



Capital Development Committee

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL YEAR 2026-27 CAPITAL CONSTRUCTION REQUEST

Department of Human Services

2023-009

Depreciation Fund for Regional Centers and Group Homes

Project Status

This is a recurring project. [House Bill 15-1333](#) created a subaccount in the Capital Construction Fund, the proceeds of which are for capital projects at the state's regional centers. Money from the subaccount was used to repair fire alarms in all three regional centers in FY 2014-15 and to improve fencing at Kipling Village in FY 2015-16. Additional moneys were appropriated from the subaccount for five subsequent fiscal years to make group home improvements similar to the ones found in this year's request. Prior to its submission as a capital request, \$4.8 million was appropriated from the subaccount for regional center improvements. Since its first submission as a regular capital request in FY 2022-23, an additional \$3.5 million has been appropriated. The department prefers to submit requests for money from the subaccount separately for tracking purposes, rather than creating a dedicated, recurring line item.

**Table 1
Prioritization**

Prioritized By	Priority	Notes
Department of Human Services	3 of 3	
Office of State Planning and Budgeting	N/A	Recommended for funding from cash sources.

**Table 2
Prior Appropriation and Request Information**

Fund Source	Prior Appropriation	Budget Year FY 2026-27	Out Year FY 2027-28	Future Requests	Total Costs
CCF	\$0	\$0	\$0	\$0	\$0
CF	\$3,545,545	\$832,718	\$0	\$0	\$4,378,263
Total	\$3,545,545	\$832,718	\$0	\$0	\$4,378,263

FISCAL YEAR 2026-27 CAPITAL CONSTRUCTION REQUEST

Department of Human Services
 Depreciation Fund for Regional Centers and Group Homes

2023-009

Table 3
Itemized Cost Information

Category	Prior Appropriation	Budget Year FY 2026-27	Out Year FY 2027-28	Future Requests	Total Costs
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$163,792	\$71,715	\$0	\$0	\$235,507
Construction	\$2,949,432	\$685,301	\$0	\$0	\$3,634,733
Equipment	\$20,000	\$0	\$0	\$0	\$20,000
Miscellaneous	\$90,000	\$0	\$0	\$0	\$90,000
Contingency	\$322,321	\$75,702	\$0	\$0	\$398,023
Total	\$3,545,545	\$832,718	\$0	\$0	\$4,378,263

Program Plan Status

Approved Program Plan: No

FCI: N/A

Project Description/Scope of Work

The Department of Human Services (DHS) is requesting cash funds spending authority to make improvements to group homes at three regional centers in Grand Junction, Pueblo, and Wheat Ridge. The homes provide residential care for adults with severe intellectual and developmental disabilities.

DHS says group home repairs are prioritized based on safety, security, accessibility, and programmatic needs, with homes deemed lower priority in terms of condition slated for improvements in the out-years. This year's request is for quality of life and safety improvements to group homes built in the early 1980s. The improvements are mainly interior renovations and some site improvements. The project is designed to make all improvements in a given group home at one time, thus minimizing disruption for the residents.

Cost assumption. The requested amount is based on estimates of fund balance. The project is exempt from the Art in Public Places and High Performance Certification Program requirements.

Table 4
Project Schedule

Project Component	Start Date	Completion Date
Design	July 2026	January 2027
Construction	March 2027	November 2028

FISCAL YEAR 2026-27 CAPITAL CONSTRUCTION REQUEST

Department of Human Services
Depreciation Fund for Regional Centers and Group Homes

2023-009

Project Justification

The department says the group homes to be improved by the project are over 40 years old and do not meet today's standards of care. The old and deteriorating equipment, finishes, and infrastructure in the homes impede resident care, resident safety, and staff efficiencies. DHS further says that the project's improvements will have an immediate impact on the residential environment, enhancing program effectiveness and allowing for increased focus on program outcomes. According to the department, failure to fund the project will result in continued deterioration of group homes, posing safety risks and impacting residential quality of life.

Program Information

DHS owns and operates three regional centers located in Wheat Ridge, Pueblo, and Grand Junction that offer Intermediate Care Facility and Home and Community Based Services waiver services to about 300 adults with severe intellectual and developmental disabilities. Regional centers provide 24-hour residential services, medical care, behavioral services, and supports for daily living to Medicaid-eligible individuals. The regional centers have over 470,000 square feet of program delivery space. Housing and treatment are provided through on-campus residences or off-campus group homes.

