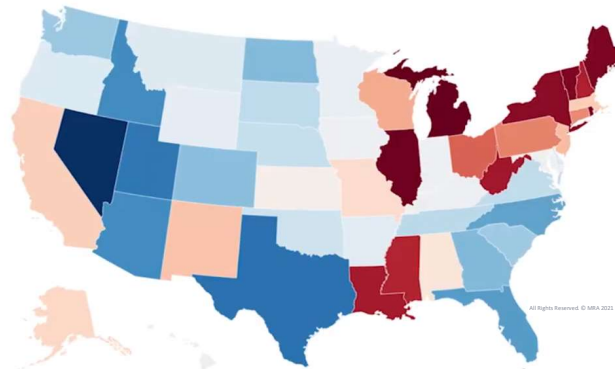
Now, the bad news ... fast!

2023 Samaritan Staffing - Past/Present/Future



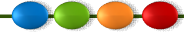
2001-2021: Decline of Young People (<25)

-13.75% 34.1%

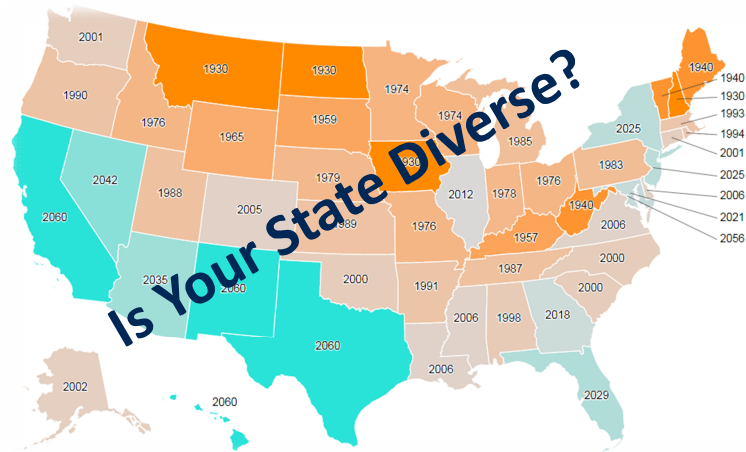


Source: Emsi labor market analytics. 2021

2023 Samaritan Staffing - Past/Present/Future

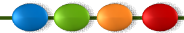


State Ethnicity

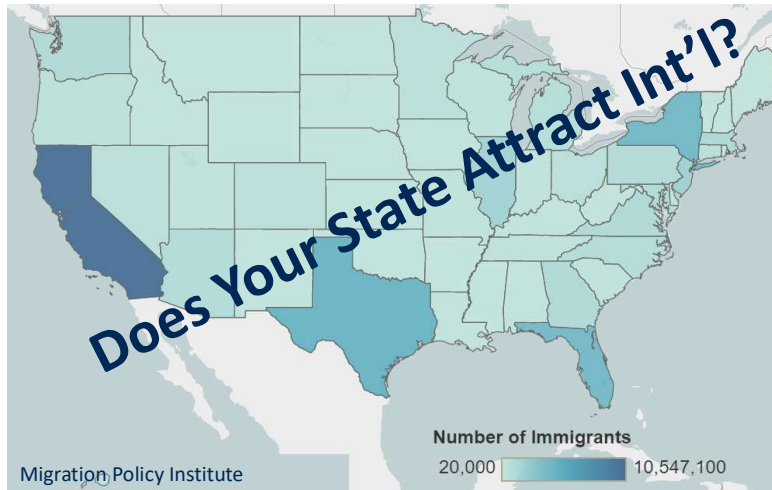


Time Magazine 2015

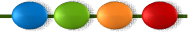
2023 Samaritan Staffing - Past/Present/Future



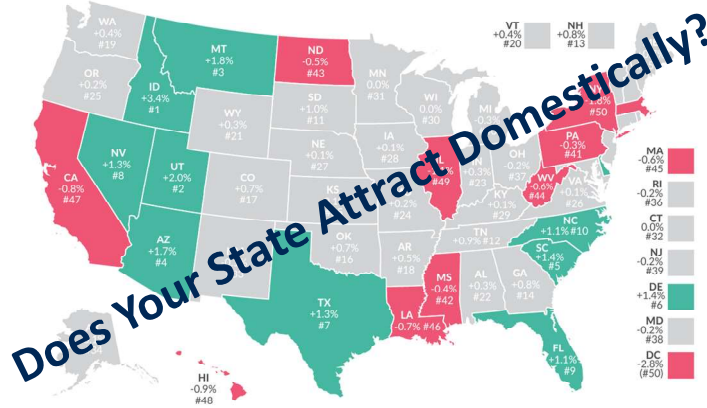
International Migration 2015-2019



2023 Samaritan Staffing - Past/Present/Future



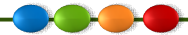
State Migration 2021



Note: D.C.'s rank does not affect states' ranks, but the figure in parentheses indicates where it would have ranked if included. Source: U.S. Census Bureau.

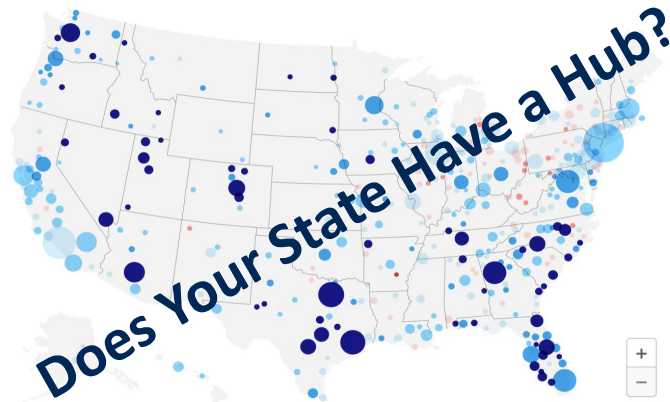
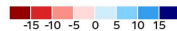
- Top 10 States for Inbound Migration
- Top 10 States for Outbound Migration

2023 Samaritan Staffing - Past/Present/Future



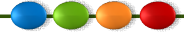
Net Population Migration

Metro area population change, 2010-2020

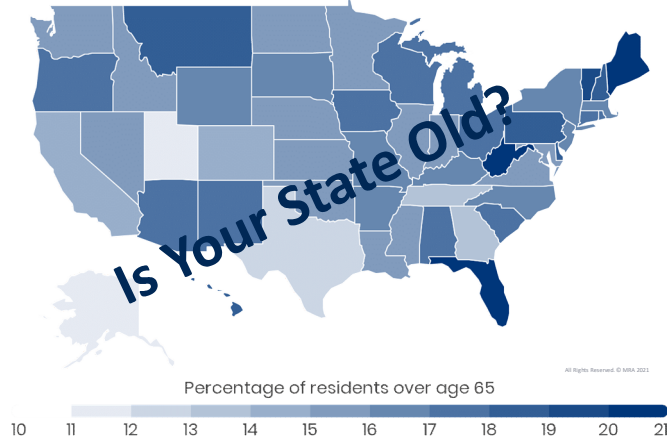


US Census 2020

2023 Samaritan Staffing - Past/Present/Future

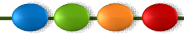


Percent of Residents > 65 (2020)

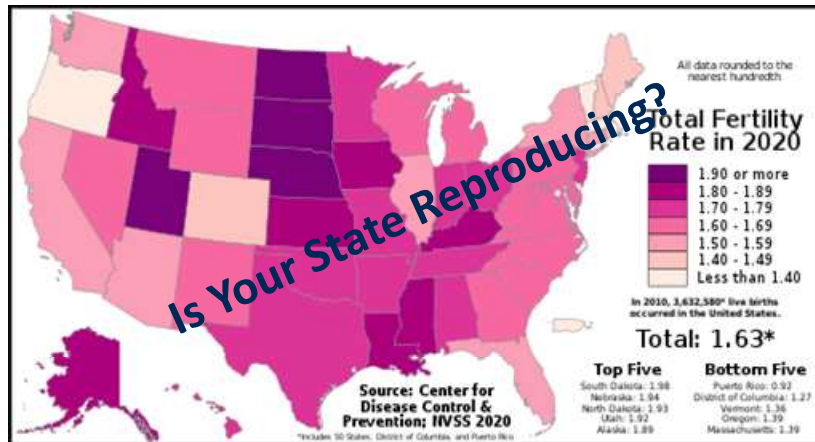


Source: United States Census Bureau

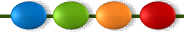
2023 Samaritan Staffing - Past/Present/Future



Fertility



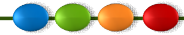
2023 Samaritan Staffing - Past/Present/Future



Today's News

Population Change July '20 to July '21

Northeast	-365,795
Midwest	-93,730
South	+816,322
West	+35,868



Wisconsin Population In a Nutshell

2010 Census vs. 2040 projection

<u>Age</u>	<u># People</u>	<u>Growth</u>
0-17	+ 27,438	+ 2.1%
18-64	+ 15,150	+ 0.4%
65-84	+ 598,121	+ 90.8%
85+	+ 168,205	+ 141.9%

766,236 of the 808,914 are 65+

94.7% of the growth – 65+!
Double the number of "old-timers"!!



Thank You

Jim Morgan, Vice President, Workforce Strategies

Human Resources

608-235-6660 (cell)

@JimMorgan1960

<https://www.linkedin.com/in/jimmorgan1960/>



Immigration options



Ed Somers, MHA, NHA – Dodge County Clearview Administrator.

- Process for Philippine Immigration process so far.
- Time take so far and how long before have staff.
- Cost so far and expected cost per hire.



Why is Clearview looking at International Recruitment?

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International Recruiting



Baby Boomers are retiring at the rate of 10,000 per day.
United States doesn't have enough replacement workers.
Demographics reflective of an aging population requiring more services.
Larger variety of care providers further stressing labor force.
Clearviews direct care worker numbers continue to slowly decline impacting our ability to provide services to specialty populations.
Hiring bonuses and higher wages have not yielded the necessary results.
International recruiting is an economical alternative.
Employers sponsor foreign workers obtaining legal citizenship through process known as PERM sponsorship.

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International Recruiting



What is PERM (Program Electronic Review Management)? An acronym for Labor Certification.

Ensures there are no US workers who are able, willing, qualified and available to accept the job at the prevailing wage, in the geographic location of intended employment.

PERM process ensures that hiring foreign workers will not adversely affect the wages and working conditions of similarly employed US workers.

This is a path to permanent citizenship, utilizes I-140 Immigrant visa, this is not a temporary or student visa.

International recruits require a minimum 2-year commitment to the

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Our Journey to Date



Dodge County Human Resources Committee challenged Clearview Administrator to explore other avenues beyond “throwing money at the problem” in early 2022.

Gained governing committee acceptance of International Recruiting as an alternative in March 2022 and began fully exploring option.

Began presenting to various county committee’s on concept in May of 2022.

Faced tremendous resistance and questions, gained and lost approval several times through out Spring and Summer of 2022.

Received final approval to move forward late August 2022.

December 2022, local paper ran feature story on our international recruitment efforts. no complaints received by county supervisors from

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Costs & Timeline



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Placement and Processing

Placement fee for sponsored caregiver paid to International Manpower.
\$250

Processing and filing fees paid to immigration attorney. \$250

Advertisement fees for labor certification. Approximately \$500

All other costs paid by employee.

Entire process takes approximately 24 months until caregiver arrives at employer.

Clearview waiting on Department of Labor prevailing wage determination.

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DOL Prevailing Wage Determination Progress



Case Search Details Showing 1 of 1 Results

Visa Program	Case Number	Employer Name	Job Title	Submit Date ▼	Status
PW - PERM	P-100-22250-460062	Marsh Country Health Alliance	Caregiver	September 7, 2022	IN PROCESS

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USCIS Premium Processing



United State Customs and Immigration Services normally takes 8 – 12 months to process I-140 Immigrant Visa Petition.

Premium processing guarantees approval within 15 days, cost is \$2,500.

Significantly reduces time required for employee to get to employer.

Earliest anticipated arrival is Fall 2023.

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Housing



Employers need to assist employee with housing until able to secure housing on their own.

Process can take up to 3 months to save security deposit and find housing and transportation.

Shopping etc. within walking distance

Able to charge rent to the employee.

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Transitional Housing



Reached out to our regulatory agency regarding feasibility of using nursing home rooms.

Entire 2nd floor of A/B building vacant, has 2-hour fire separation.

Two, 20-bed households available for temporary transitional housing.

Would require no modifications.

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Next Steps



Reach out to providers that have already gone through process for advice on ensuring success.

County Attorney drafting rental agreements for transitional housing within Clearview.

Money budgeted for expedited processing for some, hope is to stagger arrivals of 96 employees to ensure adequate time to train as C.N.A.'s and transition to community.

Warned governing committee, that despite our best and most conscientious efforts, something will go wrong and someone will complain.

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Immigration options



Len Fast, NHA, Care & Rehab – Barron, Wisconsin.

- How is the Philippines immigration process working.
- Learnings – positive and negative.
- Costs per hire.

Appendix I: 5-Year Financial Projections for Replacement & Renovation



Washington County Samaritan Campus

Financial Models for New Construction or Renovation of Nursing Home and CBRF Facility

Samaritan Ad Hoc Committee Meeting

February 27, 2023

WIPFLI

Agenda



- Financial Model – New Construction of 48-bed Skilled Nursing Facility and 32-bed CBRF (assisted living facility)
- Financial Model – Renovation of Current Facility to include 48 Skilled Nursing Beds and 31 CBRF Beds
- Discussion
 - ▶ Selling
 - ▶ Closing
 - ▶ Partnership
- Questions



New Construction of 48- Bed SNF and 32-Bed CBRF

Purpose

- Management requested financial forecast model to assist the County in planning for the future of the Samaritan Campus.
 - ▶ Prepared a financial model which forecasts operational revenue and expenses for the construction of a new 48-bed skilled nursing facility (SNF) and 32-bed assisted living to be licensed as a Community Based Residential Facility (CBRF).
 - ▶ Considered historic trends relating to previous fiscal years.
 - ▶ A financial projection presents to the best of management's knowledge and belief, management's expected financial position and results of operations. It is based on management's assumptions, reflecting conditions it expects would exist and courses of action it expects would be taken during the projection period. Actual results may vary and those variances may be material. No opinion, conclusion, any form of assurance is provided on the financial projection.

New Construction Financial Model – Assumptions

- Significant revenue assumptions:
 - ▶ Skilled nursing:
 - Average daily census (ADC) set at 44.6 (93% occupancy).
 - Payer mix based on historic trends: Medicaid and Family Care at 70%; Medicare and Medicare Advantage at 12.5%; Insurance at 2%; Private Pay at 7%; Hospice at 7%.
 - Payer rates market-adjusted for new facility and then increased annually.
 - Medicaid and Family Care rates updated based on recently passed state budget and impact of the new facility.
 - Rate estimated to increase 39% as of July 1, 2022; 7.8% at July 1, 2023; 5% at July 1, 2024; and 3% thereafter.

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New Construction Financial Model – Assumptions (continued)

- Significant revenue assumptions (continued):
 - ▶ Assisted living:
 - CBRF ADC set at 28.8 (90% occupancy) and Residential Care Apartment Complex (RCAC) ADC set at 21.8 (94% occupancy), consistent with historic trends.
 - Payer mix based on historic trends: CBRF - Family Care at 54% and Private Pay at 46%; RCAC – Family Care at 56% and Private Pay at 44%
 - Payer rates market-adjusted for new facility (CBRF) and then increased annually.
 - ▶ Other revenue:
 - Based on factors, such as patient days, and inflated 3% annually.
 - Does not include County tax levy funds, COVID-19 related grants, or donations.
 - Supplemental payment reduced compared to historical levels, based on 2023 interim award of \$260K (2020 - \$1.56M; 2021 - \$1.3M; 2022 – \$1.35M; forecast - \$514k).
 - Meals on wheels program discontinued; therefore, excluded from forecast.

