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Memorandum

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January 16, 2019

TO: Capital Development Committee

FROM: Vanessa Reilly, Research Associate, 303-866-4753

SUBJECT: Background on the Sale of the Grand Junction Regional Center Campus

Summary

This memorandum provides a brief overview of the timeline of events related to the recommended closure of the Grand Junction Regional Center (GJRC) campus.

Grand Junction Regional Center Campus History

The GJRC campus dates back to 1885, and is currently comprised of about 47 acres and 28 buildings. The campus was donated by a Grand Junction resident to the federal government for the purpose of operating the Grand Junction Indian School. The school opened in 1886 and by 1891 was known as the Teller Institute. The school was fully functional by 1892 and included orchards, an apiary, a working dairy farm, a blacksmith shop, a laundry facility, boys and girls dorms, and other large school buildings. After losing support and funding from the federal government, the school closed in 1911 and was transferred to the State of Colorado. In 1921, the State Home for Mental Defectives was opened on the campus. The name was later changed to the State Home and Training School. In the 1970s, the name was changed again to the GJRC campus.

Regional Centers Task Force. House Bill 14-1338, which was recommended by the Joint Budget Committee (JBC), established a 15-member Regional Centers Task Force to study, make recommendations, and report its findings concerning the state-operated intermediate care facilities (ICF) for individuals with intellectual disabilities (IID), also known as regional centers. The task force was required to:

- conduct a needs assessment concerning the number of state ICF/IID beds;
- make recommendations on whether one or more regional centers should be closed;
- assess whether the state should operate beds licensed under the Home- and Community-Based Services for Persons with Developmental Disabilities waiver program; and

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- develop a strategic plan for the future use of regional centers, including identifying the most efficient use of building space and staffing.

CDC recommendations. The Capital Development Committee (CDC) followed the discussion about the GJRC campus with great interest in 2015 and 2016. In March 2016, based on its understanding that a decision was pending regarding how and where to relocate GJRC residents, and recognizing that the campus was costly to maintain because of its age and size, the CDC recommended to the JBC that the campus be sold, in its entirety, as soon as possible. In making its recommendation, the CDC stated that the well-being of the GJRC residents was the most important factor to consider when discussing the future of the GJRC campus. The committee also stated that the quality of resident care would be improved if residents were relocated from the GJRC campus to more modern facilities better equipped to meet their unique medical and behavioral needs.

Senate Bill 16-178

Senate Bill 16-178, which was sponsored by the JBC and co-sponsored by members of the CDC, directed the Department of Human Services (DHS) to vacate the GJRC campus, within the parameters of certain guiding principles related to relocating individuals receiving services on the campus to home-like settings of their choosing, and to list the campus for sale no later than July 1, 2018. Additionally, the bill required the department, no later than December 10, 2016, to submit to the CDC a plan for the disposition of the campus, including a plan to spend the proceeds of the sale, and capital budget requests associated with transitioning individuals receiving services on the campus to non-campus residences, based on the choices of these individuals. The bill also directed DHS to create an advisory group to develop the disposition plan and capital budget requests.

Senate Bill 16-178 also created the GJRC Campus Transition Cash Fund to pay costs to provide adequate housing for each person currently receiving services on the GJRC campus and for costs associated with the transition from on-campus to off-campus housing. The bill transferred \$2.0 million from the Intellectual and Developmental Disabilities Cash Fund to the GJRC Campus Transition Fund to pay costs related to providing adequate housing for persons receiving services on the GJRC campus, including transition and moving costs.

FY 2017-18 Capital Budget Request

Advisory committee recommendations. DHS convened an advisory group in fall 2016 to determine the best course of action for relocating the GJRC campus residents and to assist the department in developing budget requests associated with the planned closure. Additionally, the department commissioned the Department of Health Care Policy and Financing, through a consultant, to conduct a service selection process with campus residents. The selection process determined that a total of 22 current GJRC campus residents wanted to continue receiving ICF services in the Grand Junction area from DHS. In a December 9, 2016, report to the CDC, the advisory group's primary recommendation was to build ICF-licensed group homes — on a single site — with sufficient capacity to serve all 22 residents. Furthermore, it recommended that a cost comparison be conducted of different service locations in order to evaluate the potential benefits of remaining on a portion of the existing GJRC

campus. Additional recommendations centered on determining what ancillary services, such as laundry, should be maintained, and the importance of planning for future needs and possible increases in the number of ICF licenses in the region.

