

MEMORANDUM

TO: Joint Budget Committee

FROM: Patrick Brodhead, JBC Staff (303-866-4955)

SUBJECT: Informational Capital Construction Emergency Supplemental Requests

DATE: September 21, 2009

This memorandum addresses two capital construction emergency supplemental requests that were submitted for informational purposes only. The reason that these two requests are being submitted for informational purposes only is that they are both funded entirely with private and federal funds. However, they are being submitted in order to provide more transparency with regard to the two projects.

Typically, capital construction requests are first heard by the Capital Development Committee (CDC) and then referred to the Joint Budget Committee (JBC). However, because the CDC does not plan to meet next until October 23, 2009, these capital construction requests will not be heard by that committee until then. For this reason, staff recommends that the JBC delay any formal vote on these requests until after the October 23rd CDC meeting. However, staff would like to give the JBC a brief description of these requests so that you are aware that these projects are currently being implemented. If the CDC approves these requests at their October meeting, JBC staff will make a more formal presentation to the JBC in November, at which point the JBC will have an opportunity to vote on these requests.

The first capital construction request is the Colorado State Veterans Nursing Home Walsenburg - Quality of Life Improvement Project. The project consists of 3,700 square feet of new building area and approximately 3,100 square feet of renovated space at the Colorado State Veterans Nursing Home in Walsenburg. The additional space and renovations include improvements to the facility's existing dining and food service areas, addition of specialized dining areas, an addition to the secure Special Care Unit to include multi-purpose areas (dining and activities), a serving pantry and bathing suite, as well as associated site improvements. The project will be jointly funded with federal funds and private funds (cash funds). The federal funds will account for 65 percent of the total funding and will be from the Veterans Administration under the State Homes Construction Grants program. The private funds will account for the remaining 35 percent of the total funding and will be provided by the contract operator, Spanish Peaks Regional Health Center. The total amount requested for FY 2009-10 is \$2,023,758, which includes \$708,315 cash funds and \$1,315,443 federal funds.

The second capital construction request is the Colorado AWARE VR Case Management System. The project consists of the purchase of a case management system using funds from the American

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Recovery and Reinvestment Act of 2009 (ARRA). The Division of Vocational Rehabilitation within the Department of Human Services plans to use ARRA funds to purchase a vocational rehabilitation case management system from Alliance Enterprises called AWARE. The request indicates that the Division currently relies upon an existing patchwork of legacy systems that do not support the current case management functions. The request includes project costs of \$1,152,850 in FY 2009-10, \$1,747,584 in FY 2010-11, and \$415,630 in FY 2011-12.

Staff notes that the ongoing annual maintenance and managed system support for the AWARE system will be approximately \$237,080. The request assumes this will be paid from the Division's on-going operating budget, which is funded at 78.7 percent federal funds and 21.3 percent General Fund.