



TRANSFORMATIONS

3647 Highway 39, Klamath Falls, OR 97603

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www.transformwc.org

Transformations Wellness Center
Follow up written Testimony from 4/21/23

4/23/2023

To: The Joint Committee on Ways and Means, SB 5506 State Budget

From: Barbara Heath, CEO, Transformations Wellness Center (Transformations).

Regarding: Transformation Wellness Center's request for \$1,500,000 to build a new detox and treatment facility in Klamath Falls Oregon.

Dear Co-Chair Steiner, Co-Chair Sanchez, Co-Vice-Chair Girard, Co-Vice Chair Gomberg, Co-Vice Chair Smith and Members of the Joint Ways and Means Committee,

Thank you for allowing me the opportunity to testify on Friday the 21st, in Roseburg Oregon. As stated, at that meeting, I appreciate the work you do for Oregon. After attending the session, I have even more appreciation for the work you are doing and the complicated funding choices you are faced with making. I would also like to extend a special thank you to Representative Reschke and Representative McIntire, for their support and help with our project.



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I am writing to follow up with my verbal testimony on 4/21/2023, requesting funding in the amount of \$1,500,000. During my testimony, I quickly discovered how difficult it is to create compelling testimony in two minutes and felt that it was not sufficient time to highlight the merits of this project. I was also very nervous, which I fear may have interfered with the information I hoped to convey.

My name is Barbara Heath, and I have been the CEO at Transformations for the past seven years. I have a master's degree in counseling and a bachelor's degree in business administration. I am certified as a Qualified Mental Health Professional (QMHP) and a Certified Alcohol and Drug Counselor II (CADC II). I have been working in the substance use disorder treatment field for 29 years. I am also a person in long-term recovery from my own addiction, who found recovery through a treatment center. I got clean in 1986 and went from a person who was a burden and destructive force in my community, to someone who is a responsible, contributing member of society. I believe that people can and do recover when they have access to the right resources.

Transformations is a 501 (c)(3) nonprofit, substance use disorder (SUD) treatment program that has been operating in Klamath County since 2007 and has continued to grow to meet the needs of our county and our region. We serve Klamath County and the state of Oregon. Currently, we are licensed to serve 25 individuals, but only have space for 23. Our existing residential facility is on 2.5 acres, in an old farmhouse that was built in 1962. The home was built to support the needs of a large farming family, not a the needs of a residential



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treatment facility. When we are full, which is 99% of the time, the space is cramped. Additionally, as this is an older building, not designed for its current use, at this point, we are spending more money on maintenance and up-keep than the building may be worth. The due date for this building, being useful for its current purpose, is quickly closing in on us.

Our decision to build a new facility is six years in the making. Our new facility will expand our existing residential bed capacity to 50 beds and create 8 new detox beds, Over the past six years, we have identified a location for the new facility, developed plans and have started fundraising. To date we have received \$500,000 in APRA funds from the Klamath County Commissioners, and an additional \$300,000 of ARPA funding from Representative Reschke, funded through and supported by the Klamath County Economic Development Association (KCEDA), bringing our current fundraising amount to \$800,000 of our goal of raising \$6,100,000 (which includes the building and furnishings, *** please see attached updated budget).

Senator Merkley and Senator Wyden, in support of this project, have identified an additional \$3,557,000, minus 5% in administrative fees, equals \$3,379,150 million dollars of federal omnibus funding for this project. Of the six projects considered, our project was the one chosen, because of its merits and the benefit to our community and to Oregon. This funding combined with income currently raised, puts our total fundraising amount at \$4,179,150. If we receive the money we have asked for from the Joint Ways and Committee, our total funds raised will be \$5,679,159, toward our goal. Transformations is confident that we can fund the



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additional monies needed to complete this facility and hope to break ground on this project next year.

Our new facility will be built on the Klamath Works Campus. The Klamath Works campus is unique to Oregon and the Northwest, as it provides multiple human and social services, in one easy to access location. Governor Kotek visited the Klamath Works campus in 2018 and commented on how impressed she was with the property goals.