Source of Cash Funds

The source of cash funds is the Regional Center Depreciation Account within the Capital Construction Fund (CCF). This special subaccount was created pursuant to House Bill 15-1333, and consists of all moneys received by the Department of Health Care Policy and Financing for the annual calculated depreciation of the state's regional centers. Spending from the account is subject to appropriation and approval by the CDC. Funds in the account may be spent for regional center controlled maintenance, capital renewal, or capital construction. Although CCF moneys are generally categorized as state funds, the Office of State Planning and Budgeting submitted this request as a cash-funded request. The funds transferred to the Regional Center Depreciation Account come from the department's operating budget request.

Operating Budget

DHS says the project will not affect its operating budget, and expects the project to result in cost decreases due to increased staff efficiencies and improved resident safety and security. The department says these savings are difficult to quantify.

FISCAL YEAR 2026-27 CAPITAL CONSTRUCTION REQUEST

Department of Human Services
Depreciation Fund for Regional Centers and Group Homes

2023-009

Staff Questions and Issues

None.



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FISCAL YEAR 2026-27 CAPITAL CONSTRUCTION REQUEST

Department of Human Services

Upgrade Campus Utility Infrastructure, CMHH at Pueblo

2015-049

(Capital Renewal)

Project Status

This is a continuation project. Phase 1 was funded in FY 2022-23. This year's request for Phase 2 was first requested in FY 2023-24, but was not approved for funding. There was no request for Phase 2 in either FY 2024-25 or FY 2025-26. Funding was first requested for the project for FY 2014-15.

**Table 1
Prioritization**

Prioritized By	Priority	Notes
Department of Human Services	2 of 3	
Office of State Planning and Budgeting	12 of 47	Not recommended for funding.

**Table 2
Prior Appropriation and Request Information**

Fund Source	Prior Appropriation	Budget Year FY 2026-27	Out Year FY 2027-28	Future Requests	Total Costs
CCF	\$10,682,004	\$14,931,934	\$19,751,248	\$0	\$45,365,186
CF	\$0	\$0	\$0	\$0	\$0
Total	\$10,682,004	\$14,931,934	\$19,751,248	\$0	\$45,365,186

FISCAL YEAR 2026-27 CAPITAL CONSTRUCTION REQUEST

Department of Human Services

2015-049

Upgrade Campus Utility Infrastructure, CMHI at Pueblo (Capital Renewal)

Table 3
Itemized Cost Information

Category	Prior Appropriation	Budget Year FY 2026-27	Out Year FY 2027-28	Future Requests	Total Costs
Land Acquisition	\$0	\$0	\$1,032,262	\$0	\$1,032,262
Professional Services	\$2,217,574	\$3,409,835	\$16,923,418	\$0	\$22,550,827
Construction	\$7,493,339	\$10,164,651	\$0	\$0	\$17,657,990
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$971,091	\$1,357,448	\$1,795,568	\$0	\$4,124,107
Total	\$10,682,004	\$14,931,934	\$19,751,248	\$0	\$45,365,186

Program Plan Status

Approved Program Plan: No

Date Approved: N/A

FCI: N/A

Project Description/Scope of Work

The Department of Human Services (DHS) is requesting state funds for the second phase of a three-phase capital renewal project to complete a number of critical controlled maintenance projects on the Colorado Mental Health Hospital in Pueblo (CMHHIP) campus. The capital renewal approach focuses on upgrading building systems, infrastructure, and the basic building components within existing state-owned property on a larger scale, rather than the project-by-project approach used for controlled maintenance.

The project installs new water and sewer systems, replaces fire hydrants, and installs new roadways, parking lots, and sidewalks. The department will work south to north to complete the campus infrastructure repairs. DHS expects the project to significantly extend the life of the major campus utility system.

Phase 1 of the project addressed needs on the southern end of the campus, including design work, replacing deteriorated water and sewer pipes, roads, parking lots, and sidewalks. Phase 1 also included extensive assessment work on the proposed work for Phase 2 and 3, which led to a delay in requesting Phase 2 funding while the assessment was completed. The assessment led to the removal of tunnel work from the project scope, as the complexity of the needs for the tunnels necessitates a stand-alone project.

This year's request for Phase 2 will complete remaining construction work on the southern end of campus, start and complete design work for the northwest side of campus, and start

FISCAL YEAR 2026-27 CAPITAL CONSTRUCTION REQUEST

Department of Human Services

2015-049

Upgrade Campus Utility Infrastructure, CMHI at Pueblo (Capital Renewal)

construction on the northwest side of campus. Phase 3 will complete construction on the northwest side of campus.