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New Construction Financial Model – Assumptions (continued)

- Significant expense assumptions:
 - ▶ Salaries and wages:
 - Total FTEs set at 79.
 - Wages based on actual rates for 2023.
 - Forecasted to increase 6% in 2024; increase 4% annually thereafter.
 - ▶ Fringe benefits:
 - Benefits as a percent of wages were approximately 35%.
 - Health insurance premiums are assumed to increase 5% on an annual basis.
 - ▶ Supplies, purchased services, and other expenses:
 - Based on factors such as resident days by service offering, FTEs, and historic trends.
 - Annual inflation rate of 4% for 2023; 2% thereafter.

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New Construction Financial Model – Assumptions (continued)

- Significant expense assumptions (continued):
 - ▶ Provision for bad debts:
 - Based on percentage of nursing home revenue.
 - ▶ Utilities:
 - Based on resident days by service offering and square footage and inflated annually by 3%.
 - ▶ Depreciation:
 - \$25M related to building construction over 35 years; \$6M related to FF&E over 10 years.
 - ▶ Debt:
 - Debt service for new facility based on borrowing \$31M at a rate of 3.85% and amortized over 20 years.
 - ▶ WRS pension adjustment:
 - Excluded from forecast because it is a non-cash item that is based on the performance of the State's fund.

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New Construction Financial Model

Samaritan Campus
Statements of Revenues and Expenses
48-bed Replacement Nursing Home; 32-bed Replacement CBRF

	Forecasted				
	2023	2024	2025	2026	2027
Operating revenue:					
Net resident service revenue:					
Skilled nursing facility	\$ 6,110,900	\$ 6,410,900	\$ 6,636,800	\$ 6,814,700	\$ 7,006,600
Assisted living	2,923,600	3,037,300	3,114,800	3,194,300	3,275,900
Other operating revenue	1,201,100	1,221,600	1,243,000	1,264,700	1,287,200
Total operating revenue	10,235,600	10,669,800	10,994,600	11,273,700	11,569,700
Operating expenses:					
Salaries and wages	4,120,600	4,368,000	4,542,800	4,724,200	4,913,200
Employee benefits	1,426,400	1,505,500	1,572,500	1,642,500	1,716,000
Supplies and other	2,753,400	2,805,500	2,858,400	2,920,100	2,982,900
Provision for bad debts	12,200	12,800	13,300	13,600	14,000
Utilities	246,500	253,300	261,100	269,300	277,500
Depreciation	1,314,300	1,319,300	1,324,300	1,329,300	1,334,300
Interest	1,191,300	1,153,100	1,106,800	1,061,900	1,015,300
Total operating expenses	11,064,700	11,417,500	11,679,200	11,960,900	12,253,200
Income (loss) from operations	\$ (829,100)	\$ (747,700)	\$ (684,600)	\$ (687,200)	\$ (683,500)
Income (loss) from operations without depreciation	\$ 485,200	\$ 571,600	\$ 639,700	\$ 642,100	\$ 650,800

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New Construction Financial Model (continued)

Samaritan Campus
Statements of Revenues and Expenses
48-bed Replacement Nursing Home; 32-bed Replacement CBRF

	Forecasted				
	2023	2024	2025	2026	2027
Cash flow from operations with debt service:					
Income (loss) from operations	\$ (829,100)	\$ (747,700)	\$ (684,600)	\$ (687,200)	\$ (683,500)
Depreciation	1,314,300	1,319,300	1,324,300	1,329,300	1,334,300
Routine property, plant, & equipment additions	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Provision for bad debts	12,200	12,800	13,300	13,600	14,000
Current debt service (principal and interest)	(765,200)	(765,100)	(763,000)	(657,600)	(659,000)
Forgiveness of current debt	765,200	765,100	763,000	657,600	659,000
New facility debt service (principal)	(1,044,400)	(1,082,600)	(1,129,000)	(1,173,800)	(1,220,500)
Cash flow from operations with debt service	\$ (597,000)	\$ (548,200)	\$ (526,000)	\$ (568,100)	\$ (605,700)

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Renovation of Current Facility to 48-Bed SNF and 32-Bed CBRF

Purpose

- Management requested financial forecast model to assist the County in planning for the future of the Samaritan Campus.
 - ▶ Prepared a financial model which forecasts operational revenue and expenses for the renovation of the current facility to a 48-bed skilled nursing facility and 31-bed assisted living to be licensed as a Community Based Residential Facility (CBRF).
 - ▶ Considered historic trends relating to previous fiscal years.
 - ▶ A financial projection presents to the best of management's knowledge and belief, management's expected financial position and results of operations. It is based on management's assumptions, reflecting conditions it expects would exist and courses of action it expects would be taken during the projection period. Actual results may vary and those variances may be material. No opinion, conclusion, any form of assurance is provided on the financial projection.

Renovation Financial Model – Assumptions

- Significant revenue assumptions:
 - ▶ Skilled nursing:
 - Average daily census (ADC) set at 44.6 (93% occupancy).
 - Payer mix based on historic trends: Medicaid and Family Care at 70%; Medicare and Medicare Advantage at 12.5%; Insurance at 2%; Private Pay at 7%; Hospice at 7%.
 - Payer rates based on current rates and then increased annually.
 - Medicaid and Family Care rates updated based on recently passed state budget and impact of the new facility.
 - Rate estimated to increase 39% as of July 1, 2022; 7.8% at July 1, 2023; flat at July 1, 2024; and 3% thereafter.

Renovation Financial Model – Assumptions (continued)

- Significant revenue assumptions (continued):
 - ▶ Assisted living:
 - CBRF ADC set at 27.9 (90% occupancy) and Residential Care Apartment Complex (RCAC) ADC set at 21.8 (94% occupancy), consistent with historic trends.
 - Payer mix based on historic trends: CBRF - Family Care at 54% and Private Pay at 46%; RCAC – Family Care at 56% and Private Pay at 44%
 - Payer rates based on current rates and then increased annually.
 - ▶ Other revenue:
 - Based on factors, such as patient days, and inflated 2% annually.
 - Does not include County tax levy funds, COVID-19 related grants, or donations.
 - Supplemental payment reduced compared to historical levels, based on 2023 interim award of \$260K (2020 - \$1.56M; 2021 - \$1.3M; 2022 – \$1.35M; forecast - \$750k).
 - Meals on wheels program discontinued; therefore, excluded from forecast.

Renovation Financial Model – Assumptions (continued)

- Significant expense assumptions:
 - ▶ Salaries and wages:
 - Total FTEs set at 79.
 - Wages based on actual rates for 2023.
 - Forecasted to increase 6% in 2024; increase 4% annually thereafter.
 - ▶ Fringe benefits:
 - Benefits as a percent of wages were approximately 35.5%.
 - Health insurance premiums are assumed to increase 5% on an annual basis.
 - ▶ Supplies, purchased services, and other expenses:
 - Based on factors such as resident days by service offering, FTEs, and historic trends.
 - Annual inflation rate of 4% for 2023; 2% thereafter.

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Renovation Financial Model – Assumptions (continued)

- Significant expense assumptions (continued):
 - ▶ Provision for bad debts:
 - Based on percentage of nursing home revenue.
 - ▶ Utilities:
 - Based on resident days by service offering and square footage and inflated annually by 3%.
 - ▶ Depreciation:
 - \$13M related to building construction over 30 years; \$2M related to FF&E over 10 years.
 - ▶ Debt:
 - Debt service for new facility based on borrowing \$15M at a rate of 3.85% and amortized over 20 years.
 - ▶ WRS pension adjustment:
 - Excluded from forecast because it is a non-cash item that is based on the performance of the State's fund.

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Renovation Financial Model

Samaritan Campus
Statements of Revenues and Expenses
48-bed Renovated Nursing Home; 31-bed Renovated CBRF

	Forecasted				
	2023	2024	2025	2026	2027
Operating revenue:					
Net resident service revenue:					
Skilled nursing facility	\$ 6,081,500	\$ 6,247,400	\$ 6,327,500	\$ 6,504,500	\$ 6,682,700
Assisted living	2,726,800	2,834,200	2,905,900	2,979,300	3,054,700
Other operating revenue	1,194,300	1,214,600	1,235,800	1,257,300	1,279,600
Total operating revenue	10,002,600	10,296,200	10,469,200	10,741,100	11,017,000
Operating expenses:					
Salaries and wages	4,120,600	4,368,000	4,542,800	4,724,200	4,913,200
Employee benefits	1,426,400	1,505,500	1,572,500	1,642,500	1,716,000
Supplies and other	2,809,100	2,862,300	2,916,400	2,969,800	3,024,700
Provision for bad debts	12,200	12,500	12,700	13,000	13,400
Utilities	330,400	339,500	350,000	361,000	371,800
Depreciation	633,300	638,300	643,300	648,300	653,300
Interest	384,300	372,000	357,000	342,600	327,500
Total operating expenses	9,716,300	10,098,100	10,394,700	10,701,400	11,019,900
Income (loss) from operations	\$ 286,300	\$ 198,100	\$ 74,500	\$ 39,700	\$ (2,900)
Income (loss) from operations without depreciation	\$ 919,600	\$ 836,400	\$ 717,800	\$ 688,000	\$ 650,400

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Renovation Financial Model (continued)

Samaritan Campus
Statements of Revenues and Expenses
48-bed Renovated Nursing Home; 31-bed Renovated CBRF

	Forecasted				
	2023	2024	2025	2026	2027
Cash flow from operations with debt service:					
Income (loss) from operations	\$ 286,300	\$ 198,100	\$ 74,500	\$ 39,700	\$ (2,900)
Depreciation	633,300	638,300	643,300	648,300	653,300
Routine property, plant, & equipment additions	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Provision for bad debts	12,200	12,500	12,700	13,000	13,400
Current debt service (principal and interest)	(765,200)	(765,100)	(763,000)	(657,600)	(659,000)
Forgiveness of current debt	765,200	765,100	763,000	657,600	659,000
New facility debt service (principal)	(336,900)	(349,200)	(364,200)	(378,700)	(393,700)
Cash flow from operations with debt service	\$ 544,900	\$ 449,700	\$ 316,300	\$ 272,300	\$ 220,100

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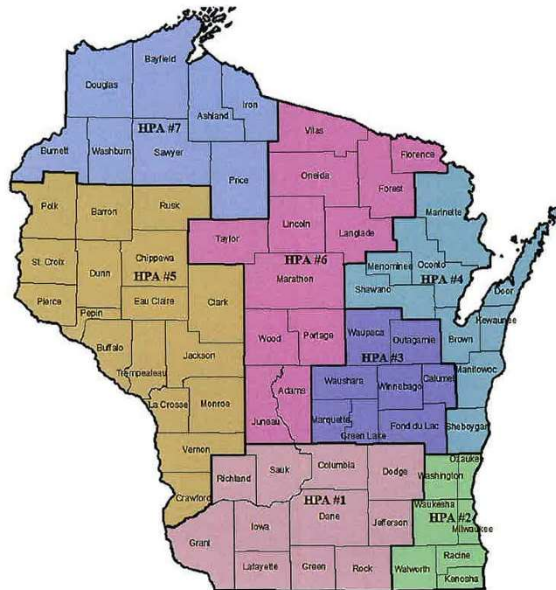
Discussion

Selling – Considerations

- Eliminates county's financial obligation related to operating Samaritan
 - ▶ Will need to pay off existing debt
 - ▶ Funds received from purchase can be allocated towards pay down of existing debt
- Lose of control over operations
 - ▶ Service of Medicaid residents and other hard-to-place individuals (70% of current SHC residents are on Medicaid/Family Care) in the future
 - ▶ It is likely you will not have to relocate existing residents
- With staffing shortage in the industry; likely that a majority of care related staff will be retained or given the opportunity to be retained
 - ▶ Cannot guarantee all staff will have the opportunity to be retained
- Will buyers be interested in purchasing the facility or just the beds

Selling – Considerations

- If the beds are sold, they can be moved anywhere within the Health Planning Area (HPA) or to any county adjacent to the HPA
 - ▶ Ozaukee, Milwaukee, Waukesha, Racine, Walworth, Kenosha, Sheboygan, Fond du Lac, Dodge, Jefferson, Rock



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Closing – Considerations

- Eliminates county's financial obligation relating to operating Samaritan
 - ▶ Will need to pay off existing debt
- Will need to develop relocation plan with the state
 - ▶ Could take 6 to 12 months (estimate) – some residents will be hard to place
 - ▶ Will experience losses from continuing operations
 - Will need to retain staff to care for residents as relocation plan is enacted (bonuses, severance package, agency staff, etc.)
- Could still sell beds
- Building will need to be razed – estimated cost of \$1M
- Could retain or sell RCAC (and associated property)

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Partnership – Considerations

- Have explored but no success thus far
- No interested parties, currently
- Difficult option to manage operationally – constrained by the terms of the partnership agreement
 - ▶ Scenario / terms of agreement is dependent on potential partner
- Unlikely option at this time

WIPFLI



- Patrick Carroll
 - ▶ Senior Manager
 - pcarroll@wipfli.com



WASHINGTON
EST **COUNTY** 1836
WISCONSIN

Samaritan Ad Hoc Committee

Report of Findings: 2023

Brief Overview of Samaritan



- Samaritan nursing home opened in 1968 with capacity for 300+ residents
 - Renovated in 2009 (As of March 2023, ~\$3M in bond debt remaining)
- The Fields opened in 2006, which expanded long-term care offerings to include Assisted Living.
 - Together, Community-Based Residential Facility (CBRF) & Residential Care Apartment Complex (RCAC) are referred to as Assisted Living.

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Considerations



- Although the county is not mandated to provide long-term care services, it has provided these services for over a century.
- The county is statutorily required through Chapter 55.135(1) to provide Emergency Protective Placements (EPP).
 - Samaritan is the designated detaining facility for Washington County Human Services Chapter 55's. There are other protective placement facilities in the county where 55's can be involuntarily held – like Froedtert West Bend or other Community Based Residential Facilities (CBRF).

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Samaritan Campus



	Max Accommodation	Current Census (est.)
Skilled Nursing	131	46
CBRF	31	26
RCAC	24	22
Total	186	94

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County Board Meeting- 8/12/20



- WIPFLI market & financial analysis:
 - For many years, nursing home reimbursements rates have not kept up with costs.
 - The Samaritan nursing home requires millions in renovations.
- County Executive formed a citizen task force to provide a recommendation on the policy question; “Should Washington County remain in long-term care (nursing home) services?”

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Citizen Task Force Recommendation



- The Samaritan Citizen Task Force recommended that the Washington County Board continues to provide long-term care services while balancing financial and moral obligations through a partnership with a third-party provider with up to \$500,000 in annual levy support over a 20 to 30-year lease term.
- This recommendation was the general consensus of six members of the task force and one member preferred the county not compete with the private sector.

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Recommendation Explored



- Third-party provider partnerships explored
- October 2022 Resolution
 - Continue “pursuing a public/public partnership with a neighboring county, while simultaneously pursuing a public/private partnership with the potential sale of Samaritan Campus to a private entity, both of which are consistent with 2021 Resolution 5.”

