


### Schedule 13

#### Funding Request for the FY 2016-17 Budget Cycle

Department of Local Affairs

Request Title

NP-01 Annual Fleet Vehicle Request

Dept. Approval By: 

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Supplemental FY 2015-16

Change Request FY 2016-17

Base Reduction FY 2016-17

OSPB Approval By:  10/29/15

Budget Amendment FY 2016-17

Summary Information	Fund	FY 2015-16		FY 2016-17		FY 2017-18
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$81,927	\$0	\$81,927	\$16,844	\$16,844
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$73,667	\$0	\$73,667	\$15,160	\$15,160
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$8,260	\$0	\$8,260	\$1,684	\$1,684
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2015-16		FY 2016-17		FY 2017-18
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$81,927	\$0	\$81,927	\$16,844	\$16,844
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office - Vehicle Lease Payments	GF	\$73,667	\$0	\$73,667	\$15,160	\$15,160
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$8,260	\$0	\$8,260	\$1,684	\$1,684
	FF	\$0	\$0	\$0	\$0	\$0

Letternote Text Revision Required? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	If Yes, describe the Letternote Text Revision:
Cash or Federal Fund Name and CORE Fund Number:	
Reappropriated Funds Source, by Department and Line Item Name:	
Approval by OIT? Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required: <input checked="" type="checkbox"/>	
Schedule 13s from Affected Departments:	
Other Information:	

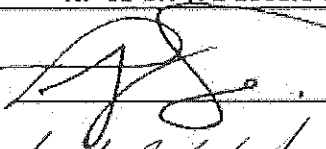

### Schedule 13

#### Funding Request for the FY 2016-17 Budget Cycle

Department of Local Affairs

Request Title

NP-02 OIT R-2 Secure Colorado

Dept. Approval By: 	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Supplemental FY 2015-16 Change Request FY 2016-17 Base Reduction FY 2016-17 Budget Amendment FY 2016-17
OSPB Approval By:  10/29/15		

Summary Information	Fund	FY 2015-16		FY 2016-17	FY 2017-18	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$1,140,081	\$0	\$1,163,786	\$5,640	\$5,640
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$205,571	\$0	\$204,723	\$0	\$0
	CF	\$6,139	\$0	\$30,692	\$0	\$0
	RF	\$523,637	\$0	\$523,637	\$5,640	\$5,640
	FF	\$404,734	\$0	\$404,734	\$0	\$0

Line Item Information	Fund	FY 2015-16		FY 2016-17	FY 2017-18	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$1,140,081	\$0	\$1,163,786	\$5,640	\$5,640
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office - Payments to OIT	GF	\$205,571	\$0	\$204,723	\$0	\$0
	CF	\$6,139	\$0	\$30,692	\$0	\$0
	RF	\$523,637	\$0	\$523,637	\$5,640	\$5,640
	FF	\$404,734	\$0	\$404,734	\$0	\$0

Letternote Text Revision Required? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> X	If Yes, describe the Letternote Text Revision:
Cash or Federal Fund Name and CORE Fund Number: VSCF	
Reappropriated Funds Source, by Department and Line Item Name:	
Approval by OIT? Yes <input checked="" type="checkbox"/> X No <input type="checkbox"/> Not Required:	
Schedule 13s from Affected Departments:	
Other Information:	

### Schedule 13

#### Funding Request for the FY 2016-17 Budget Cycle

Department of Local Affairs

Request Title

**R-01 Fort Lyon Supportive Residential Community**

Dept. Approval By: 


Supplemental FY 2015-16

☒

Change Request FY 2016-17

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Base Reduction FY 2016-17

OSPB Approval By:  10/29/15

☐

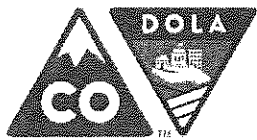
Budget Amendment FY 2016-17

Summary Information	Fund	FY 2015-16		FY 2016-17	FY 2017-18	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total of All Line Items Impacted by Change Request	Total	\$3,223,851	\$0	\$3,223,851	\$1,765,786	\$1,765,786
	FTE	0.0	0.0	0.0	1.0	1.0
	GF	\$3,223,851	\$0	\$3,223,851	\$0	\$0
	CF	\$0	\$0	\$0	\$1,765,786	\$1,765,786
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2015-16		FY 2016-17	FY 2017-18	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
03. Division of Housing - Fort Lyon Supportive Housing Program	Total	\$3,223,851	\$0	\$3,223,851	\$1,765,786	\$1,765,786
	FTE	0.0	0.0	0.0	1.0	1.0
	GF	\$3,223,851	\$0	\$3,223,851	\$0	\$0
	CF	\$0	\$0	\$0	\$1,765,786	\$1,765,786
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Letternote Text Revision Required? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		If Yes, describe the Letternote Text Revision:
Cash or Federal Fund Name and CORE Fund Number: 15RS		
Reappropriated Funds Source, by Department and Line Item Name:		
Approval by OIT? Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required: <input checked="" type="checkbox"/>		
Schedule 13s from Affected Departments:		
Other Information:		