Transformations will be the fourth facility on this property, joining Klamath Works, a work training program, the Link Access Center, which houses a sobering center along with outpatient behavioral health crisis services, and the Gospel Mission. Future potential additions to the property include Klamath Basin Behavioral Health (KBBH) who is also the Klamath County Community Mental Health Provider (CMHP) and Klamath Lake Community Action Services (KLCAS), who helps individuals access housing and other services. The Campus is in the same block as Klamath Health partnership, who is our Federal Qualified Health Center (FQHC). Lastly, the Klamath Works Campus is centrally located, in an underserved area of our community, increasing ease of access for our most vulnerable individuals, while addressing more equitable connection to services.

Our new facility timing also aligns with help toward the worsening behavioral health crisis Oregon is currently experiencing. I do not think I need to highlight the devastatingly high data surrounding Oregon's addiction rates and lack of access. I do want to highlight that



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historically low investments in substance abuse treatment services have resulted in our current crisis. Underfunding of SUD treatment services has forced providers to make choices. For almost 30 years, SUD providers have been forced to pay low wages to staff, contributing to the SUD healthcare worker crisis. Individuals, like me, with a passion to help people recover, have moved out of the field, to find work that allows them to feed their families. Others, who might enter the field, are deterred by the low wages.

Over the years, SUD programs have prioritized paying wages to keep staff, while also providing quality services, healthy food etc., to the detriment of our facilities. Some facilities, like Transformations, are old and have not kept up with changes to meet ADA requirements, and other crucial updates to create more equitable and accessible services. Others, like Transformations, just don't have the space to expand capacity. Many have closed.

Investments made in 2021-2013 by the Oregon Legislature, have helped to increase wages and we appreciate the consideration and understanding that helped to drive these historical investments. The reality is that inflation, over the past 30 years, has increased by 3.8% a year (World Data Info, 1960 – 2023), with a 5.0% increase in 2023, but daily rates have not increased in a way that matches inflation. This means that our costs have consistently increased, but reimbursement rates have not. These new investments are a great start, but we need more help and support to get us where we need to be and keep us there as we move forward.



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Transformations supports Senate Bill 1044 and asks that the Joint Ways and Means Committee also consider this important bill. That said, SB 1044 does not include enough funding to build the critical infrastructure of increased SUD beds that are needed. \$15,000,000 divided by \$6,000,000 is only 2.5 facilities (if others in more expensive parts of the state can build for that cost) and would only potentially increase treatment beds by around 75, when what we needed in around 300. If SB 1044 passes, it will still be a year before those funds become available. Transformations is ready to build now and could be serving an additional 25 new individuals in a year.

Currently, SUD programs around the state report an 8–12-week waiting list to access a residential bed. Many will die before they can get into a treatment program. Those who do not die, continue to live with the devastating effects of substance abuse. Addiction devastates individuals and families, while increasing societal costs related to increased health costs issues, crime and child welfare, missed work and homelessness. Currently Oregon spends 6.7 billion dollars annually on costs related to SUD, yet only contributes less than one percent of it's annual budget toward treating substance abuse (Oregon Recovers, 2023 <https://www.oregonrecovers.org/>).

This is a great project, because it decreases societal costs related to addiction by increasing needed detox and substance abuse treatment beds and resources. It increases access for those suffering in our community, particularly those in our low income and BIPOC and communities. More access to treatment beds will decrease homelessness, and death, but it will



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also increase the overall wellbeing of those served. Increased wellbeing is good for our community and our state.

This facility could be completed within about nine months, and fully operational within one year. It is a cost-effective alternative to the state (pending the passing of SB 1044) because it is already mostly funded, all we need is the \$1.5 million to get started. Lastly, it is a highly supported project. It is supported by our community, and it is supported By Senators Wyden and Merkley, it is supported by Representative Reschke and McIntire. Please consider funding this project, as it will save lives, and also save money for Oregon's taxpayers, while helping Oregon become a healthier state for everyone.

Again, thank you for your time and consideration. Please feel free to contact me with any other questions you may have about or project or funding.

Respectfully,

Barbara Heath, CEO

Transformations Wellness Center

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