Cost assumption. The cost assumption is based on estimates from local contractors and engineers, and on recent projects. The project cost uses a 10 percent inflation rate for this year's request. As a capital renewal request, the project is exempt from the Art in Public Places Program and High Performance Certification Program requirements.

Table 4
Project Schedule: Phase 2

Project Component	Start Date	Completion Date
Design	July 2026	August 2027
Construction	November 2027	November 2028

*Overall project completion: November 2029

Project Justification

According to the department, the project completes upgrades and improvements initiated in the last 15 years through various capital construction, controlled maintenance, and emergency controlled maintenance projects. DHS anticipates that completing the various improvements detailed in this request as a single project rather than multiple controlled maintenance requests will be less expensive. These savings will be made possible through an accelerated construction schedule resulting in limited cost escalation and a reduction in overhead costs. Furthermore, the state will likely avoid future emergency controlled maintenance costs for repairs on the campus.

The department says that deterioration of the campus infrastructure causes disruptions to patient care and management and leads to expensive ongoing and controlled maintenance costs. Infrastructure breakdowns may lead to the need to evacuate buildings or patient units, heightening safety risk to patients and staff. Specifically, the project improves sidewalks to comply with accessibility code, addresses electrical code issues, and replaces other systems that have exceeded their useful life. Specific concerns with existing infrastructure include:

- the sewer mains are an outdated clay tile pipe system and are cracked and brittle;
- there is significant root incursion in the sanitary sewers, which do not meet code;
- the steps in the manholes are degraded in many locations;
- the water lines are made, in part, of cast iron and pose ongoing water quality and reliability issues;
- water main breaks are not uncommon;
- all of the campus fire hydrants need to be replaced and, in some cases, relocated; and
- moisture and heavy traffic have deteriorated campus roads and sidewalks.

FISCAL YEAR 2026-27 CAPITAL CONSTRUCTION REQUEST

Department of Human Services
Upgrade Campus Utility Infrastructure, CMHI at Pueblo (Capital Renewal)

2015-049

Program Information

The mental health institutes provide residential services to individuals of all ages with complex, serious, and persistent mental illness. The majority of the patients are referred to the facility by community mental health centers when patients are deemed too unstable for community services to be effective.

CMHHIP was established in 1879 and has a 516-bed capacity. The campus spans 300 acres and houses the mental health institute and some Division of Youth Services and Department of Corrections functions. The latter two functions range in security level from minimum to maximum, with multiple secure units.

Operating Budget

The department expects new and reliable infrastructure to result in cost savings due to eliminating the need for repairs, but explains that it is hard to quantify such future savings.

Staff Questions and Issues

None.



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FISCAL YEAR 2026-27 CAPITAL CONSTRUCTION REQUEST

Department of Human Services
Denver Region Youth Service Center Replacement

2023-004

Project Status

This is the fifth request for funding. Funding was first requested for the project for FY 2022-23.

Table 1
Prioritization

Prioritized By	Priority	Notes
Department of Human Services	1 of 3	
Office of State Planning and Budgeting	16 of 47	Not recommended for funding.

Table 2
Prior Appropriation and Request Information

Fund Source	Prior Appropriation	Budget Year FY 2026-27	Out Year FY 2027-28	Future Requests	Total Costs
CCF	\$0	\$984,500	\$11,786,000	\$35,358,000	\$48,128,500
CF	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$984,500	\$11,786,000	\$35,358,000	\$48,128,500

Table 3
Itemized Cost Information

Category	Prior Appropriation	Budget Year FY 2026-27	Out Year FY 2027-28	Future Requests	Total Costs
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$984,500	\$631,179	\$0	\$1,615,679
Construction	\$0	\$0	\$10,593,583	\$31,674,286	\$42,267,869
Equipment	\$0	\$0	\$0	\$2,000,000	\$2,000,000
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$0	\$561,238	\$1,683,714	\$2,244,952
Total	\$0	\$984,500	\$11,786,000	\$35,358,000	\$48,128,500

FISCAL YEAR 2026-27 CAPITAL CONSTRUCTION REQUEST

Department of Human Services
Denver Region Youth Service Center Replacement

2023-004

Program Plan Status

Approved Program Plan: Yes Date Approved: 2024 FCI: N/A (new construction)

Project Description/Scope of Work

The Department of Human Services (DHS) is requesting state funds for the first phase of a three-phase project to replace the 120-year-old Gilliam Youth Services Center (GYSC) in Denver with a 40-bed, 33,071-GSF replacement facility. Phase 1 consists of schematic design and site selection. Phase 2 will conclude design work, acquire property as necessary, and begin construction. Phase 3 will complete construction. The new center will be designed to continue the Division of Youth Services' (DYS) movement toward trauma-responsive, home-like physical environments and furnishings in its facilities. The new center will also feature state-of-the-art security and allow for housing arrangements separated by classification, such as age, gender, diagnosis, substance abuse, and type of offense. The project will bring the facility into alignment with current programmatic needs and code requirements while improving safety for staff, residents, and visitors.