# COLORADO

## Department of Local Affairs

Priority: R-01  
Fort Lyon Supportive Residential Community  
FY 2016-17 Change Request

### *Cost and FTE*

- The Department of Local Affairs requests \$1,765,786 in cash funds from the Marijuana Tax Cash Fund (MTCF) and 1.0 FTE in FY 2016-17 to support the operation of the Fort Lyon Supportive Residential Community until the program is eligible for federal funding.

### *Current Program*

- The Department, in collaboration with the Colorado Coalition for the Homeless and Bent County, is creating a transitional residential community at Fort Lyon, with enhanced support and services to help chronically homeless individuals with substance use disorders, mental illness, and/or co-occurring conditions. The program places an emphasis on homeless veterans.
- During FY 2014-15, the program served 364 unique individuals; of these, 57 were transitioned to permanent housing, 43 obtained employment, and 103 were enrolled in educational programs.
- For FY 2015-16, the Department is appropriated \$3.2 million General Fund to operate Fort Lyon, with additional financial support from the 2012 Mortgage Servicing Settlement funds.

### *Problem or Opportunity*

- As of FY 2016-17, the Mortgage Settlement dollars formerly used to fund Fort Lyon will be fully expended, leaving a shortfall of approximately \$1.8 million.
- The Center for Medicare and Medicaid Services (CMS) is conducting an analysis of whether or not Fort Lyon should be considered an Institute for Mental Disease (IMD). The Department is confident it will not be determined to be an IMD; however, until this determination is made, Fort Lyon is unable to access Medicaid, HUD, and VA funds originally intended to fill the gap left by the expenditure of Mortgage Settlement dollars.

### *Consequences of Problem*

- Without the requested appropriation, the number of formerly homeless residents of Fort Lyon would have to be substantially reduced. Given that maintenance and operations of the facility are a fixed cost, the savings would need to be realized by decreasing the programs and services budget line item. The loss of \$1.8 million dollars would result in a reduction of 171 residents annually.
- Without Fort Lyon, individuals that could reside and receive supportive services at Fort Lyon will remain homeless and the State will continue to pay costs through other local and state programs.

### *Proposed Solution*

- The Department's request is to fully fund operation and treatment costs at Fort Lyon with MTCF funding until such time as other funding sources are approved or granted. If federal funding is obtained, the Department will revise this request accordingly.
- For FY 2015-16, housing homeless individuals at Fort Lyon will result in cost savings to the State of approximately \$26,168 per resident, based on a projected average of 250 residents per month.





# COLORADO

## Department of Local Affairs

John W. Hickenlooper  
Governor

Irv Halter  
Executive Director

FY 2016-17 Funding Request | November 2, 2015

### Department Priority: R-01

### Request Detail: Fort Lyon Supportive Residential Community

Summary of Incremental Funding Change for FY 2016-17	Total Funds	Marijuana Tax Cash Fund
Fort Lyon Supportive Residential Community	\$1,765,786	\$1,765,786

### Problem or Opportunity:

The Department of Local Affairs requests \$1,765,786 in cash funds from the Marijuana Tax Cash Fund (MTCF) and 1.0 FTE in FY 2016-17 to support the operation of the Fort Lyon Supportive Residential Community until the program is eligible for federal funding.

### Homelessness in Colorado:

Homelessness is marked by the absence of connections that are crucial for a person's well-being, including connections to housing, family, and health care. These deficits are more severe and indelible among the chronically homeless for whom homelessness has become a way of life. The U.S. Department of Housing and Urban Development (HUD) defines chronic homelessness as "an individual or family with a disabling condition who has been continuously homeless for a year or more or has had at least four episodes of homelessness in the past three years." Chronically homeless individuals, particularly those who are chronic public inebriates, present serious challenges for service providers and the community at large. This group utilizes a disproportionate share of shelter beds and emergency services. Further, their substance use, mental health, incidents of trauma, and medical/physical disorders create significant barriers to successful transition from the streets to permanent housing and long-term housing sustainability.

