



Capital Development Committee

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL YEAR 2025-26 SUPPLEMENTAL CAPITAL CONSTRUCTION REQUEST

Department of Human Services
Home-like and Outpatient Facilities

2026-072
Regular Supplemental

Motion

Recommend the supplemental request from the Department of Human Services for the Home-like and Outpatient Facilities project (\$5,300,804 CCF).

Supplemental Criterion

The supplemental request is an emergency request. The department explains that it is instituting emergency programming to provide services to those with a history of criminal behavior resulting from certain mental health disorders who are unlikely to be restored to mental competency to stand trial, and who are transitioning back into the community without support. The department explains that it has not previously experienced these conditions.

Approval by OSPB and CCHE

The project has been approved by the Office of State Planning and Budgeting.

Prior Appropriation and Request Information

There is no prior appropriation attached to this request.

Table 1
Prior Appropriation and Request Information

Fund Source	Prior Appropriations	Supplemental Request	Future Requests	Total Cost
CCF	\$0	\$5,300,804	\$0	\$5,300,804
CF	\$0	\$0	\$0	\$0
Total	\$0	\$5,300,804	\$0	\$5,300,804

Reason for Supplemental Request

The Department of Human Services (DHS) is creating new programming to address a previously unencountered set of circumstances, and the department does not currently have appropriate space in its inventory to conduct this programming. DHS explains that the new programming will provide a continuum of care for forensic clients deemed incompetent to stand trial and unlikely to be restored to competency in the near future. These individuals have a history of criminal behavior resulting from a mental health disorder, neurodevelopmental disorder, or neurocognitive disorder. Currently, in accordance with federal case law, once these individuals have been identified as unrestorable to competency, they can no longer be held in the criminal justice system and thus transition back into the community without support. The new programming will offer residential treatment at a renovated DHS building, and outpatient treatment for those stepping down from a residential environment and back into the community. DHS says the current circumstances are critical and impact public safety.

Summary of Project

The project renovates the 9,622-GSF Building 137 on the Colorado Mental Health Hospital in Pueblo (CMHHIP) campus for use as an 18-bed residential treatment facility, and leases a facility in the Denver metropolitan area for use as an outpatient clinic.

Home-like Residential Facility

DHS has identified a building on the CMHHIP campus that, when renovated, will support a population with neurocognitive and neurodevelopmental disorders on a 24/7 basis, similar to the arrangements in the department's regional home system. The program operating this facility will primarily serve individuals who have been court-ordered to residential treatment by civil courts and will prepare them for exiting 24/7 care. Treatment will be tailored to the individual.

Cost for this portion of the project: \$3.6 million.

Outpatient Facility

This portion of the project identifies a facility for lease as an outpatient clinic; pays preliminary lease costs; conducts needed inspections; plans and designs facility improvements; and makes tenant improvements to the leased facility to address special conditions required for the programming it hosts. The department says leasing is the preferred option as compared to constructing a facility or renovating an existing one based on cost and timeliness. Target size of the facility is 7,885 GSF. DHS has identified the following spaces that the leased building will need:

- three offices and 22 work stations for personnel;
- a reception area serving 15;
- one 20-person meeting room and four group rooms accommodating 15 people each;

- one examination room and six therapy rooms;
- one lounge/group room accommodating 10-40 people; and
- auxiliary spaces, including storage, a food prep area, a copy room, a staff break area, two quiet rooms, and a shower room.

Cost for this portion of the project: \$1.7 million.

Questions/Outstanding Issues

1. Why was the project submitted as one request instead of two?
2. Using capital dollars to make improvements to a building to be leased by DHS, rather than one within the department's portfolio, would be unusual. Would the lease for the Outpatient Clinic include terms that the length of the lease will run for roughly the life expectancy of the improvements made using capital dollars? Alternatively, might the lease stipulate that the building owner would make improvements to its building, with these costs priced into the lease?
3. If I'm following correctly, this supplemental request will cover initial lease costs for the Outpatient Clinic. Why are these costs not contained in an operating request? Does the department have an estimate for how much annual lease costs for the Outpatient Clinic will be going forward, and for how long? What other operating budget impacts might be associated with the programs conducted in these facilities?
4. Has the department found any suitable properties for lease for the Outpatient Clinic thus far? What's the expected timeline for securing a property lease?
5. Considering the programming to take place at the Outpatient Clinic, is there a public input process for neighbors/stakeholders/etc. before a lease is signed? If so, could this delay the process?
6. What is Building 137 at CMHHIP currently used for? Will any patients or employees be displaced by the renovation project?
7. Since the buildings to be improved under this project will house new programming, will legislation be required to authorize the new programs, or are these programs already within the department's charge?