Cost assumption. Costs are based on professional estimates included in the division's 2019 facility program plan and 2024 addendum for Gilliam Youth Services Center and experience with recent capital projects. Construction estimates are based on the facility program plan, but will depend on the site selected and are subject to change. Because of this, the cost assumption does not include an estimate of property acquisition costs and does not account for inflation or the Art in Public Places program, which do not apply to the design phase. The department intends to pursue LEED Gold certification as part of the Higher Performance Certification Program.

Table 4
Project Schedule: Phase 1

Project Component	Start Date	Completion Date
Design	July 2026	April 2028

*Overall project completion: February 2032

Project Justification

According to the department, the need for a replacement facility was identified in the 1990s, but no viable site was available. The 119-year-old facility was expanded in 1967, but currently has no room for further expansion and its location on a busy Denver city block poses programmatic

FISCAL YEAR 2026-27 CAPITAL CONSTRUCTION REQUEST

Department of Human Services
Denver Region Youth Service Center Replacement

2023-004

and security challenges. For instance, the building's location and perimeter security makes it vulnerable to the introduction of drugs and weapons and presents opportunities for escape. Buildings at the center have facility condition indices (FCI) between 64 and 77, and the department says many of the buildings' systems are in need of total replacement. FCI is a measure of the cost of remedying building deficiencies compared to the building's current replacement value, and the state architect's target FCI for all buildings is 85.

DHS says the facility's deterioration and limitations contribute to the risk of incidents such as assaults and suicide attempts. Camera system failures and lock malfunctions present a significant risk to staff and youth safety and security. HVAC malfunctions and roof leaks present additional maintenance challenges. Further, DYS has changed its treatment philosophies to meet youth needs over the years, and the facility no longer matches these changes. The program space, family visitation areas, living units, and recreation areas are poorly configured and do not match programming needs. The department says the facility's limitations negatively impact opportunities for youth to realize best outcomes in terms of returning to the community as productive citizens, contributing to increased recidivism and risk to the community.

Project alternatives. The department studied the possibility of renovating the current building, but concluded that constructing a new facility was the best option considering the safety issues at the current location, the deteriorating condition of the buildings, and the scale of the programmatic interruptions that renovations would cause.

Program Information

DYS provides for the care and supervision of youth committed by the district courts to the custody of DHS. DYS is charged with promoting public safety by engaging delinquent youth in programs and services, including secure custody, that seek to modify and eliminate delinquent behavior, and rehabilitating youthful behavior so that youth gain the skills needed to become successful and productive members of the community. DYS operates 12 secure youth centers that serve youth between the ages of 10 and 21 who are pre-adjudicated (awaiting court) or committed. DYS provides residential treatment for committed youth in a variety of settings, including state-operated secure facilities and community-based residential facilities throughout Colorado for all counties and judicial districts. GYSC is the juvenile detention facility that serves the 2nd Judicial District (the city and county of Denver).

Operating Budget

DHS says it plans to submit a complementary operating budget request as the project moves forward, detailing the justification for additional funding.

FISCAL YEAR 2026-27 CAPITAL CONSTRUCTION REQUEST

Department of Human Services
Denver Region Youth Service Center Replacement

2023-004

Staff Questions and Issues

1. At one point, there was discussion of partnering with the City and County of Denver and the possibility that they may help cover some or all of the land acquisition costs, possibly through a land swap. Is that still a possibility?

Yes, we still believe there is an opportunity to partner with the City and County of Denver if funding for the project is approved.

2. Has the closure of the Campus at Lookout Mountain impacted Gilliam's case load and need?

No, the need for this replacement request is unchanged and is not impacted by the recent changes at the Campus at Lookout Mountain. While youth were temporarily transferred from the youth center to other DYS facilities, we did not close the Campus at Lookout Mountain. The temporary relocation of youth caused a slight increase in census at Gilliam, necessitating the reopening of a previously closed pod to accommodate 11 youth. However, the core justification for replacing the Gilliam Youth Services Center—which relates to the age of the building and safety and security concerns for both staff and youth—is independent of these internal movements.