HUD's report on the 2014 Point-in-Time survey indicates that there were a total of 4,636 homeless individuals in Colorado. Of these, 1,621 were chronically homeless. Additionally, 958 of these individuals self-reported chronic substance abuse disorders and 1,290 individuals self-reported that they were severely mentally ill. The Substance Abuse and Mental Health Services Administration (SAMHSA) has found that over 60 percent of people who are chronically homeless have experienced lifetime mental health problems and over 80 percent have experienced alcohol and/or drug problems.<sup>1</sup> It would be safe to assume that both untreated mental health and substance abuse problems are the leading contributing factor to homelessness. As of December 31, 2014, 58 percent of the Fort Lyon participants had three or more co-occurring conditions.

<sup>1</sup> Substance Abuse and Mental Health Services Administration (SAMHSA). Current Statistics on the Prevalence and Characteristics of People Experiencing Homelessness in the United States. [http://homeless.samhsa.gov/ResourceFiles/hrc\\_factsheet.pdf](http://homeless.samhsa.gov/ResourceFiles/hrc_factsheet.pdf)

**Program Background:**

In September of 2013, the Fort Lyon Supportive Residential Community (Fort Lyon) opened its doors to some of Colorado's most vulnerable citizens and has since become the "gateway" for many homeless individuals to return to their home community with sobriety and the skills needed to be successful, contributing members. The program is located at the former Fort Lyon Veterans Administration (VA) Hospital in Bent County, Colorado, and is part of a state and community effort to re-purpose the facility to meet the needs of homeless individuals across the state. An interagency collaboration between The Department of Local Affairs, the Department of Human Services, the Department of Corrections, the Department of Health Care Policy and Financing, Department of Energy, Bent County and the Colorado Coalition for the Homeless (CCH) has made Fort Lyon possible. Prior to the program's inception, the state was spending \$150,000<sup>2</sup> per month to maintain the facility while empty.

The Fort Lyon Supportive Residential Community provides recovery-oriented transitional housing to homeless individuals. The program combines housing navigation with educational, vocational and employment services for approximately 200 homeless persons per month from across the state of Colorado, with an emphasis on serving homeless veterans. Fort Lyon targets chronically homeless individuals statewide by accepting referrals from agencies that span across both urban and rural areas of Colorado. Individuals who have failed using "traditional" programs have seen success at Fort Lyon because of its unique location and client centered services model. In FY 2014-15, 364 unique individuals were served by the program in total.

The program is operated using both Housing First and Trauma Informed Care (TIC) approaches. The Housing First approach centers on providing housing to homeless individuals as quickly as possible. It then provides supportive services and community supports to assist residents to maintain housing. Trauma, whether physical, sexual or emotional, is both a cause and a consequence of homelessness. TIC is a strengths-based framework that is grounded in an understanding of and responsiveness to the impact of trauma. Programs that are trauma informed realize the widespread impact of trauma and understand potential paths for recovery; recognize the signs and symptoms of trauma in clients, families, staff, and others involved with the system; and respond by fully integrating knowledge about trauma into policies, procedures, and practices; and seek to actively resist re-traumatization. Early indications suggest that TIC may have a positive effect on housing stability. A multi-site study of TIC for homeless families found that, at 18 months, 88 percent of participants had either remained in Section 8 housing or moved to other types of permanent housing.<sup>3</sup>

**Problem:**

The cost to operate the Fort Lyon Supportive Residential Community for formerly homeless individuals is approximately \$5 million dollars per year. In the past, the program has been funded by both 2012 Mortgage Servicing Settlement dollars and General Fund dollars. As of FY 2016-17, the Mortgage Settlement dollars will be fully expended, leaving a shortfall of \$1,765,786. Of the \$51 million dollars in Mortgage Settlement funds distributed to the State of Colorado, Fort Lyon received a one-time allotment of \$5 million dollars. The Department will have fully utilized these funds over the first three years of operations by the end of FY 2015-16. It has always been the hope and intention of the Department to use federal funds to supplement the General Fund appropriation and to make up the shortfall left when the Mortgage Settlement dollars were fully expended.

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<sup>2</sup> As reported by the Department of Corrections at the time of the transfer of the facility.

<sup>3</sup> Rog DJ, Holupka CS, McCombsthornnton KL. Implementation of the Homeless Families Program.1. Service Models and Preliminary Outcomes. *Am J Orthopsychiatry* 1995; 65: 502-13.



The federal law classifies a building or buildings with 16 or more beds that is primarily engaged in providing diagnosis, treatment, or care for persons with mental diseases and/or substance use disorders, as an Institute for Mental Disease (IMD). Currently, the Center for Medicare and Medicaid Services (CMS) is conducting an analysis of whether or not Fort Lyon should be considered an IMD. The Department is confident that Fort Lyon does not meet this classification because it is a voluntary transitional housing program that provides no clinical care. However, until this determination is made, Fort Lyon is unable to access federal funds originally intended to fill the gap left by the full expenditure of Mortgage Settlement dollars. Once Fort Lyon is determined not to be an IMD, the following funding sources will be available: Medicaid, U.S. Department of Housing and Urban Development (HUD) programs, Veterans Administration assistance, and Food Stamps.