Ad Hoc Committee



- A motion “to direct the County Board Chair to form an ad hoc committee to study options for the Samaritan, and report findings to the Human Services Committee no later than January 31st, 2023.” (extended by 90 days)
- Members: Chris Bossert, James Burg, Linda Gurath (Chair), Jodi Schulteis, & Tony Thoma (Vice-Chair)

Option Considerations



1. Renovation of the Samaritan Health Center
2. Replacement of the Samaritan Campus
3. Closing of the Samaritan Campus
4. Selling Samaritan Campus or Selling the SNF 131 Bed License
5. Public/Private Partnership or Public/Public Partnership
6. Committee Recommended Additional Options

Presentations



- John Cronin, AG Architects- Renovation (Appx. D) & Replacement (Appx. E)
- Matt Furno- Demolition (Appx. F) & Closing (Appx. G)
- Todd Scott- Staffing Considerations (Appx. H)
 - Guest presenters on nursing school perspectives, overview of national employment market, and immigration options
- Patrick Carroll, WIPFLI- Financial 5-Year Projections for Replacement & Renovation (Appx. I)
- Julie Driscoll and Margaret Hamers- responded to questions

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Renovation



Strengths	Limitations
Probably a solid building	Project cost- \$15 million
Underutilized space could be repurposed	Location- primarily serves residents form West Bend
Medicaid reimbursement increasing	Underutilized space
Chapter 55's can be taken care of	Institutional feel- older design
Good staff & high ratings	Unknown structural issues
Community & residents support	Staffing shortages
International staffing	After several years, starts to loose money

Replacement



Strengths	Limitations
Improved quality of care	Cost- \$31 million
Non-institutional feel & park-like setting	Location- countywide support?
Cost & energy efficient- current codes	Design & construction time
Chapter 55's can be taken care of	Staff shortages
Construction- less disruptive & quicker than renovations	Ongoing maintenance needs in current buildings during new construction
Attract and retain good staff / international staff	Funding options- bond, levy...
Potentially higher Medicaid reimbursement	Regulations keep increasing

Closing



Strengths

Limitations

Resolves staffing issue

Cost- \$5.6 million

Not competing with private sector

Hardship on residents, families, & staff

Opportunity value of existing facility & land

Cost & time of finding placement facilities- distance of these facilities

Could sell bed licenses

Not consistent with community values

Potentially ends fiscal commitment for long-term care

Sale of RCAC and the changes residents may experience with a private provider

Loss of economic impact of facilities

Selling



Strengths

Limitations

Not competing with private sector

May not be supported by the greater West Bend community

Potentially find a buyer that maintains quality of care

Potential buyers have different visions, and the county would lose control

Potential buyer may have a payer mix that will serve county residents

Trying to get assurance that a private company would take Title 19 residents

Bigger company may have economy of scale for supply purchases and staffing

Potentially diminished quality of care for residents

Potentially pay off debt

Potentially retain staff

Staffing Considerations



- Ongoing and regular shortage of nursing talent
- Nursing shortage is not only a Wisconsin and U.S. issue, but also a global issue
- Working at a skilled nursing facility is not a first choice for nursing school graduates
- Staffing is a demographic issue, not an economic issue
- High staffing turnover has led to financial incentives for attraction and retention

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Staffing Considerations



- International staffing is something to explore and could provide a “safety net”
 - Visa requirements take 24 months-expedited in 12-16 months for an additional fee.
 - Required to work for two years, which could help stabilize Samaritan staffing.
 - Other Wisconsin county nursing facilities are using staff from the Philippines

Ad Hoc Committee General Consensus Recommendation



- Goal- “to take care of those most in need (Title 19 skilled nursing)” in the community.
- General Consensus Recommendation for renovation. This includes obtaining an in-depth evaluation of the building needs estimate and expected life.
- The benefits of renovation identified by the committee include:
 - Extra space to repurpose
 - Current residents have communicated this as their preferred choice.
 - Lower financial projections due to the elimination of retention bonuses, increase in Medicaid reimbursement, and staffing reductions. (After 3 years, loses money)

Rank Order Preference



- Additionally, the committee developed the following rank order preference (1 = most preferred to 4 = least preferred):
 1. Renovation
 2. Replacement
 3. Selling
 4. Closing

Financial Overview



- Financial 5-Year Projections for Replacement & Renovation
 - Patrick Carroll, Senior Manager, WIPFLI (Appendix I)

ATTACHMENTS:

Description	Type
▣ 2021 Samaritan Task Force Findings	Report



Samaritan Task Force: 2021 Recommendation

Brief History of Samaritan



- Samaritan nursing home opened in 1968 with capacity for 300+ residents (renovated in 2009)
- The Fields opened in 2006, which expanded long-term care offerings to include Assisted Living.
 - Together, Community-Based Residential Facility (CBRF) & Residential Care Apartment Complex (RCAC) are referred to as Assisted Living.
- Samaritan Campus currently accommodates 131 skilled nursing residents, 31 CBRF residents, and 24 RCAC residents.

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County Board Meeting- 8/12/20



- WIPFLI market & financial analysis:
 - For many years, nursing home reimbursements rates have not kept up with costs.
 - The Samaritan nursing home requires millions in renovations.
- County Executive detailed next steps, including the formation of a citizen task force

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County Executive Proclamation



- To provide a recommendation on the policy question; “Should Washington County remain in long-term care (nursing home) services?”
 - A nonbinding recommendation to the Washington County Board’s Human Services Committee, and then to the full County Board.

Samaritan Task Force Members



- **Deb Anderson**
Retired, involved with several long-term care orgs., current board member of Senior Citizens Activities, Inc.
- **Nick Bush**
Business Development Director, Direct Supply Brands
- **Del Ellefson**
Retired, Registered Nurse, Past Owner and Operator of Assisted Living Facilities
- **Jason Hartlund**
Chief Revenue Officer, Milwaukee Brewers Baseball Club
- **Donna Nash, Samaritan Task Force Vice-Chair**
Lead Account Representative, Workforce Health
- **Kraig Sadownikow, Samaritan Task Force Chair**
President, American Companies
- **Jana Witney RICP® AIF®**
Financial Representative, Principal Financial Group & Family Member of Samaritan Resident

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Meeting- February 1, 2021



- History of Samaritan, Overview of Operations, and Physical Condition of the Campus
 - Mari Beth Borek, Campus Administrator (Appendix D)
- Human Services Presentation & Discussion on Protective Placement
 - Julie Driscoll, Director of Washington County Health & Human Services (Appendix E)
- Financial, Market Analysis, and Future Projections
 - Patrick Carroll, WIPFLI Manager & Larry Lester, WIPFLI Partner (Appendix F)

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Meeting- February 22, 2021



- Wisconsin Department of Health and Human Services
 - Bureau of Assisted Living- Alfred Johnson, Director
 - Bureau of Nursing Home Resident Care- Ann M. Angell, Director
- Current State and Future Projections of Skilled CBRF and RCAC
 - John Sauer, LeadingAge Wisconsin (Appendix G)
- County Comparison Presentation
 - Brian Schoeneck, Retired from LeadingAge Wisconsin (Appendix H)
- Further comments from Larry Lester & Patrick Carroll, WIPFLI

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Meeting- March 1, 2021



- Clarification of Presentation Topics and Financials
 - Matt Furno, Washington County Policy Director
- Facilitated Discussion- Should Washington County remain in long-term care (nursing home) services?
 - Paul Roback, Community Development Educator
- Recommendation to Human Services Committee

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Considerations



- Although the county is not mandated to provide long-term care services, it has provided these services for over a century.
- The county is statutorily required through Chapter 55.135(1) to provide Emergency Protective Placements (EPP).
 - In 2020, the county had 28 Chapter 55's. Of those, 10 were placed at Samaritan for a total of 631 bed days. Most often Samaritan can bill insurance for the cost of the stay. If these admissions were placed at another facility, it could have equated to an additional \$258,079 expense to the county.

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Considerations (continued)



- Current Samaritan nursing home facility assessment identified nearly \$5 million in needed investments over the next five years.
 - If these investments were made, the county will still be left with an old facility that will require future capital investment.
- The Status Quo Financial Model identifies a projected deficit of nearly \$1 million in operations by 2025.
 - This is largely due to the result of the assumptions of an annual 4.0% increase in salaries and benefits versus an annual 1.5% increase in revenue from Medicaid and Family Care.

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Considerations (continued)



- Constructing a new facility is estimated to cost \$20-25 million.
- The County is currently exploring a partnership with a third-party provider that may result in updated facilities and a lower operating cost from shared-services.

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Alternatives Considered



- Status quo is not an option due to the age of the facility and maintenance needs
- New Facility may not be financially acceptable
- Third-Party Provider partnership may be the proper balancing of financial and moral obligations

(moral obligation is loosely defined as providing safety-net services for those who are most vulnerable)

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Task Force Recommendation



- The Samaritan Task Force recommends that the Washington County Board **continues to provide long-term care services** while balancing financial and moral obligations through a partnership with a third-party provider with up to \$500,000 in annual levy support over a 20 to 30-year lease term.
- This recommendation was the general consensus of six members of the task force and one member preferred the county not compete with the private sector.

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Human Services Committee



- "NOW, THEREFORE, BE IT RESOLVED by the Washington County Board of Supervisors that this Board hereby approves the concept of continuum of care for county residents with the preference that a public/private partnership model be utilized in the delivery of services moving forward."

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Evaluation of Task Force Members



	Agree/Strongly Agree
The objective of Task Force was clear.	100%
The presentations informed your decision-making process.	100%
The process allowed you the opportunity to contribute to the final recommendation.	100%
Participating on this Task Force increased your civic engagement with Washington County government.	83%
Participating on the Task Force was a valuable use of your time.	100%
The edited statement accurately reflects the Task Forces recommendation.	100%

6 Completed Surveys ~ 7 Participants ~ 86% Response Rate

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Comments from Task Force Members



Samaritan Task Force Recommendation

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ATTACHMENTS:

Description	Type
▣ 2023 Resolution 6: Advisory Resolution Supporting the Concept of Creating a Pilot Community College System	Resolution
▣ Higher Education Task Force County Board Report	Report
▣ Findings Solutions by Task Force on Higher Education	Report
▣ Executive Committee Packet	Backup Material

WASHINGTON COUNTY, WISCONSIN

Date of enactment: _____
Date of publication: _____

2023 RESOLUTION 6

Advisory Resolution Supporting the Concept of Creating a Pilot Community College System

WHEREAS, in the last 15 years, demographic trends impacted both UWM at Washington County leaving devastating enrollment declines; and Moraine Park Technical College (MPTC) with significant enrollment decreases; MPTC is still sustaining strong programming with fiscal responsibility, despite these challenges; and

WHEREAS, the Washington County Higher Education Task Force (the “Task Force”), comprised of leaders from industry, K-12 districts, higher education, government and elected officials, was convened by the Washington County Executive to evaluate and provide recommendations for sustainable higher education in Washington County; and

WHEREAS, the Task Force conducted eight due diligence sessions to examine higher education in Washington County from the perspective of:

- Current and future state
- K-12 programs in collaboration with institutions of higher learning
- Financial structure and sustainability
- Current needs of industry and employers in Washington County
- Voice of the student
- What other states are doing in two-year college education; and

WHEREAS, representatives of the higher education institutions in the county, along with Task Force members, provided significant data that was examined by the Task Force; and

WHEREAS, an examination of models and trends of two-year campuses across the country was conducted; and

WHEREAS, both UWM at Washington County and Moraine Park Technical College now offer competing two-year liberal arts associate degrees; and

WHEREAS, UWM at Washington County and its students are supported by scholarships from the Washington County Foundation (the “Foundation”); and

WHEREAS, the Wisconsin Technical college System has five long-standing dual track community college concepts – Nicolet College in Rhinelander; Madison Area Technical College in Madison (branded as Madison College); Milwaukee Area Technical College in Milwaukee; Western Technical College in La Crosse; and Chippewa Valley Technical College in Eau Claire serving as precedents for a similar community college concepts in Washington County; and

WHEREAS, the investigation of the Task Force revealed that Washington County needs a new model for higher education that serves all relevant stakeholders and is a magnet to keep young residents in the community and this model must include the following characteristics:

- 1 • Affordable – Incredible value – Offering high ROI to students
- 2 • Accessible in-person and on-line
- 3 • Customizable to each student
- 4 • Strong K-12 partnerships
- 5 • Responsive to employer needs
- 6 • Unmatched direct pipelines to Washington County communities
- 7 • Gateway for further education; and

8
9 **WHEREAS**, the Task Force has determined that to ensure a sustainable higher education
10 system in Washington County, it is in the best interest of the students, residents, employers, school
11 districts, taxpayers and both higher education institutions in the county to combine the resources
12 from UWM at Washington County and the Moraine Park Technical College West Bend campus
13 to create a community college concept in West Bend under the governance of Moraine Park
14 Technical College; and

15
16 **WHEREAS**, the Washington County Higher Education Task Force recommends the
17 creation of a pilot community college concept combining the resources of UWM at Washington
18 County and Moraine Park Technical College to be implemented via legislative and policy actions,
19 creating a post high school educational model with the following assets, services and educational
20 offerings:

- 21 • Dual credit access in participation with area school districts
- 22 • Open enrollment for all citizens of Washington County.
- 23 • Solid financials derived from tuition, GPR, referendum-approved bonding, property
- 24 tax support and Foundation scholarships
- 25 • Connectedness to the community, four-year institutions, school districts, employers
- 26 and their apprenticeships and internships
- 27 • Stackable and easily transferable credits
- 28 • Hybrid curriculum, stressing face-to-face based instruction, buttressed by on-line
- 29 classes
- 30 • Intense individualized guidance for each student and counseling
- 31 • Foundation support for Washington County juniors and seniors
- 32 • Local administration and aggressive recruiting
- 33 • Powerful marketing efforts and resources
- 34 • Potential athletic teams and increased student activities pending funding and viability
- 35 studies.
- 36 • Café and student union space
- 37 • Student government
- 38 • First generation student support
- 39 • Low-cost tuition as a differential
- 40 • 2+2 articulation agreements with regional universities, with locally taught classes,
- 41 where applicable
- 42
- 43

44 **NOW, THEREFORE, BE IT RESOLVED** that the Washington County Board of
45 Supervisors adopts the recommendations of the Washington County Higher Education Task
46 Force and requests one-time state funding of \$30 million be granted to Washington County, by
47 legislation, to create an endowment which must be used to:

- 48 • Lower student debt and provide tuition assistance
- 49

- Fund the startup, including athletics and student activities
- Fund comprehensive branding and awareness of the community college concept
- Support capital improvements as approved by the appropriate governing body

BE IT FURTHER RESOLVED that a local support board chaired by the Washington County Executive or his or her appointee, with remaining board members appointed by the Washington County Executive and confirmed by the Washington County Board of Supervisors, shall be created to manage the endowment, and to support and advise Washington County in distributing funding in support of the community college concept.

BE IT FURTHER RESOLVED that Washington County, as it has for over 50 years with the University of Wisconsin System, will foster a partnership with MPTC West Bend Campus to support future facilities and needs of the community college concept as identified by the community and employers, and as approved by the Washington County Board of Supervisors and as approved, owned, and operated by MPTC.

BE IT FURTHER RESOLVED that a copy of this resolution shall be sent to Governor Tony Evers, members of the Wisconsin Assembly and Senate and the Wisconsin Counties Association.

VOTE REQUIREMENT FOR PASSAGE: Majority

RESOLUTION SUMMARY: Advisory Resolution endorsing the concept of the creation of a pilot community college.

Approved as to form: _____ Introduced by members of the EXECUTIVE COMMITTEE as filed with the County Clerk.