FY 2017-18 budget submission. In its regular FY 2017-18 budget submission, DHS requested state funds to build up to four, six-bed, ICF-licensed homes in the Grand Junction area. DHS said that it expected that residents would be given a choice of moving to other existing regional center facilities or to choose services provided by Community Centered Boards. The department anticipated that most residents would elect to remain in the Grand Junction area in homes operated by DHS, thereby necessitating the construction of new facilities. The department indicated that the request was submitted as a placeholder and that the total request amount could increase. The CDC did not consider the project for funding in FY 2017-18.

DHS testimony to CDC and JBC regarding implementation of advisory group recommendations. DHS testified to the CDC in December 2016 and to the JBC in January 2017 about the FY 2017-18 capital budget request on behalf of the GJRC campus. During these hearings, the department indicated that it wanted to conduct an additional analysis around the cost of building new ICF homes on a portion of the existing GJRC campus as compared to other service locations. It also said that it would reconvene the advisory group in 2017 to discuss the findings of the cost analysis and to develop additional recommendations. The department indicated that, based on conversations with the Office of the State Architect about necessary planning and the average timeline for construction, it should be able to relocate GJRC campus residents by November 2019, rather than July 2018, as specified in Senate Bill 16-178.

FY 2018-19 Capital Budget Request

In its FY 2018-19 regular budget submission, the department again requested state funds to build up to four, six-bed, ICF-licensed homes in the Grand Junction area. The CDC did not immediately reach a consensus on the question of making a project-specific appropriation recommendation. The committee deliberated about how ICF services would be provided in the Grand Junction region following the closure of the GJRC campus.

The CDC ultimately recommended a modified version of the department's request, and House Bill 18-1322 included an appropriation of \$3.5 million (\$2.3 million in capital construction funds and \$1.2 million in cash funds) to construct or renovates homes to serve some of the residents relocated from the GJRC. The source of cash funds for the project was the GJRC Campus Transition Fund.

In association with the closure of the GJRC campus, the project:

- constructs two new, six bedroom, six-resident homes in Grand Junction to provide ICF services to be operated by the state;
- relicenses and renovates two state-owned homes in Grand Junction to provide ICF services to six residents to be operated by the state; and
- investigates the potential for a public/private partnership to lease a group home located on 29 Road to a private provider, and if an agreement is reached, renovates the home.

Current Status

To date, some functions have been moved off the GJRC campus, but none of the new group home construction or renovation necessary to move residents off the campus has occurred. Appended is a December 1, 2018, letter to the JBC (Attachment A) that provides a status update from the department.



COLORADO
Department of Human Services

December 1, 2018

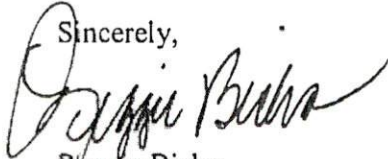
Senator Dominick Moreno, Chair
Joint Budget Committee
200 E. Colfax Ave.
Denver, CO 80203

Dear Senator Moreno,

The Department is pleased to provide an update on the relocation of the Grand Junction Regional Center (GJRC). As the Department has discussed previously with the Joint Budget Committee, the Department's plan is to move administrative and day program staff off the campus first and then move residents off the campus at a later date. The purpose of this two-step approach is to minimize disruption for the residents as much as possible. In addition, the Department has been in the process of closing the laundry, garage, and warehouse. Finally, the Department has begun the planning process for building the two new group homes and renovating two existing homes for which capital construction funds were appropriated during the 2018 legislative session. Below is a table summarizing the progress that the Department has made in each of these areas as of November 16, 2018.

Area	Completed/In-Progress Items as of November 16, 2018
Administrative and Division of Facilities Management (DFM) Staff	<ul style="list-style-type: none"> • The Division of Facilities Management workshop space is now expected to be completed by January 2019.
GJRC Campus Residents	<ul style="list-style-type: none"> • Work continues on revising the initial draft of the Facilities Program Plan (FPP) for the new homes to ensure that it fits within our appropriated budget. The Department estimates that the revised draft will be completed in December 2018. The Department is also in the process of procuring the architectural firm that will design the homes based on the results of the FPP. • The work on renovating the other two homes has experienced delays from the contractor selected to do the design/build work. In addition, the Department has been informed that the design plan review required by the Colorado Department of Public Health and Environment will likely take 12-13 weeks. As a result, the new estimate is that the design work will not be approved before April 2019.

Department Staff would be happy to answer any questions that the JBC has about the plans for moving off of the GJRC campus.

Sincerely,

Reggie Bicha
Executive Director



cc: Representative Daneya Esgar, Vice-Chair, Joint Budget Committee
Senator Dennis Hisey, Joint Budget Committee
Representative Bob Rankin, Joint Budget Committee
Senator Rachel Zenzinger, Joint Budget Committee
Representative Chris Hansen, Joint Budget Committee
John Ziegler, Staff Director, Joint Budget Committee
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