

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**INTERIM SUPPLEMENTAL REQUESTS
FOR FY 2016-17**

DEPARTMENT OF HUMAN SERVICES

(Services for People with Developmental Disabilities)

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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Prioritized Interim Supplemental Requests

INTERIM SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #1 GRAND JUNCTION REGIONAL CENTER TRANSITION

	Request	Recommendation
Cash Funds	\$703,750	\$200,000

<p>Does JBC staff believe the request satisfies the interim supplemental criteria of Section 24-75-111, C.R.S.? [The Controller may authorize an overexpenditure of the existing appropriation if it: (1) Is approved in whole or in part by the JBC; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not in session; (3) Is approved by the Office of State Planning and Budgeting (except for State, Law, Treasury, Judicial, and Legislative Departments); (4) Is approved by the Capital Development Committee, if a capital request; (5) Is consistent with all statutory provisions applicable to the program, function or purpose for which the overexpenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the overexpenditure is to be made.]</p>	YES
<p>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]</p>	YES
<p>JBC staff and the Department agree that (1) this request meets the interim supplemental criteria of Section 24-75-111, C.R.S., and (2) this request is the result of <i>a technical error in calculating the original appropriation</i>. The Legislative Council Staff Fiscal Note for S.B. 16-178 assumed that costs related to vacating the Grand Junction Regional Center (GJRC) would occur after a statutorily required transition plan was submitted on December 10, 2016, and spending authority from the GJRC Transition Cash Fund would be provided through the regular supplemental process. On further review, some of the costs identified in the Department's fiscal estimate for the bill are necessary to complete the transition plan and should have been included in the appropriations clause for the bill.</p>	

Department Request: The Department requests \$703,750 cash funds spending authority to transition residents from the Grand Junction Regional Center (GJRC) campus to different settings, in order to meet the July 1, 2018, deadline established in S.B. 16-178 (sponsored by the JBC) for vacating the GJRC campus and listing it for sale. The GJRC campus currently serves 28 people with developmental disabilities (the request identified 27 occupied beds on the campus, but 28 is the most current census). The source of cash funds is the GJRC Transition Cash Fund that was created by S.B. 16-178 with a one-time transfer of \$2.0 million from reversions from appropriations for home- and community-based services for people with developmental disabilities.

Some components of the request will also help the Department meet a December 10, 2016, statutory deadline for submitting a plan to the Capital Development Committee for the disposition of the GJRC campus and any related construction requests. The plan must take into account resident choices for where they want to receive care and the recommendations of an advisory group.

JBC Staff Interim Supplemental Recommendations: FY 2016-17
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The table below summarizes the Department's estimate of the transition costs. The Department indicates that the estimates for FY 2017-18 are preliminary and provided for informational purposes only. An official request for that fiscal year will be submitted at a later date after more is known about the transition choices of residents and their families.

Relocation Activity	FY 2016-17	FY 2017-18
Resident Engagement Consultation (to assist residents in choosing new homes)	\$50,000	\$0
Convert the HCBS Home Located on 29 Road in Grand Junction to ICF License	\$226,000	\$0
Consulting Fees for a Project Manager	\$150,000	\$150,000
Moving Fees	\$17,750	\$17,750
Establishing Off-Campus Food Storage and Refrigeration Space	\$200,000	\$0
Facility Program Plan	\$60,000	\$0
Decommissioning and Closure of Campus	\$0	\$75,000
Administrative and Facilities Leased Space Build-out	\$0	\$200,000
Lease Costs - 6 months	\$0	\$250,000
Total	\$703,750	\$692,750

Staff Recommendation: Staff recommends \$200,000 cash funds from the GJRC Transition Cash Fund for the components of the request related to the Resident Engagement Consultation and the Consulting Fees for a Project Manager. The recommendation for each FY 2016-17 component of the request is discussed below.

Resident Engagement Consultation – The Department requests \$50,000 for a contractor to help residents and their families evaluate their care options and select a new care setting. The Department believes a third party consultant is the best option to mitigate perceptions of bias and conflict of interest that might occur if the Department's staff or staff from the Mesa County area Community Centered Board (Strive) performed this function.

The JBC staff recommends this component of the request. Engaging the residents is a necessary prerequisite for the Department to complete the December 10, 2016, plan for the disposition of the GJRC campus. This function could potentially be absorbed within existing resources by using staff from the Department and/or Strive. However, the JBC staff decided to trust the Department's assessment that a third party facilitator would improve the trust of residents and their families that their needs, rather than the needs of the Department or Strive, were the top priority during the consultation.