Bradley S. Stern, County Attorney

Dated _____ Jeffrey D. Schleif, Chairperson

Approved: _____ Considered _____

Josh Schoemann, County Executive Adopted _____

Dated _____ Ayes _____ Noes _____ Absent _____

Veto Voice Vote _____

Partial Veto

(No fiscal impact.)



County Board of Supervisors

Jeffrey D Schleif, Chair
Carroll Merry, First Vice-Chair
Christopher Bossert, Second Vice-Chair

Herbert J. Tennes Government Center
432 E. Washington Street, Room 3029
P.O. Box 1986
West Bend, WI 53095-7986
(262) 335-4307
Jeffrey.schleif@washcowisconsin.gov

COUNTY BOARD REPORT

To: County Board

From: Legislative Clerk Michael Foti

Date: 12 April 2023

RE: 2022 Resolution 6: Advisory Resolution Supporting the Concept of Creating a Pilot Community College System

POLICY QUESTION:

Over the last fifteen years the UWM at Washington County (UWM-WC) Campus has suffered devastating enrollment declines. While Moraine Park Technical College (MPTC) Campus has seen significant enrollment declines during the same time. Should the county pursue creating a pilot community college that would combine MPTC and UWM-WC under the governance of MPTC?

STRATEGIC PRIORITY/RESULT ACHIEVED:

Economic growth and Vitality
Well Governed and Administered County

DISCUSSION:

In the last 15 years, demographic trends impacted both UWM at Washington County leaving devastating enrollment declines; and Moraine Park Technical College (MPTC) with significant enrollment decreases; MPTC is still sustaining strong programming with fiscal responsibility, despite these challenges.

The Washington County Higher Education Task Force (the “Task Force”), comprised of leaders from industry, K-12 districts, higher education, government and elected officials, was convened by the Washington County Executive to evaluate and provide recommendations for sustainable higher education in Washington County.

The Task Force conducted eight due diligence sessions to examine higher education in Washington County from the perspective of: current and future state, K-12 programs in collaboration with institutions of higher learning, financial structure and sustainability, current needs of industry and employers in Washington County, voice of the student, and what other states are doing in two-year college education. An examination of models and trends of two-year campuses across the county was conducted.

The Task Force has determined that to ensure a sustainable higher education system in Washington County, it is in the best interest of the students, residents, employers, school districts, taxpayers and both higher education institutions in the county to combine the resources from UWM at Washington County and the Moraine Park Technical College West Bend campus to create a community college concept in West Bend under the governance of Moraine Park Technical College.

The Washington County Higher Education Task Force recommends the creation of a pilot community college concept combining the resources of UWM at Washington County and Moraine Park Technical College to be implemented via legislative and policy actions, creating a post high school educational model.

This resolution requests one-time state funding of \$30 million be granted to Washington County, by legislation, to create an endowment.

At the 15 March 2023 Executive Committee meeting, the following motion was made:

Moved by Mr. Schodron, seconded by Mr. Bossert to approve a draft 2023 Resolution: Washington County Higher Education Task Force, and forward onto the County Board. Motion carried.

FISCAL EFFECT

No fiscal impact

ATTACHMENTS:

- 2023 Resolution 6: Advisory Resolution Supporting the Concept of Creating a Pilot Community College System
- 15 March 2023 Executive Committee Packet

STAFF RECOMMENDATIONS:

Motion to approve 2023 Resolution 6: Advisory Resolution Supporting the Concept of Creating a Pilot Community College System.

Task Force Findings, Solutions

Findings, Solutions by Task Force on Higher Education in Washington County: A Community College Concept

Voting Task Force Members

Co-chair – John Torinus, former CEO of Serigraph

Co-chair – Paul Stangl, President of Wisconsin Stamping

Allen Ericson – Froedtert Health

Michael J. Faley – Senior VP, West Bend Mutual Insurance

Christina Fiasca – Secretary - UWM Foundation and UWM Research Foundation; Member of the UWM Board of Visitors; Senior VP at Northwestern Mutual-retired

Scott Henke – Washington County Treasurer

Tom Hostad – Executive Director, Hartford Area Development Corporation

Kraig Sadownikow – President of American Construction

Dave Stroik – President, CEO at Zimmerman Architectural Studios, retired

Jen Wimmer – Superintendent West Bend School District

Craig Wolf – President, E.H. Wolf & Sons

.....

Ex-officio Members: Keri Duce-UWM; Peter Rettler-MPTC/WB; Dr. Noel Radomski-education consultant

Facilitators: Dan Anhalt- business consultant; Dave Barber-Washington County Chief Administrative Officer

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Contact

Washington County Executive's Office

County.exec@washcowisconsin.gov

432 E. Washington St.
West Bend, WI 53095

262-306-2200



Future of Two-Year Colleges in Washington County: A Community College Concept



Introduction

Washington County Executive Josh Schoemann commissioned a task force of county leaders in October 2022 to find a solution for the declining prospects of the University of Wisconsin-Milwaukee at Washington County (UWM – WC). The task force has done deep due diligence on the complicated dynamics involved in a sharp enrollment drop at the West Bend campus and what can be done about it. After three months of hearings from a broad selection of stakeholders, the creation of a community college concept under the governance of Moraine Park Technical College (MPTC) became the most compelling solution. Here is an executive summary of the findings of the task force:

- **Accelerating Crisis** -- The drop in enrollments at UWM-WC has been precipitous. The highpoint at the campus was nearly 1100 enrollees. Ten years ago the headcount at University of Wisconsin – Washington County, then known as UWWC, was 998 students with a full time equivalent (FTE) of 742. The consolidation of the colleges into the four-year UW universities accelerated the enrollment decline. At the end of 2022, the satellite campus of UW-Milwaukee had a head count of 387 and an FTE of 280, a decline of about 70%. Long and short, the consolidation has not worked well.
- **UWM-WC Has Lost its Raison D'etre and Joie de Vivre** -- The last decade of continuing cuts at UW Milwaukee took a toll on its two satellite campuses in Waukesha and West Bend. UWM eliminated athletics at the local campus, the café where students gathered, on-site student services that have been moved to Milwaukee, like admissions, and extracurriculars like theater and student clubs. The once bustling campus is a shadow of its former self.
- **MPTC Also Sees Enrollment Declines** -- The two-year West Bend campus of Moraine Park Technical College (MPTC), which is headquartered in Fond du Lac, has lost about 20% of its student body, but remains a viable institution. It has a strong funding base from tuition and the district's large property tax base.
- **UWM-WC Disconnected** -- There is a striking difference in the level of connectiveness in Washington County for UWM-WC and MPTC – West Bend. The latter is deeply connected with the five surrounding K-12 districts, with the four-year colleges in the region, and with the business community. After its local dean position was cut, the UWM satellite campus has become largely disconnected from social dynamics, economy and institutions in Washington County.
- **Funding Sources for UWM–WC** -- The annual budget for UWM-WC is roughly \$3 million, made up of a combination of tuition, fees and \$1.3 million GPR. The county owns the campus and its buildings.



- **College Costs Sharply Lower at Two-Year Colleges** – Tuition for a year at UWM- WC runs about \$4750. Tuition for a year at MPTC–WB for a full load runs about \$4000. That is roughly half of what it costs at UW-M and UW-Madison. With room and board, the cost of UW-Madison for a year is about \$28,500 and for UW-Milwaukee about \$21,300. Both two-year campuses are a bargain for starting a college career.
- **Many Factors Undermine Two-Year Enrollment** – First off, many high school students headed for higher education earn many credits through Advanced Placement courses and dual credit courses toward their freshman year. Some attain the full 30 credits; so they qualify as sophomores. That cuts the market for the two-year colleges in half. The declining pool of 18-year-old graduates has been going on for several decades, and no end is in sight. The hot job market attracts many students who skip college altogether, but who possibly return with employer tuition reimbursement. In short, prognosis for enrollment increases at the two-year level is not good. Only four-year flagship colleges and elite universities are seeing enrollment increases, with few exceptions.
- **Students Customize Education Pathways** – Many students work full or part-time and adapt their college programs to their work and family lives. They go online for some credits. They spread their education over more years. They stack up credits from different colleges. They stack up credits through skill-based certificates. They also build up non-credit, certificates and credentials. Nimble education institutions are accommodating their changing needs and demands.
- **New Dynamics, Current Predicament Scream for Consolidation** – UWM-WC and MPTC -WB are only four miles apart. The UW Board of Regents has recently enabled the technical colleges to compete directly with the UW colleges for offering an associate degree in general studies and liberal arts. They are now in over-lapping head-to-head competition. Two sets of administrative overheads are being paid for by taxpayers. One would suffice if consolidation of the two campuses took place. The predominant method for delivering two-year college education across the country is that of a “community college.” These unified colleges offer a technology track and a general studies track. In the technology track, they offer certificates and associate degrees for careers such as the trades, nursing, information technology, and applied business. The general studies track offers the first two years toward baccalaureates.
- **Funding Would Follow Students** – In a consolidation, the funding would follow the students. Tuition, of course, would follow the students to a community college. If the UW colleges were merged into the technical college system, the existing base of property tax support would stay in place or be enhanced.
- **Students Better Served in a Community College Concept with Strong Culture** – The value proposition for students and their families would be highly advantageous. The tuition would be low. Room and board would be sharply reduced by living at home. Hybrid courses that include online learning would accommodate work schedules. Athletics and extracurriculars would be instituted or restored. A café and gathering spaces would be made attractive. Cultural events would be part of the campus life. Kids would have fun while working hard on their studies and their careers.





- **Precedents Exist for WTCS Community College Branding and Concept** – Madison College in Dane County, and Nicolet College that serves the seven counties around Rhinelander, have succeeded for a long time. Branded as Madison College, and still incorporated as Madison Area Technical College, serves 12 counties with eight locations. It has roots back to 1912 and rebranded itself a “Madison College” in 2010. It serves about 30,000 students per year. Nicolet College, which dates back to 1967, serves seven counties. It has more than 1800 students, most part-time. They both offer a technical occupation track and a liberal arts credit track toward baccalaureate degrees. Both are led by a local board under the governance of the board of the Wisconsin Technical College System. They have led the way to an integrated model for two-year higher education in Wisconsin. Their models can be replicated in other parts of the state where current two-year systems operate independently side-by-side.
- **General Studies Faculty Could be Integrated** -- Washington County has no preconceived notions or dispositions on the technical handling of human resources in the event of a merger of resources between the two campuses. As a matter of fact, however, UWM-WC employs professors with PhDs as their principal teachers. The students love their face-to-face educational experiences with these highly educated professionals, who mostly live in the community. It is also important to know that 41% of the general education faculty at MPTC-WB hold doctorates and that their pay scale has a range of \$78,000 to \$103,000. The average salary is \$87,590 – much higher than the estimated base salary of \$60,000 at UWM-WC. The technical colleges have always had a modicum of general studies education. Under the merged resources of a community college concept, it stands to reason that there may be an opportunity for both MPTC and current UWM-WC professors.



A Once Bustling Campus Loses Vitality

Compared to the once bustling hallways and classrooms of the West Bend campus of the University of Wisconsin, it's now "a ghost town," observed one of its long-time proponents. Gone are more than half of the student body, the sounds and camaraderie of athletics, many of the student services, many of the extracurriculars, the fresh-cooked food cafeteria, the opportunity to take junior and senior year classes toward a baccalaureate. Community engagement with what was once a centerpiece of the community has diminished. Said one passionate alumnus, "They took away the personality of the campus."



Local Campus in Dire Straits

Faced with a long-term trend of fewer high school graduates each year, a hot labor market, and a growing aversion to student debt, the West Bend campus of the University of Wisconsin has experienced a precipitous drop in student enrollment over the last five and ten year periods.

Washington County campus is not alone in the pattern of enrollment fall-offs. The 13 UW colleges overall have lost roughly half of their student bodies. (See chart at end of this chapter.)

Ten years ago, the head count at the University of Wisconsin -- Washington County, then known as UWWC, enrolled 998 students with the full time equivalent (FTE) of 742. At the end of 2022 the UWM-WC campus had a head count of 387 and an FTE of 280.

Five years ago, then university President Ray Cross consolidated the 13 two-year UW campuses into the 12 four-year comprehensive campuses across the state. The West Bend campus, along with the Waukesha campus, was merged into UW-Milwaukee.

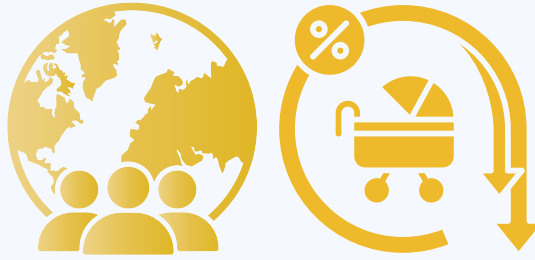
Since the consolidation in 2018, the decline in enrollment has accelerated. The head count in 2018 was 744 with 559 FTEs compared to the current FTE count of 280. Long and short, the consolidation has not worked well for most of the 13 former UW colleges.

Take into account that 2020 and 2021 were heavily impacted by the Covid pandemic when students were restricted from some on-site classes and recruiting was inhibited.

The falloff in enrollment was exacerbated by budget stresses at UWM, which has also faced sharp enrollment declines. UWM budgets were cut every year. That affected the West Bend campus. Recruiting and marketing dollars were cut back. The long-standing position of dean of the campus, a high profile leadership position in the community, was eliminated. UW System dropped athletics for students. Student services were curtailed to one staff member.

While these cuts may have been necessary from a UWM budgetary perspective, they were a drag on local enrollment growth. Successive deans, for example, had served as the principal recruiting officers for the campus by establishing connections with the five surrounding feeder K-12 school districts.

Outlook for Labor Market Impacts



The extremely high demand for workers in Washington County and the surrounding areas are likely to be with us for at least a decade or more. The county had an all-time unemployment low of 2.6% in 2022, while the state was also near record lows at 3.7%.

Challenging long-term factors are at play in the labor shortage:

- Record retirements of baby boomers turning 65,
- The long tail of fewer births during the recession 2007-2009 that will hit at the 18-year mark of 2025. A similar “birth dearth” will start in 2038 because of the long-term downward trend in US births.
- In addition to Help Wanted signs out front at many employers, wages have jumped by 5% or more on average, creating a pull into the workforce of high school graduates who might have gone for higher education in earlier times.
- The flow of legal immigrants was severely reduced during the Trump administration of 2017 to 2021, reducing the supply of available workers. The Biden administration has not moved decisively to restore the long-term influx of legal immigrants to the historical pattern of one million per year.
- Labor force participation dropped several points to approximately 65% in Wisconsin following the pandemic. People who were laid off found other ways to live their lives without an 8 to 5 job. Women, especially, have been slower to go back to full time jobs.

The tension between employers seeking young people for their operations and colleges seeking enrollments of high school graduates will continue, and it will greatly change the dynamics for colleges and universities.

Employers have moved with vigor to fill their ranks with untrained workers and then to educate them on-the-job to increase their skills. Nimble two-year colleges can respond by offering skill-specific short term education modules and actively engaging with local employers. They become “credential colleges.”

Further, continuing education programs for the work force will be hybrid by mixing on-line education with teacher-facing classes.

Competition with Technical College

The Wisconsin technical college system has proved far more agile at accommodating changes in the labor marketplace than the University of Wisconsin. The 12 satellite UW campuses, for the most part, have been neglected, while the technical colleges have moved aggressively into “general studies.” That was the traditional role of the UW colleges. So they are now in direct competition for liberal arts offerings.

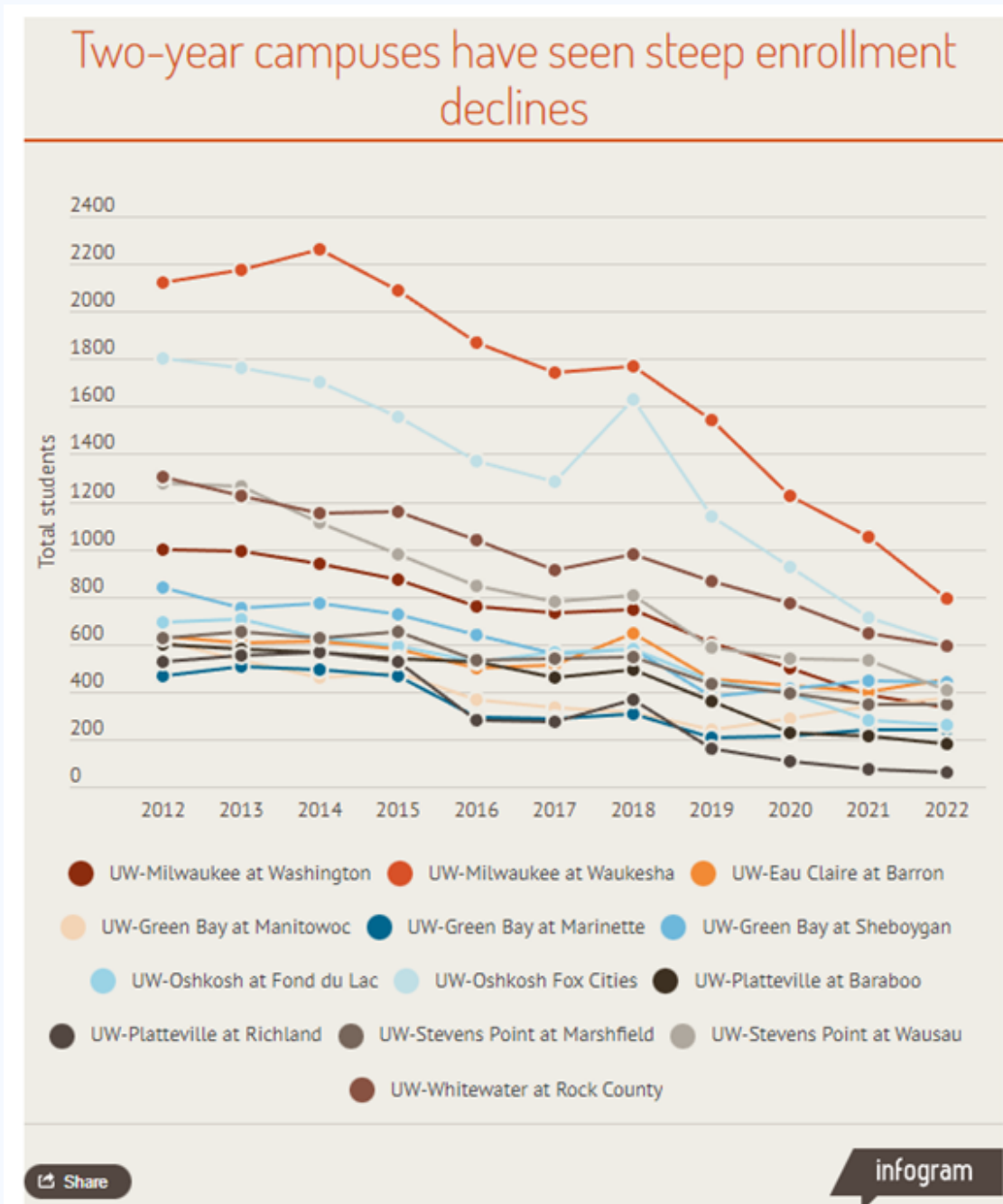
Both MPTC and UW at Washington County offer associate degrees in the arts; MPTC also offers an associate degree in sciences.

Innovative solutions that provide clear and credentialed pathways through the education system to productive careers are emerging. That will be a subject addressed in subsequent chapters.

The failure of the UW to adapt to new delivery methods can be seen in the recent closure of the UW-Richland Center campus, which had declined to only 60 students. The financial numbers may make the case for closure of that campus, but the primary philosophy of the University of Wisconsin that the borders of the University are the borders of the state – The Wisconsin Idea – is not served by the shutdown of rural campuses.

Better solutions, which are being sought by the Washington County task force for sharpening the Washington County education model, must be surfaced and implemented.

UW Two-year Colleges Enrollment Decline



UW BRANCH CAMPUSES ENROLLMENT HEADCOUNT 2018-2022

Institution	Subcategory	2022	2021	2020	2019	2018
UW-Milwaukee at Washington County	Total	332	387	500	605	744
UW-Milwaukee at Waukesha County	Total	790	1,049	1,221	1,542	1,767
UW-Eau Claire-Barron County	Total	455	401	423	454	642
UW-Green Bay, Manitowoc Campus	Total	373	341	287	237	311
UW-Green Bay, Marinette Campus	Total	242	240	215	203	306
UW-Green Bay, Sheboygan Campus	Total	440	447	411	381	581
UW-Oshkosh Fond du Lac	Total	258	281	394	444	579
UW-Oshkosh Fox Cities	Total	605	714	925	1,134	1,629
UW-Platteville Baraboo Sauk County	Total	179	216	225	360	494
UW-Platteville Richland	Total	60	75	108	159	366
UW-Stevens Point at Marshfield	Total	344	346	395	431	545
UW-Stevens Point at Wausau	Total	404	531	536	587	802
UW-Whitewater at Rock County	Total	593	644	771	862	975
UW Colleges Online	Total	0	0	0	0	0



The Two-Year Campuses - How Connected?

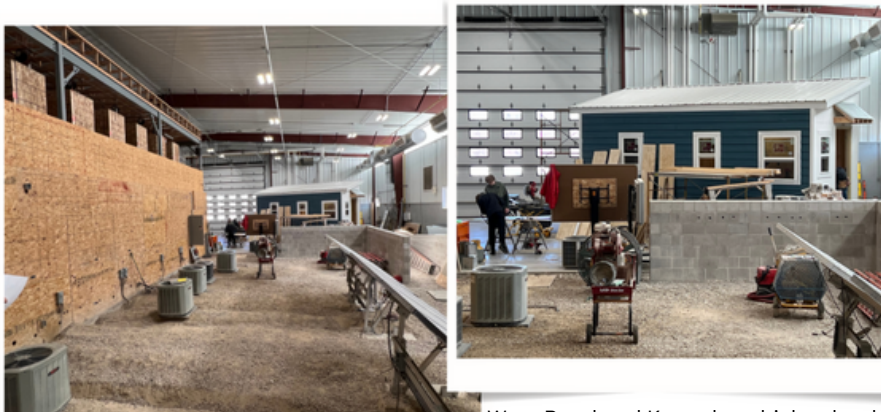


Sharp Contrast in Connectivity

There is a tale of two campuses between the University of Wisconsin-Milwaukee at Washington County and the West Bend campus of Moraine Park Technical College. For better or for worse, the technical college campus is far more linked to major constituencies critical to campus success than is the UW campus.

The two campuses are only 4 miles apart, a 7 minute drive. For reasons that escape the understanding and work of this Task Force, there is almost no interaction between the two community institutions.

Dual Credit Increasingly Popular



West Bend and Kewaskum high school students build tiny house at MPTC

There are a number of ways to look at connectivity. The most important is through the eyes of students. They are the customers. Over the last 20 years a concept of dual credits has emerged across the country. Under this concept, high school students take one or more college courses for college credit in their junior and senior years. The courses can be taught at the high school by a college accredited instructor. Or they can be taught on the two-year campus, which requires travel by the students from the five high school districts, on the Washington County market.

At last count, the UW Milwaukee satellite campus had 40 dual credit students, while the technical college West Bend campus had 566. The technical college total was 47% of the last cohort of high school graduates from the five local K-12 districts.

By example, the West Bend district offers 298 courses for credit at MPTC. That connection yields 2000 credits for high school students. Those early credits save about \$180,000 in college tuition.

Clearly, high school students think primarily about the technical college as a way of building their credit portfolios before graduation. They also take advance placement (AP) courses for college credit at the high school.

Hybrid Education Model Includes Online Courses

UWM offers a variety of online programs, including a 100 percent online degree and Flexible Degree Option for the Associate of Arts & Sciences Degree, and online options for the baccalaureate degree. Approximately 20 percent of UWM-WC's regular course offerings are online. MPTC also offers online courses.

Another Metric: Two-Plus-Two Programs

Not surprisingly, the UW satellite campus in West Bend has an articulation pathway to the Milwaukee campus. The freshman and sophomore year are delivered at the Washington County campus, while the junior and senior years are delivered at the Milwaukee campus. There are variations on this pathway. Some students leave for a four-year campus after the first year.

Further, some high school graduates have amassed as many as 30 college credits by the time they graduate, which obviates the need for a freshman year at any two-year campus. Only 15% of UWM-WC students now stay to complete a two-year associate degree; they typically go on for a baccalaureate or other options. The two-year associate degree has obviously declined in value.

Moraine Park has a wider set of connections with surrounding four-year campuses. They have linked up with colleges such as UW–Green Bay, UW-Whitewater and private colleges like Lakeland, Marian and Milwaukee School of Engineering (MSOE).

Some of the K-12 districts have their own alliances with surrounding universities. West Bend, for example, has a two-plus-two alliance with UW-Green Bay and UW-Whitewater for education baccalaureates.

Connections to Industry



The technical college district has a fundamental structure that embraces employers in many economic sectors. It has employers on its district boards across the state. That makes the technical college system more nimble and responsive to filling pressing gaps in the workforce. The UWM satellite campus has few such connections.

Every MPTC program has an advisory committee drawn from that part of the employment world.

Employers Accelerate In-House Training



Class time for Carpentry Apprenticeship program at MPTC

Not finding sufficient help they need from local colleges, the fastest growing employers in Washington County are taking training matters into their own hands. They all face daunting challenges to keep their current job positions filled and to expand their workforces. The declining pool of available workers is the biggest threat to a growing economy in the county.

Take, for example, the West Bend Mutual Insurance Company (WBMI). It has grown from \$1 billion in sales in 2015 to a projected \$2 billion by 2024. It intends to grow to \$2.5 billion by 2028. To accommodate that growth, WBMI needs to add one employee per day in the coming years. It currently employs about 1500 people, with about 1000 at its West Bend Campus.

The fast-growing company hires any acceptable applicants, regardless of training and education background, and then uses on-the-job-training to get the newcomers up to speed.

There is a clear opportunity to complement the company's training efforts at the two-year college level.

Another example is Delta Defense, which has grown rapidly to 600 employees. Delta has built a seven-week training program for new employees, buttressed by a training program at the for-profit Kaplan University that offers the necessary courses for students to qualify for a license in property and casualty insurance. The local colleges are not involved.

Demand for Healthcare Workers Greatly Exceed Supply



In this huge segment of the economy, almost 20% of GDP, many good jobs go wanting.

The education infrastructure for producing nurses is impressive. Local high schools offer advanced placement courses in the necessary sciences and foster dual credit programs with Moraine Park Technical College in nursing and other healthcare technician careers. The West Bend School District is developing a "Health Academy." The Moraine Park district has 250 nursing students, who after two years, are highly qualified to move on to four-year degrees at all the surrounding four-year colleges that offer nursing baccalaureates. They enter the four-year programs as full-fledged juniors.

The biggest nursing program in the state is at the University of Wisconsin – Milwaukee with 1400 students, and a total of 2,000 students in health sciences degree programs. There is an allotment of 40 transfers from UWM at Waukesha, none from UWM at Washington County. UWM also has 1700 students in health sciences degree programs.

The demand for nurses is very strong. It's higher than the current flow of graduates can accommodate. About 11% of registered nurse jobs at hospitals in Wisconsin were unfilled in 2021. The same is true of other medical specialties like imaging technicians (88 current openings across the Froedtert System), phlebotomists, surgical technicians, respiratory therapists and nursing aides are sitting vacant. Froedtert currently has 100 openings, often running as high as 200. "It's never been worse," said its HR executive, "The supply doesn't meet the demand."

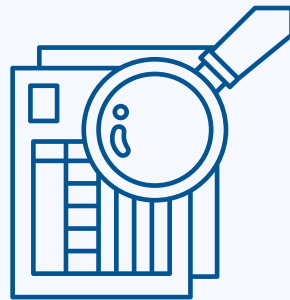
An aging workforce, the hangover from COVID, and a shortage of trainers has compounded the challenge.

Froedtert, like Delta and WBMI, hires almost any acceptable applicant and then uses internal training to advance their capabilities while they are being paid in low-skill healthcare jobs, such as medical assistants.

Long and short, the pipeline for developing healthcare workers is firmly established, but is not robust enough to supply the various healthcare needs in the region. The result of staff shortages can be excruciating; it has led to the shutdown of some hospital departments and clinics or the reduction of available service hours.

The two-year colleges have a wide open market opportunity to increase the flow of students into health worker occupations.

Other Key Observations From Employers



- Students are not enthusiastic about virtual online classes; they prefer face-to-face education. They will use online methods when they are the only classes available in a particular subject.
- Employers generally have very low interactions with or awareness of the existence of UWM-WC. They generally have more experience with MPTC-WB.
- Continuing education of employees is increasingly in demand. Signicast Corporation of Hartford, for example, has sent 17 people to a leadership development program at UWM-WC.
- Certificate programs in narrow areas of expertise are a new way forward. They can be "stackable" into accumulative competencies for degrees.
- Some employers, like American Construction Services, have developed career plans with each employee. The trades, which MPTC has long served in the construction industry, need the two-year colleges to be nimble and quick in that fast-changing sector.
- Some companies in the county have tuition reimbursement subsidies for employees seeking degrees, but they are not heavily utilized.
- Froedtert is increasingly using social media channels to cultivate interest in working there.

Voice of Customer - Students Seek Better Value

Introduction:

It became abundantly clear during our hearings on the status and future of two-year collegiate education in Washington County that the traditional structure for post-high school education either no longer works for students or is being reinvented to provide better value for students – the combination of cost, quality of instruction and supporting services.

Students contacted by the task force showed ingenuity and flexibility on their journey to their desired careers. Many of them start, stop for a while, and then restart their educations as the circumstances in their lives allow. They are often not on traditional two-year and four-year tracks for a degree. That change in dynamics requires educational institutions from K-12 to baccalaureate to be as nimble and as flexible in their offerings.

Educational institutions have their own agenda, status quo programs, budgets, rules and regulations that lock them into fairly rigid ways of delivering education. That is changing as students' needs change. And it is changing as more entrepreneurial educators respond to the new marketplace.

Tuition, Overall Costs a Major Challenge



The cost of higher education can be prohibitive for many youths and returning students. Degrees at elite colleges can run well over \$50,000 per year for tuition, books and room and board. Total Baccalaureate annual cost for attending the University of Wisconsin – Madison comes to about \$28,498 for a Wisconsin resident. * Total cost for a four-year baccalaureate at University of Wisconsin – Milwaukee averages about \$21,306* for a Wisconsin resident, somewhat depending on the chosen major. UWM-WC is a bargain compared to the downtown campus. Annual undergraduate tuition runs at about \$4,750 compared to \$8,091 at UWM and \$9,273 at UW – Madison.** MATC-WB is even more of a bargain at an estimated tuition of about \$4000 per year.

Room and board when students reside on or near campus typically runs about \$10,000 per year. Obviously, students who live at home avoid the cost of commuting by going to a local campus.