Convert the HCBS Home Located on 29 Road in Grand Junction to ICF License – The Department requests \$226,000 for renovations to a currently vacant group home that would allow the home to be used to provide an ICF level of care for six residents. Although the GJRC residents and families have not made decisions about where they would like to receive care, the Department is anticipating that several will want an ICF level of care in Grand Junction. All of the residents on the GJRC campus are currently receiving an ICF level of care. Nine of the residents are originally from Grand Junction. This is the fastest and most cost-effective way for

the Department to provide a Grand Junction-based ICF service option, because the Department already owns the facility and it just needs some modifications. To meet the July 1, 2018, deadline for vacating the GJRC campus, the Department would like to get started on the renovation as soon as possible.

The JBC staff does not recommend this component of the request. The Department's arguments were compelling that (1) at least one ICF facility in Grand Junction will likely be needed, (2) this is the most cost-effective way to provide the service option, and (3) completing the service option sooner rather than later will make the transition logistics easier. However, the Department will not know for certain what facilities and service options are needed until the resident engagement survey is complete. The statutory deadline to vacate the GJRC campus is more than one year and nine months away and Department staff roughly estimated (without consulting any builders) that the renovations would take between 9 months and one year. Therefore, this component of the request could be evaluated through the regular supplemental process, after the December 10, 2016, plan for the disposition of the GJRC campus is submitted, and the work could still be completed in time to meet the statutory deadline for vacating the GJRC campus. Also, evaluating this component of the request through the regular supplemental process would allow time for the Capital Development Committee (CDC) to consider the renovation project. Senate Bill 16-178 instructs that the December 10, 2016, transition plan for the GJRC campus be submitted to the CDC, so the bill clearly contemplates a role for the CDC in approving the transition plan.

Consulting Fees for a Project Manager – The Department requests \$150,000 in FY 2016-17 (\$300,000 over two years) for consulting services to (1) facilitate the advisory group responsible for helping the Department develop the GJRC transition plan and (2) coordinate the logistics to implement the transition plan. This cost estimate is based on \$200 per hour and 750 hours per year (roughly equivalent to 4-5 months of hours for one person each year).

The JBC staff recommends the requested amount for FY 2016-17. The project manager services will help the Department complete the transition plan that is due by December 10, 2016, and it makes sense to provide the Department with enough resources to keep the same contractor to assist with the implementation of the transition plan for the remainder of the fiscal year. However, the recommendation regarding FY 2016-17 should not be interpreted as endorsing the Department's estimate of costs for FY 2017-18. The JBC staff believes that Department staff should play a significant role in managing this project and once the rush of the initial planning and mapping of the project is complete, the need for contract services should diminish. The staff recommendation on FY 2017-18 funding will be made during the normal budget process, after the December 10, 2016, transition plan has been submitted and the scope of the project is better fleshed out.

Moving Fees – The Department requests \$17,500 for moving costs. This includes moving Department administrative staff off the GJRC campus as well as the residents.

Staff does not recommend this component of the request at this time. The moving costs are not likely to vary significantly based on resident decisions or the particulars of the transition plan, so there would be little harm in providing the funding now, but the timing of when the Department

will incur moving costs does not justify an interim supplemental through the 1331 process. The Department can request this funding through the normal supplemental process.

Establishing Off-campus Food Storage and Refrigeration Space – The Department requests \$200,000 to develop refrigerated storage space on the Grand Mesa Youth Corrections campus and on the campus of the Veterans' Community Living Center in Rifle, so that the Department can stop storing food for these facilities on the GJRC campus. This is a necessary component of the transition that is relatively uncomplicated, and so the Department would like to get it out of the way so that it can focus on the more complicated transition tasks.

Staff does not recommend this component of the request at this time. The construction of the refrigeration space does not need to occur before the regular supplemental process in order to be complete before the July 1, 2018, statutory deadline for vacating the GJRC campus. Therefore, the funding can be provided through the regular supplemental process and it does not need to be approved through the interim supplemental 1331 process. Also, waiting for the regular supplemental process will allow time for consideration by the Capital Development Committee of this capital construction project.

Facility Program Plan – The Department requests \$60,000 for contract services to develop the "Operational Program Plan" for the transition, but staff for the Department explain that this is really to develop the Facility Program Plan for the building of up to four new group homes to accommodate the residents moving off the GJRC campus, and for the selling of the campus.

The JBC staff does not recommend this component of the request. Facility program plans of this magnitude are typically developed by departments within existing resources. Furthermore, the JBC approved a pool of funds totaling \$1.0 million in the Department of Personnel for the Office of the State Architect specifically to help state agencies develop facility program plans.

The rules governing interim supplementals in Section 24-75-111 (5), C.R.S., require the Committee to introduce all interim supplementals that it approves.