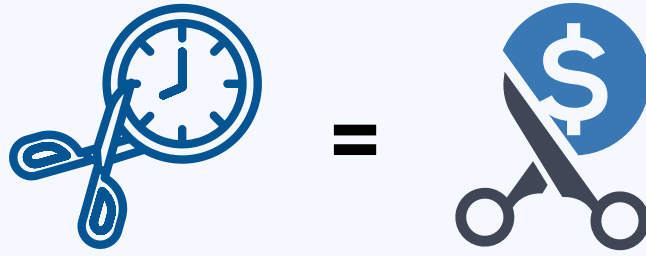
In addition, students living at home often have connections to jobs in the community and less travel time to get to and from those jobs. They offset tuition and related costs with take-home pay. A majority of the students attending two-year campuses in Washington County work at part-time or full time jobs in addition to their academic load.

*This cost includes Tuition and fees, course materials, housing, meals, personal expenses and transportation.

<https://financialaid.wisc.edu/cost-of-attendance/>

<https://uwm.edu/cost-aid/>

**<https://uwhelp.wisconsin.edu/counselors/navigating-financial-aid/uw-system-tuition-chart/>



Fortunately, the five K-12 districts that serve as feeders to the county two-year colleges have long-established programs to introduce children to a wide variety of careers. Students who know where they are going for their careers have a big advantage, because they can start taking courses for credits that are career-oriented while still in high school.

Many graduating seniors have earned a good part of their credits required for a freshman year in college. Some have attained the full 30 credits needed for a successful freshman year. With the cost of college at \$10,000 on the low end to as much as \$30,000, the savings are huge. Part-time college students often stretch out the installments for full or two-year degrees over more years.

The accumulation of college credits while in high school can be attained in several ways: Advanced Placement courses for credits and dual credits for college courses delivered at the high school or the local college campus. The latter are taught by college professors or accredited high school teachers. Kids are not dumb; they have figured out they can sharply cut college costs before they even get to college.

An unfortunate side effect of credits earned in high school is that the two-year colleges have been undermined by that new reality. Their mission was to deliver the freshman and sophomore years for the college journey. The freshman market has been diminished. In effect, half of the traditional two-year mission has been eroded.

Further, state leaders have empowered the two-year technical colleges to compete directly with neighboring campuses by delivering general studies courses. In effect, technical colleges are now in the liberal arts business, formerly the job of the UW two-year campuses.

How About Auto-Enrollment for High School Juniors?

Many upper-class high school students already have one foot in the collegiate world through taking college courses early. To increase enrollment on the two-year campuses, why not then send them a letter in the middle of their junior year that automatically enrolls them in the local two-year colleges?

Amidst a blizzard of higher education options, they would have one solid option right in front of them (and bring heightened awareness to the existence of the local two-year campuses, which is currently lacking). It would give them the confidence that there is one educational pathway for which they have already been accepted. It would eliminate the frustration of the clunky college admission system.

The local students could be tracked through the K-12 system; the two-year college systems would know exactly who they are getting as incoming freshmen.

That should help to boost enrollment at the two local campuses that are suffering from enrollment declines. The local two-year institutions would be saying, as Uncle Sam once did, **“We Want You.”** In the transition from high school to college, the high school counselors and the college counselors could collaborate after acceptance on a customized career/education plan for each incoming college student.

Part of the customized plan would include apprenticeships and internships where appropriate for student journeys.

Programs for Students in Need

Programs exist for disadvantaged students, and they need to be made obvious and readily available by guidance counselors in high school and at the two-year colleges. In addition, the University of Wisconsin four-year universities have made available the Wisconsin Tuition Promise. It started off on the Madison campus and has recently been proposed to the other 12 four-year campuses and their 12 satellite campuses.

Online Education Must be Part of the Mix

Some of the pre-college courses can be hybrid -- a combination of in-person learning and on-line learning. One mom with two young boys has little time for commuting and attending courses on a rigid timeline. She is working her way toward two-year and four-year degrees almost entirely online. The hybrid model isn't going away, even if most students favor face-to-face classes.

Credit Transfer Can Be a Mess

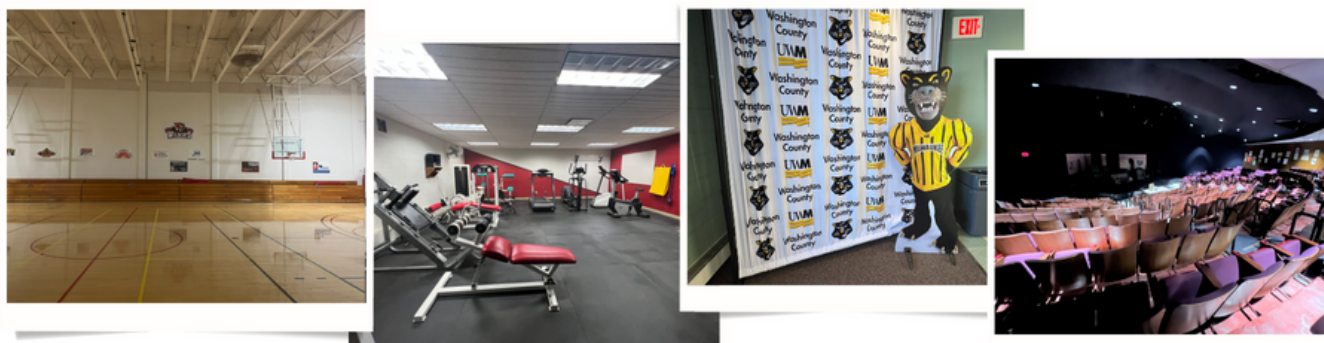
Emphasis has been placed by higher education leaders in recent years on seamless transfer of credits earned in high school, earned at the two-year level or earned at other four-year universities. But students still run into barriers when trying to transfer previously earned credits to their new college of choice.

Seventeen state legislators have moved to eliminate that issue. They have introduced Wisconsin Senate Bill 19 that would require the University of Wisconsin and the Wisconsin Technical College Systems (WTCS) to implement universal course numbering and credit transfer programs over the next five years.

Under the new law, at least 72 credits of core general education courses must be transferrable between UW universities and WTCS. The bill, which was introduced by five state senators and 12 representatives in January, would make credit transfer automatic via a new computerized program.

Private and tribal colleges could participate on a voluntary basis through articulation agreement. We support this proposal.

Students Want Some Fun and Gemütlichkeit



Intercollegiate athletics were stripped from the satellite campuses in Waukesha and West Bend by the UW System. The cafeteria where students gathered for conversation and interaction now serves pre-made food. There is a student activities coordinator who supports student life outside of class, and they have hired a recruiter, though it is difficult to fill and maintain pay. Extracurriculars like theater, students' clubs, and intramural athletics were curtailed. The campus lost its joie de vivre. It is now simply a place to take classes.

Craig Larsen, a graduate of the West Bend campus and later Concordia College, is an expert on local athletic activities. He is insistent that young people need physical activity and camaraderie. His views met with a consensus agreement of presenting students and task force members. Young people who are working hard at their academics also want to have some fun.

It is well-established in research that physical exercise and mental acuity go hand-in-hand. Larsen maintained that students involved with sports graduate at a higher level than their peers. Further, he said that his research review confirmed that two-year colleges with sports programs attract 13% higher enrollments.

Larsen pointed out that ample facilities for basketball, volleyball and soccer exist at UWM-WC. A new baseball field is available nearby. He estimated that intercollegiate athletics could be reestablished for about \$125,000 each.

Note that MPTC-WB has no athletic programs or facilities, except for a disk golf course. Also note that because UWM is D-1 in basketball and baseball, programs in those sports at the two-year campuses are disallowed by the National College Athletic Association (NCAA).

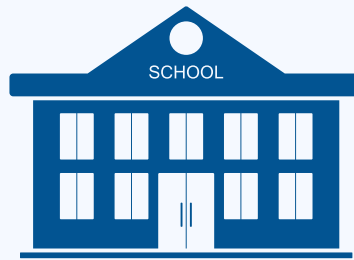
Some Advantages Remain at UWM-WC

On the academic side, the local UW satellite has some significant advantages. Most of the courses are taught by professors, not teaching assistants; class sizes are generally no more than 20 students. The professors and students are often on a first-name basis.

On the physical asset side, the UWM-WC campus is a modern facility with excellent classrooms, lab, a theater, a cafeteria and lunch space, a basketball and volleyball gym, and a soccer field.

The campus is located in a beautiful piece of kettle-moraine topography with hiking trails. The National Ice Age Scenic Trail runs adjacent to the campus, as does Silver Creek. It's an ideal setting for a small, intimate college. It can easily accommodate 1500 students.





In answer to the question, “Why aren’t our high school juniors and seniors choosing UWM-WC as a starting point for their post-secondary education”? Here are some confidential responses:

1. The economic advantage of attending college in county has been offset by on-line course offerings which have over-all cost advantages, such as no driving to class every day, and are viewed as more convenient.
2. The high participation rate in AP classes in high school is allowing students to stockpile college credits and offset the need to attend Gen Ed classes at UWM-WC.
3. Students who are considering UWM-WC see low enrollment, smaller than desired class sizes, few student services, and no student activities such as clubs or sports. Said one observer, “it’s like touring a ghost town.”
4. This generation of kids is highly social and has a negative view of the limited opportunities for social engagement at a “commuter campus”. Also, they would rather start building their social network at a 4-year campus than having to do so as a transfer student (coming as a junior).
5. Must offer 4-year degrees to be relevant. A community college (hybrid solution) was not viewed favorably. “It’s the same as we have now with a different name,” said one educator.
6. More students are choosing alternative options such as tech schools, apprenticeships, etc., realizing they don’t want or need a four-year college degree to support their career choices.
7. Many classes offered overlap with AP classes. Not enough variety offered.
8. Fewer course opportunities in person than in the past.
9. No athletics.
10. Lack of relevant curriculum offered – many students find that prerequisite courses for their desired degree program are not offered here, necessitating an earlier transfer.
11. Students are completing Gen Ed classes in high school as a result of taking AP courses.
12. It seems that most new and exciting UWM programming is being offered at the Waukesha campus. Washington County campus needs something to help it be viewed as “exciting.”
13. Transfer process to UWM and other 4-year campuses is viewed as confusing.
14. Gen Ed program at MPTC is cheaper.
15. There’s a rep from MPTC present at the high schools once a week, providing in person assistance/support. Not available from UWM-WC.

Precedents for Combined Community College Concept

An analysis of how 50 states deliver two-year college education shows they vary widely. A preponderance of states use community colleges that have a dual track in technical training for such careers as plumbing, nursing, IT, and a general studies/liberal arts track that aims at baccalaureates in fields such history, English, economics, and mathematics. The community college is the predominant form of a two-year education in the states. Some states also have branch campuses of their four-year universities, and some colleges have technology colleges with the occupational track only.

Of interest, only 11 states, including Wisconsin, have two-year branches of their four-year universities. Also of interest, only 12 states, including Wisconsin, have post-secondary technical institutes organized separately from community colleges.

The community college model with dual tracks in the technical/occupational education and a parallel baccalaureate track in general studies/liberal arts is predominant across the 50 states.

Like Wisconsin, 19 states have more than one governing or coordinating board. Wisconsin has a Board of Regents for its 25 University of Wisconsin campuses and a separate governing board for its Wisconsin Technical College System (WTCS).

There is precedent in Wisconsin for a dual-track community college concept operating under the auspices of WTCS. Madison College offers side-by-side technical training and liberal arts education in Dane County. Nicolet College, also part of WTCS, offers both occupational training and university-level liberal arts education in the district around Rhinelander. Both technical colleges have been branded as community colleges. Madison College also has a vibrant student life and athletic program.

Over the last 20 years, the technical college system has made aggressive moves into “general studies,” which is in direct competition with the now 12 UW two-year satellite colleges. The University of Wisconsin Board of Regents recently sanctioned that expansion and competition by creating transferability of all technical college credits at UW campuses.

What sense does it make to have two taxpayer-funded state institutions offering two-year associate degrees in general studies just a few miles from each other in a county?

As for the opportunity for the staff and faculty of the two institutions, it is important to know that UWM-WC employs professors with PhDs as their principal teachers. The students love their face-to-face educational experiences with these highly educated professionals, who mostly live in the community. It is also important to know that 41% of the general education faculty at MPTC-WB hold doctorates and that their pay scale has a range of \$83,000 to \$110,000. The average base salary is \$92,000 – much higher than the estimated base salary of \$60,000 at UWM-WC.

The technical colleges have always had a modicum of general studies education. The merged resources of the community college concept could create an opportunity for the UW faculty and the student body at UWM-WC as a jump start to its enlarged ambition of providing credits for a liberal arts baccalaureate.

Co-locations of UW Colleges and Technical Colleges

Of the 12 UW Colleges, that are in close proximity to a technical college campus, seven are fewer than 15 miles apart. In addition to West Bend, they are:

- UWM-Waukesha and Waukesha County Technical College, 3.4 miles apart
- UW -Oshkosh at Fond du Lac and MPTC Fond du Lac, 1 mile apart
- UW Green Bay-Sheboygan and Lakeshore Tech at Sheboygan, 3 miles apart
- UW Oshkosh-Fox Valley (Appleton) and Fox Valley TC at Appleton, 9 miles apart
- UW-Marathon County, Wausau and North Central TC, Wausau, 4 miles apart
- UW- Whitewater at Rock County, Janesville and Blackhawk TC at Beloit, 10 miles apart

**Advisory Resolution Supporting the Concept of Creating
a Pilot Community College System**

WASHINGTON COUNTY, WISCONSIN

Date of enactment: _____

Date of publication: _____

2023 RESOLUTION ____

**Advisory Resolution Supporting the Concept of
Creating a Pilot Community College System**

WHEREAS, in the last 15 years, demographic trends impacted both UWM at Washington County leaving devastating enrollment declines; and Moraine Park Technical College (MPTC) with significant enrollment decreases; MPTC is still sustaining strong programming with fiscal responsibility, despite these challenges; and

WHEREAS, the Washington County Higher Education Task Force (the "Task Force"), comprised of leaders from industry, K-12 districts, higher education, government and elected officials, was convened by the Washington County Executive to evaluate and provide recommendations for sustainable higher education in Washington County; and

WHEREAS, the Task Force conducted eight due diligence sessions to examine higher education in Washington County from the perspective of:

- Current and future state
- K-12 programs in collaboration with institutions of higher learning
- Financial structure and sustainability
- Current needs of industry and employers in Washington County
- Voice of the student
- What other states are doing in two-year college education; and

WHEREAS, representatives of the higher education institutions in the county, along with Task Force members, provided significant data that was examined by the Task Force; and

WHEREAS, an examination of models and trends of two-year campuses across the country was conducted; and

WHEREAS, both UWM at Washington County and Moraine Park Technical College now offer competing two-year liberal arts associate degrees; and

WHEREAS, UWM at Washington County and its students are supported by scholarships from the Washington County Foundation (the "Foundation"); and

WHEREAS, the Wisconsin Technical college System has five long-standing dual track community college concepts – Nicolet College in Rhinelander; Madison Area Technical College in Madison (branded as Madison College); Milwaukee Area Technical College in Milwaukee; Western Technical College in La Crosse; and Chippewa Valley Technical College in Eau Claire serving as precedents for a similar community college concept in Washington County; and

WHEREAS, the investigation of the Task Force revealed that Washington County needs a new model for higher education that serves all relevant stakeholders and is a magnet to keep young residents in the community and this model must include the following characteristics:

Advisory Resolution Supporting the Concept of Creating a Pilot Community College System

- Affordable – Incredible value – Offering high ROI to students
- Accessible in-person and on-line
- Customizable to each student
- Strong K-12 partnerships
- Responsive to employer needs
- Unmatched direct pipelines to Washington County communities
- Gateway for further education; and

WHEREAS, the Task Force has determined that to ensure a sustainable higher education system in Washington County, it is in the best interest of the students, residents, employers, school districts, taxpayers and both higher education institutions in the county to combine the resources from UWM at Washington County and the Moraine Park Technical College West Bend campus to create a community college concept in West Bend under the governance of Moraine Park Technical College; and

WHEREAS, the Washington County Higher Education Task Force recommends the creation of a pilot community college concept combining the resources of UWM at Washington County and Moraine Park Technical College to be implemented via legislative and policy actions, creating a post high school educational model with the following assets, services and educational offerings:

- Dual credit access in participation with area school districts
- Open enrollment for all citizens of Washington County.
- Solid financials derived from tuition, GPR, referendum-approved bonding, property tax support and Foundation scholarships
- Connectedness to the community, four-year institutions, school districts, employers and their apprenticeships and internships
- Stackable and easily transferable credits
- Hybrid curriculum, stressing face to face-based instruction, buttressed by on-line classes
- Intense individualized guidance for each student and counseling
- Foundation support for Washington County juniors and seniors
- Local administration and aggressive recruiting
- Powerful marketing efforts and resources
- Potential athletic teams and increased student activities pending funding and viability studies.
- Café and student union space
- Student government
- First generation student support
- Low-cost tuition as a differential
- 2+2 articulation agreements with regional universities, with locally taught classes, where applicable

NOW, THEREFORE, BE IT RESOLVED that the Washington County Board of Supervisors adopts the recommendations of the Washington County Higher Education Task Force and requests one-time state funding be granted to Washington County, by legislation, to create an endowment which must be used to:

- Lower student debt and provide tuition assistance

Advisory Resolution Supporting the Concept of Creating a Pilot Community College System

- Fund the startup, including athletics and student activities
- Fund comprehensive branding and awareness of the community college concept
- Support capital improvements as approved by the appropriate governing body

BE IT FURTHER RESOLVED that a local support board chaired by the Washington County Executive or his or her appointee, with remaining board members appointed by the Washington County Executive and confirmed by the Washington County Board of Supervisors, shall be created to manage the endowment, and to support and advise Washington County in distributing funding in support of the community college concept.

BE IT FURTHER RESOLVED that Washington County, as it has for over 50 years with the University of Wisconsin System, will foster a partnership with MPTC West Bend Campus to support future facilities and needs of the community college concept as identified by the community and employers, and as approved by the Washington County Board of Supervisors and as approved, owned, and operated by MPTC.

BE IT FURTHER RESOLVED that a copy of this resolution shall be sent to Governor Tony Evers, members of the Wisconsin Assembly and Senate and the Wisconsin Counties Association.

VOTE REQUIREMENT FOR PASSAGE: Majority

RESOLUTION SUMMARY: Advisory Resolution endorsing the concept of the creation of a pilot community college.

Approved as to form: Introduced by members of the EXECUTIVE COMMITTEE as filed with the County Clerk.

Bradley S. Stern, County Attorney

Dated _____ Jeffrey D. Schleif, Chairperson

Approved: _____ Considered _____

Josh Schoemann, County Executive Adopted _____

Dated _____ Ayes _____ Noes _____ Absent _____

Veto Voice Vote _____

Partial Veto

(No fiscal impact.)

COMMITTEE REPORT

To: Executive Committee

From: David Barber, Chief Administration Officer

Meeting Date: 03/15/2023

Re: Resolution from recommendations Washington County Higher Education Task Force

POLICY QUESTION:

Over the last fifteen years the UWM at Washington County(UWM-WC) Campus has suffered devastating enrollment declines. While Moraine Park Technical College(MPTC) Campus has seen significant enrollment declines during the same time. Should the county pursue creating a pilot community college that would combine MPTC and UWM-WC under the governance of MPTC?

STRATEGIC PRIORITY/RESULT ACHIEVED:

*Economic growth and Vitality
Well Governed and Administered County*

DISCUSSION:

Recently the UW System shutdown Richland Center's two-year college program and collapsed the college into UW-Platteville. This was done with no warning or conversations with local leaders. With UWM-WC suffering enrollment declines, the county would like to have control over the future of higher education in Washington County. After eight weeks of meetings, research, and tours of the facilities by local educators, business leaders and county officials it was determined that a new combined UWM-WC and MPTC was the best way forward.

FISCAL EFFECT:

Hard to determine at this time, but we are asking for one time state funding of \$30 million to create an endowment facilitated by a foundation.

ATTACHMENTS:

Draft Resolution

RECOMMENDATION:

Motion to approve the resolution and move forward with a new pilot program.

**Submit this form in WORD format to CLKagenda_dg@co.washington.wi.us
ONE CALENDAR WEEK PLUS 3 WORK DAYS prior to the Committee meeting
WITH the Committee Agenda Preparation Form.**

Rev. 4/2019

WASHINGTON COUNTY, WISCONSIN

Date of enactment: _____

Date of publication: _____

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- What other states are doing in two-year college education; and

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Dated _____ Jeffrey D. Schleif, Chairperson

Approved: _____ Considered _____

Josh Schoemann, County Executive Adopted _____

Dated _____ Ayes _____ Noes _____ Absent _____

Veto Voice Vote _____

Partial Veto

(No fiscal impact.)

Dave Barber

Subject: FW: EXTERNAL:031423 WPR story: As UW System ends classes at Richland Center, other communities wonder if their 2-year campus is next

[As UW System ends classes at Richland Center, other communities wonder if their 2-year campus is next](#)
End of classes in Richland leaves students with few options, local officials seeking assurance

By Rich Kremer

Tuesday, March 14, 2023, 5:35am

County boards overseeing some two-year University of Wisconsin schools are delaying maintenance and upgrades until they get commitments that the university system won't close those campuses.

The uncertainty around local campuses comes three months after the [UW System announced it would stop offering classes at UW-Platteville Richland](#). It's the first time the UW System has planned for instruction to cease at a campus in more than four decades.

The end of classes at Richland comes after [seven years of steep enrollment declines](#). This semester's classes will be the last ones held there.

University administrators have stopped short of saying the campus itself is closing and say they're working with local officials to define UW-Platteville's presence in Richland Center. But the move is widely understood in the community as essentially shuttering the campus. [Attempts by community members to change that](#) have appeared to make little headway, though discussions with the UW System about what comes next for UW-Richland are ongoing.

Richland is far from the only campus that has seen enrollment declines. And in at least two other counties, leaders are debating whether to pull back on local investments into their campuses.

In Wausau, Marathon County Board Chair Kurt Gibbs took notice of the Richland announcement, as that county's campus, known as UW-Stevens Point at Wausau, has seen enrollment fall by almost 70 percent over the past decade.

"I'm not naive enough to say, 'If the enrollment falls again or continues to fall, that at some point the result of what happened at Richland Center wouldn't be the potential result at Wausau,'" Gibbs said. "But we're hoping to be able to forego that and not have that happen."

Before a merger in 2018, the campus was known as the University of Wisconsin-Marathon County. During the Great Recession, [enrollment peaked at around 1,400 students](#). Last fall, there were about 400 enrolled. UW-Stevens Point has [added new bachelor's and master's degree programs](#) at the campus, but Gibbs said that hasn't stemmed enrollment declines. During this year's county budget cycle, he said, the Marathon County Board decided against approving parts of a \$6 million request for upgrades until it gets assurances from the UW System that the campus isn't going anywhere.

"I'm fairly confident that the board will continue (to stay committed) as long as the UW is committed to us," Gibbs said.

In the Fox Valley, two-year UW campuses in Menasha and Fond du Lac have seen similar enrollment declines. Those schools are affiliated with the four-year UW-Oshkosh campus.

During a recent Winnebago County Board meeting, Supervisor Steven Binder told his colleagues that being good stewards of taxpayer money means delaying their share of a \$4 million request for an engineering study of a proposed expansion of kitchen and dining facilities at UW-Oshkosh Fox Cities. There were 605 students enrolled at the campus owned by Winnebago and Outagamie Counties last fall. That's down from 1,600 in 2018.

Binder said that county board, too, needs a renewed commitment from the UW System.

"Neither Outagamie County nor Winnebago County want to invest money in a building if we're not guaranteed that we're going to be there for at least five years," Binder said.

Before the board pulled the funding, Fox Cities student Kiersten Lewis urged supervisors to reconsider.

"We have these young people here, and without this school, they may choose to leave, which is going to severely damage the economy and local atmosphere," Lewis said.

UW Oshkosh Chancellor Andrew Leavitt told Wisconsin Public Radio he's already let county officials know the university is in for the long term.

"I can understand that they want a commitment that we're going to be remaining on the campus through, certainly the initial life of the improvements that are made," Leavitt said. "I'm prepared to make it. I'm not quite sure in what form they want that commitment."

Heath Zumach will also finish his associate's degree at the end of the spring semester in Richland. Initially, he thought about dropping out last fall when he heard about classes ending. Now, he's thinking about taking online classes from home.

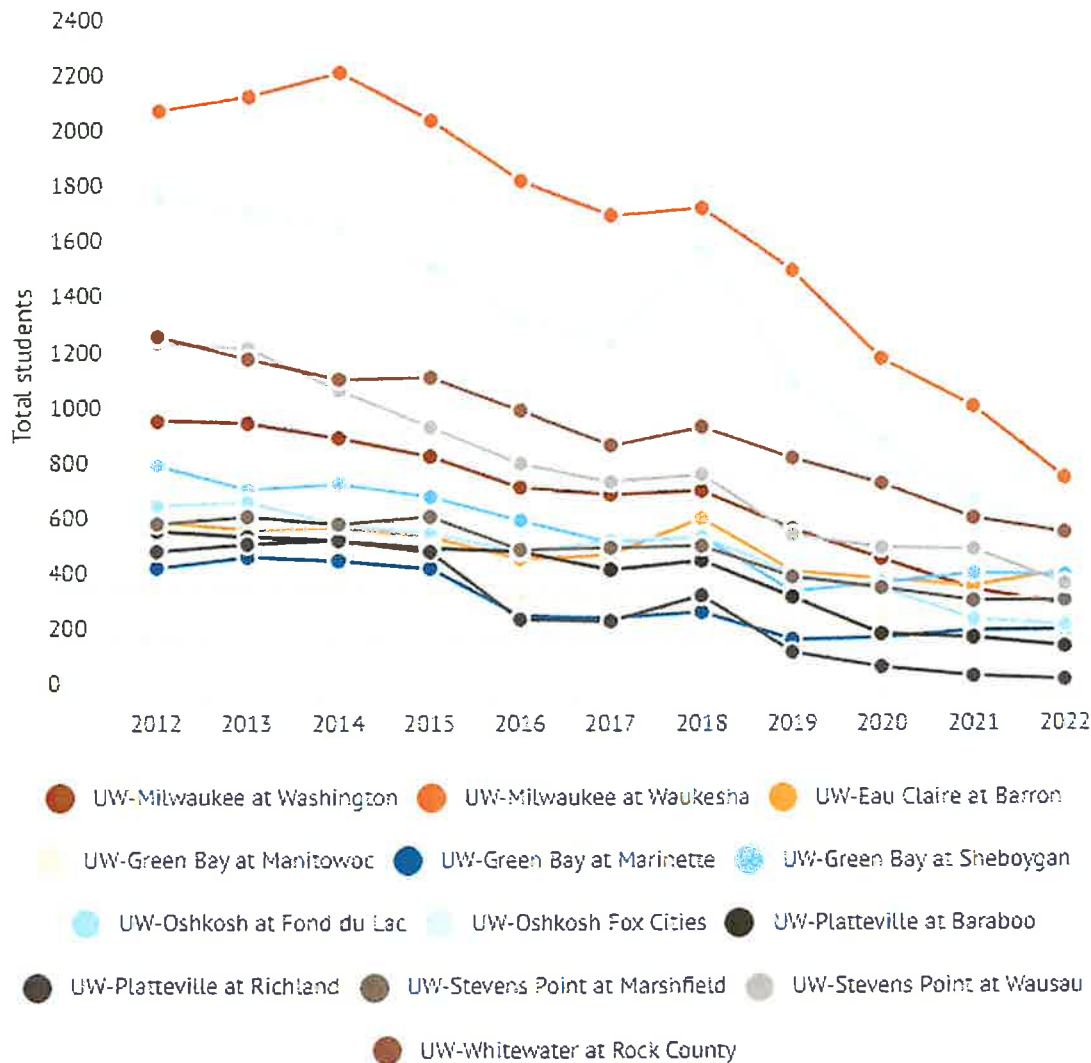
"If classes were to continue, I would come back here and do more," Zumach said. "Even if I had an associate's degree, I'd keep doing more classes and go from there."

The Richland campus once had more than 500 students. In the last weeks of classes on campus, it feels like a ghost town, with empty hallways and parking lots peppered with a handful of vehicles. On an otherwise bare corkboard in a hallway on campus, someone has pinned a local newspaper column with the headline, "Loss of campus is heartbreaking."

The colleges now referred to as branch campuses by the UW System have been around for decades and represent a unique partnership between state and local governments. Campuses and buildings are owned by counties, while instruction is provided by the UW System by way of decadeslong lease agreements.

Enrollment at the UW's two-year and four-year campuses hit a high water mark around 2010 as the Great Recession drove up the unemployment rate and more people turned to higher education for a leg up in a bad economy. The number of students has been falling ever since at most colleges and universities in the state.

Two-year campuses have seen steep enrollment declines



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In 2015, Republican state lawmakers and former GOP Gov. Scott Walker approved a \$250 million cut to the UW System's budget and continued a freeze on in-state undergraduate tuition increases. For UW colleges, the freeze has persisted for 14 of the past 16 years.

The funding cut, tuition freeze and revenue losses from declining enrollment presented an untenable situation for the state's two-year colleges, said former UW System President Ray Cross, who led the system from 2014 through 2020. He said there were talks about merging them with nearby technical colleges, but local boards governing those schools were not interested.

Instead, in 2018, Cross merged the colleges with the UW's four-year universities. He said one of the goals was reducing administrative costs by allowing campuses to share positions such as admissions staff and deans. Cross said he also hoped universities overseeing the campuses would be aggressive by offering new programming like four-year degree options at the former colleges. He pointed to UW-Green Bay, which has stabilized and even reversed enrollment declines at two of its former colleges, as an example. "That's the kind of vision we had hoped that would occur in other areas," Cross said. "It just hasn't happened as quickly or as successfully as I hoped."

A WPR analysis of UW System enrollment records reveals that enrollment declines have accelerated since the mergers. Between fall 2018 and fall 2022, the number of students at campuses in Richland Center, Wausau, Baraboo, Menasha, Fond du Lac, Waukesha and West Bend has fallen by 50 percent or more. Enrollment declined at most other UW schools during that time, too, but at slower rates. Nationally, two-year college enrollment fell by more than 17 percent during that timeframe.

In Richland Center, many have pointed to the loss of a dedicated campus recruiter and international student program coordinator after the merger with UW-Platteville as a potential reason for why enrollment fell by 83 percent over the past five years.

Last year, the UW System Board of Regents approved eight new liberal arts associate's degree programs for technical colleges. These degrees have historically been offered by UW colleges and not by Wisconsin's technical colleges. Their approval marked a shift from recent years, when former regents and Cross worried that allowing tech schools to offer liberal arts degrees would hasten the demise of two-year UW campuses. As enrollment continues to decline, Cross thinks the Wisconsin Legislature should get involved. He said lawmakers should have a "serious conversation" about creating a unified community college system of technical and liberal arts campuses.

"Should we be like 95 percent of the rest of the states in this country and merge our technical and UW colleges?" Cross said. "Is that the best solution? And I think it is."

Yet Cross said he doubts that will happen without a concerted push by legislators and Gov. Tony Evers.

Strong feelings, contentious meetings persist in Richland Center

As some counties withhold funding for their two-year campuses, residents in Richland Center and members of the Richland County Board are making a last-ditch effort to keep classes going at UW-Richland.

In late January, emotions were high as dozens of people packed one of the campus's classrooms to pitch ideas on how to save the 55-year-old school. Marnie Dresser told the crowd she's taught there since 1992 but will retire along with in-person instruction this summer. She and others in the room accused UW-Platteville of mismanagement and diverting students an hour south to the university.

"I think there are too many strong feelings," Dresser said. "I don't see how good things can happen if this campus is still connected to that institution."

Others mentioned a recent Richland county board resolution seeking an additional \$4 million from the UW System to pay for things like a college recruiter. Some looked directly at state Sen. Howard Marklein, R-Spring Green, and state Rep. Tony Kurtz, R-Wonewoc, seated in the front row. They said the two members of the state's Joint Finance Committee could surely get the money from the state's projected \$7 billion surplus. Kurtz faced the group and said he'd already mentioned it to skeptical GOP colleagues.

"So, I am being brutally honest with you," Kurtz said. "I could probably persuade a few, but I know it would be a fruitless effort. Because we would lose."

He also responded to calls by some in the audience for a blue-ribbon commission to study the future of UW-Richland. Kurtz said it should be an honest discussion about all UW colleges.

"Because if they did that, I think a lot of people would be surprised," Kurtz said. "(They could conclude), 'Well, maybe we don't need some of these two-year campuses.'"

In a statement emailed to WPR, UW System Vice President for University Relations Jeff Buhrandt said UW officials are having regular conversations with community leaders across the state about how the two-year campuses can continue serving their regions.

"In particular, we are very pleased to have local school districts and Southwest Technical College fully engaged in this process regarding Richland Center," Buhrandt said. "I believe these educational partners will play a key role in the long-term strategy for that campus."

ATTACHMENTS:

Description	Type
▣ County Board Report	Report
▣ 2023 Resolution 7: Resolution Authorizing the Sale of Samaritan Campus	Resolution



County Board of Supervisors

Jeffrey D Schleif, Chair
Carroll Merry, First Vice-Chair
Christopher Bossert, Second Vice-Chair

Herbert J. Tennes Government Center
432 E. Washington Street, Room 3029
P.O. Box 1986
West Bend, WI 53095-7986
(262) 335-4307
Jeffrey.schleif@washcowisconsin.gov

COUNTY BOARD REPORT

To: County Board
From: Mike Foti, Legislative Clerk
Date: 12 April 23
RE: Action - Future of Samaritan

POLICY QUESTIONS:

If the private sector can and will provide skilled nursing care for the current and future residents of Samaritan Campus, should Washington County create the space for the private sector to do so via a sale of the licensed beds?

Or, does Washington County need to remain in the business of skilled nursing care? If so, should the county remodel the existing building, or construct a new campus?

STRATEGIC PRIORITY/RESULT ACHIEVED:

Safe and Secure Community

Access to Basic Needs

Mission: "To create an environment for residents and businesses to enjoy authentic quality of life"

DISCUSSION:

Dating back to the founding of the county, Washington County has been in the business of caring for its most vulnerable elderly population, initially through its asylum and poor farm. County ledgers and minutes from those early days show county tax collections funding these services was a significant function of county government. Following President Lyndon B. Johnson's Great Society and the advent of Medicare and Medicaid, Washington County constructed Samaritan Campus with over 300 beds. Through the balance of the 20th century, the county continued to use property tax dollars to subsidize this government service. Presently, Samaritan is licensed for 131 skilled nursing (SNF) beds.

Roughly 30 years ago, the county made a philosophical pivot to enter competition with the private sector to ease the burden on county taxpayers. This brought on the creation of the The Fields - assisted living. Presently, the Fields is licensed for 31 Community-Based Residential Facility (CBRF) beds, and 24 Residential Care Apartment Complex (RCAC) beds. From a business perspective, the sole reason these units exist is to offset the annual losses of the SNF. The justification for entering this private sector, non-state mandated space was because

the private sector was either unwilling or unable to provide long term care and this was the only way to fund the operation without completely relying on property taxpayers.

As Washington County population aged and Samaritan buildings needed upgrading, in October 2020, County Executive Schoemann established a Task Force comprised of community and industry leaders to examine the future of the Samaritan Campus. Throughout consideration, three main concerns surfaced: 1) The existing building is nearly 60 years old and needs regular but significant improvements; 2) Inadequate Medicaid reimbursement formula, forcing many private nursing homes to abandon care for Title 19 patients; and 3) COVID pandemic and industry shifts resulting in staffing shortage crisis in the wake of the “silver tsunami”. Following months of thoughtful contemplation and discussion, based on the findings and recommendation of the Task Force, at the 14 April 2021 meeting of the County Board, the Board approved 2021 Resolution 5 – Resolution supporting concept of continuing long term care for Washington County residents. Following this approval the County began in earnest to explore several public and non-profit partnerships, but unfortunately, none was viable.

Over the past two and a half years numerous innovations to this challenging industry have been examined. From public and non-profit partnerships to federal and state grants, none have been successful. When discussions continued about the future of Samaritan, at the 12 October 22 meeting of the County Board, the following direction was given:

Moved by Ms. Gurath, seconded by Ms. Krueger-Gundrum to direct the County Board Chair to form an ad hoc committee to study options for the Samaritan, and report findings to the Human Services Committee no later than January 31, 2023.

Moved by Mr. Krebs, seconded by Mr. Bossert to endorse Option 1, pursuing a public/public partnership with neighboring counties, while simultaneously pursuing a public/private partnership with the potential sale of the Samaritan Campus to a private entity, both of which are consistent with 2021 Resolution 5.

The ad hoc committee, along with the County Executive and the County Board continued to navigate this important and emotional issue, noting a few material changes from the original three main concerns. First, staffing went from a matter of urgency to a full out crisis across the health care industry. Second, Medicaid reimbursement demonstrably improved to the point that private sector entities began to show interest in serving the vulnerable Medicaid population.

After three years of discussions with the community; meetings with Samaritan staff, residents, and family of residents; visits to over a dozen other county nursing homes; financial consultants and reports; one task force and one ad hoc committee; and countless staff hours devoted to a workable resolution, we now reach the point where the discussion concludes. No stone is unturned.

Throughout the deliberations, Washington County has remained focused on ensuring compassionate care of its elderly citizens somewhere in and around Washington County, while keeping a keen eye on the perspective of Washington County taxpayers. With an abundance of data now available to consider every angle of this important decision, it is time for a final decision.

The Board needs to determine whether county government is better suited to manage this care or is the private sector better equipped. If the Board concludes county government run long term care is best, then either remodeling or rebuilding must be the conclusion. If the Board concludes the private sector is more appropriate, then a sale of Samaritan is the option to be pursued.

FISCAL EFFECT:

TBD

ATTACHMENTS:

Task Force Materials

Ad Hoc Committee Materials

WIPFLI Materials

STAFF RECOMMENDATION:

NA

WASHINGTON COUNTY, WISCONSIN

Date of enactment: _____

Date of publication: _____

2023 RESOLUTION 7

Resolution Authorizing the Sale of Samaritan Campus

WHEREAS, Washington County government has a rich history of providing long-term care services to the most needy in our community dating back well over 100 years culminating in the opening of the current Samaritan Health Center skilled nursing facility in 1968; and

WHEREAS, over the course of time, the volatility of Medicaid funding, as well as the normal and costly aging of the 1968 facility have left the Samaritan Health Center struggling to stay afloat; and

WHEREAS, a nationwide health care staffing crisis continues to cause significant challenges for Samaritan Health Center, which continue today with the necessity of providing substantial retention and incentive packages as area health care providers compete to provide competitive wages for staff; and

WHEREAS, County Executive Josh Schoemann formed the Samaritan Task Force in February 2021 to provide recommendations on if and how the County should remain in long-term care services; and

WHEREAS, after several meetings, the Samaritan Task Force recommended that the County continue to provide long-term care services through a partnership with a third-party provider; the Human Services Committee sponsored 2021 Resolution 5, which was enacted by the Washington County Board of Supervisors on April 14, 2021, with the preference that the County enter into a public/private partnership model in the delivery of long-term care services moving forward; and

WHEREAS, after several attempted negotiations with public and private entities, it became evident that a public/nonprofit or public/public partnership would not be a viable option for the County; and

WHEREAS, on October 12, 2022, the Washington County Board of Supervisors established an ad hoc committee to study the future of the Samaritan Health Center, while at the same time the Board directed the County Executive to pursue a sale of the facility to a private entity engaging in providing long-term care services; and

WHEREAS, the ad hoc committee did a thorough and thoughtful analysis of various options from renovation to rebuilding to closing Samaritan Health Center, and the committee preferred the option of renovation; and

WHEREAS, outright closing the facility is not an option the County wishes to entertain because it belies the County's history of ensuring care for its most vulnerable citizens; and

ATTACHMENTS:

Description	Type
▫ 2023 Resolution 8: Initial Resolution Authorizing \$16,500,000 General Obligation Bonds for Samaritan Health Center Renovations	Resolution

1 **WASHINGTON COUNTY, WISCONSIN**

2
3 Date of enactment: _____

4 Date of publication: _____

5
6 **2023 RESOLUTION 8**

7
8 **Initial Resolution Authorizing \$16,500,000 General Obligation Bonds for**
9 **Samaritan Health Center Renovations**

10
11 **WHEREAS**, at the October 2022 meeting of the Washington County Board of Supervisors
12 a motion was made and passed to direct the County Board Chairperson to appoint an ad hoc
13 committee to study options for the future of Samaritan Health Center; and

14 **WHEREAS**, the ad hoc committee met over the course of several months to consider
15 various options including replacing the current building, selling the facility and/or its licenses,
16 engaging in a public/public or public/private partnership, closing the facility, or renovating the
17 current building; and

18 **WHEREAS**, the ad hoc committee generated a report analyzing and ranking the options
19 from most to least desirable with renovation topping the list because renovation of the building
20 will allow the County to remain in the skilled nursing home business and take care of those in our
21 community who are most in need including Medicaid - Title 19 recipients; and

22 **WHEREAS**, it is estimated that the County is in need of an amount not to exceed
23 \$16,500,000 for the public purpose of financing renovations at Samaritan Health Center; and

24 **WHEREAS**, the County may issue general obligation bonds only if one or more of the
25 conditions specified in Section 67.045, Wis. Stats., apply; and

26 **WHEREAS**, general obligation bonds may be issued under Section 67.045, Wis. Stats., if
27 the County Board of Supervisors adopts a resolution to issue the debt by a vote of at least three-
28 fourths of its members-elect;

29
30
31 **NOW, THEREFORE, BE IT RESOLVED** by the Washington County Board of
32 Supervisors that this Board authorizes the County to borrow an amount not to exceed \$16,500,000
33 by issuing its general obligation bonds for the public purpose of financing renovations at Samaritan
34 Health Center.

35
36 **BE IT FURTHER RESOLVED** by this Board that there be and there hereby is levied on
37 all the taxable property in the County a direct, annual tax in such years and in such amounts as are
38 sufficient to pay when due the principal and interest on such bonds.

39
40 _____

1 VOTE REQUIREMENT FOR PASSAGE: 3/4 of members elect

2
3 RESOLUTION SUMMARY: Resolution authorizing the County to borrow \$16,500,000 to
4 finance renovations at Samaritan Health Center by issuing general obligation bonds.
5

6 Approved as to form: Introduced JEFFREY D. SCHLEIF, COUNTY
7 _____ BOARD CHAIR, as filed with the County Clerk.

8 Bradley S. Stern, County Attorney

9 Dated _____

10 Jeffrey D. Schleif, Chairperson

11 Approved:

12 _____ Considered _____

13 Josh Schoemann, County Executive Adopted _____

14 Dated _____ Ayes _____ Noes _____ Absent _____

15 Veto Voice Vote _____

16 Partial Veto

17
18 (This Resolution requests authorization to issue general obligation bonds in an amount not to
19 exceed \$16,500,000 to finance renovations at Samaritan Health Center.)

ATTACHMENTS:

Description	Type
▫ 2023 Resolution 9: Initial Resolution Authorizing \$35,000,000 General Obligation Bonds for Demolition and Rebuild of Samaritan Health Center	Resolution

1 **WASHINGTON COUNTY, WISCONSIN**

2
3 Date of enactment: _____

4 Date of publication: _____

5
6 **2023 RESOLUTION 9**

7
8 **Initial Resolution Authorizing \$35,000,000 General Obligation Bonds for**
9 **Demolition and Rebuild of Samaritan Health Center**

10
11 **WHEREAS**, at the October 2022 meeting of the Washington County Board of Supervisors
12 a motion was made and passed to direct the County Board Chairperson to appoint an ad hoc
13 committee to study options for the future of Samaritan Health Center; and

14 **WHEREAS**, the ad hoc committee met over the course of several months to consider
15 various options including replacing the current building, selling the facility and/or its licenses,
16 engaging in a public/public or public/private partnership, closing the facility, or renovating the
17 current building; and

18 **WHEREAS**, Washington County has a rich history of ensuring long-term care services
19 for those most in need in our community culminating with the opening of the current Samaritan
20 Health Center facility in 1968; and

21 **WHEREAS**, the County remains dedicated to ensuring long-term care services but the
22 current Samaritan Health Center facility is no longer viable because it is in dire need of repairs and
23 renovations and even with such work the building has reached the end of its reasonable lifespan;
24 and

25 **WHEREAS**, the County is in need of an amount not to exceed \$35,000,000 for the public
26 purpose of financing the demolition and rebuild of Samaritan Health Center; and

27 **WHEREAS**, the County may issue general obligation bonds only if one or more of the
28 conditions specified in Section 67.045, Wis. Stats., apply; and

29
30 **WHEREAS**, general obligation bonds may be issued under Section 67.045, Wis. Stats., if
31 the County Board of Supervisors adopts a resolution to issue the debt by a vote of at least three-
32 fourths of its members-elect;

33
34 **NOW, THEREFORE, BE IT RESOLVED** by the Washington County Board of
35 Supervisors that this Board authorizes the County to borrow an amount not to exceed \$35,000,000
36 by issuing its general obligation bonds for the public purpose of financing the demolition and
37 rebuild of Samaritan Health Center.

38
39 **BE IT FURTHER RESOLVED** by this Board that there be and there hereby is levied on
40 all the taxable property in the County a direct, annual tax in such years and in such amounts as are
41 sufficient to pay when due the principal and interest on such bonds.
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VOTE REQUIREMENT FOR PASSAGE: 3/4 of members elect

RESOLUTION SUMMARY: Resolution authorizing the County to borrow \$35,000,000 to finance the demolition and rebuild of Samaritan Health Center by issuing general obligation bonds.

Approved as to form: Introduced JEFFRE D. SCHLEIF, COUNTY BOARD CHAIR, as filed with the County Clerk.

Bradley S. Stern, County Attorney

Dated _____
Jeffrey D. Schleif, Chairperson

Approved: _____
Considered _____

Josh Schoemann, County Executive Adopted _____

Dated _____ Ayes _____ Noes _____ Absent _____

Veto Voice Vote _____

Partial Veto

(This Resolution requests authorization to issue general obligation bonds in an amount not to exceed \$35,000,000 to finance the demolition and rebuild of Samaritan Health Center.)