A 2015 study, titled *Home Not Found, The Cost of Homelessness in Silicon Valley*,<sup>4</sup> found that the highest cumulative public costs across all public services are associated with individuals experiencing persistent/chronic homelessness. The costs of chronically homeless individuals are twice as large as the share of costs for short-term homeless individuals. The public cost of chronic homelessness, according to this study, through emergency room visits, incarceration, detoxification services, as well as inpatient and outpatient hospital care is estimated to be \$45,993 per person per year. It is also important to note that the estimated costs for the top 5 percent of chronic homeless users can exceed \$81,211 per year.

Data for FY 2014-15 are based on actual costs submitted to date. The chart below shows an average cost per person at Fort Lyon of \$28,204 for FY 2014-15. These costs, when compared to the per-person cost of homeless individuals in the study shown above, result in a current savings of \$17,789 per person. Also important to note is the projected decreases in the per resident cost in FY 2015-16 and FY 2016-17 based on the increased resident count. As a result, cost savings per person will reach approximately \$26,168 in FY 2015-16 (See Table 1 – next page).

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<sup>4</sup> Daniel Flaming, Halil Toros and Patrick Burns Economic Roundtable, 2015 Home Not Found, the Cost of Homelessness in Silicon Valley.

Table 1: Fort Lyon Cost by Residents Served									
FY 2013-14		FY 2014-15		FY 2015-16		FY 2016-17		FY 2017-18	
Actual Costs of \$4,062,581		Actual Costs of \$5,217,652		Projected Costs of \$4,956,320		Projected Costs of \$4,989,637		Projected Costs of \$4,989,637	
Month	# of residents	Month	# of residents	Month	# of residents	Month	# of residents	Month	# of residents
Jul	n/a	Jul	202	Jul	250	Jul	250	Jul	250
Aug	n/a	Aug	197	Aug	250	Aug	250	Aug	250
Sept	23	Sept	180	Sept	250	Sept	250	Sept	250
Oct	55	Oct	160	Oct	250	Oct	250	Oct	250
Nov	56	Nov	176	Nov	250	Nov	250	Nov	250
Dec	68	Dec	190	Dec	250	Dec	250	Dec	250
Jan	79	Jan	183	Jan	250	Jan	250	Jan	250
Feb	93	Feb	177	Feb	250	Feb	250	Feb	250
Mar	109	Mar	173	Mar	250	Mar	250	Mar	250
Apr	151	Apr	182	Apr	250	Apr	250	Apr	250
May	171	May	199	May	250	May	250	May	250
Jun	176	Jun	195	Jun	250	Jun	250	Jun	250
Monthly Average Census	98	Monthly Average Census	185	Monthly Average Census	250	Monthly Average Census	250	Monthly Average Census	250
Average Cost per Resident	\$41,455*	Average Cost per Resident	\$28,204	Average Cost per Resident	\$19,825	Average Cost per Resident	\$19,959	Average Cost per Resident	\$19,959
Average Savings per Resident	\$4,538*	Average Savings per Resident	\$17,789	Average Savings per Resident	\$26,168	Average Savings per Resident	\$26,034	Average Savings per Resident	\$26,034

\* This number includes one-time program startup costs; therefore, is not an accurate reflection of cost per resident or savings per person.

\*\* No resident data provided by CCH for January 2015. Count shown is average of December and February data.

Original Fort Lyon cost savings estimates assumed that 300 persons per month would be served, resulting in a per person cost of \$16,666. However, after two years in operation, it has been determined that the re-benchmarked baseline should be 250 persons per month. Based on the acuity of these individuals and their vast needs, and for safety reasons, this determination was made in conjunction with CCH.

#### Consequence if Not Funded:

Without the requested appropriation, the number of formerly homeless residents of Fort Lyon would have to be substantially reduced. Given that maintenance and operations of the facility are a fixed cost, the savings would need to be realized by decreasing the programs and services budget line item. The loss of \$1,765,786 would result in a reduction of 171 residents annually.

Table 2: Savings from Programs Budget	
Programs and Services Budget	\$2,586,733
Cost per Person (\$2,586,733 / 250 residents)	\$10,347
Remaining Programs and Services Budget if request is not approved (\$2,586,733 - \$1,765,786)	\$820,947
New Census with budget shortfall (\$820,947 / \$10,347)	79
Decrease in residents served (250 - 79=171)	171

Given the analysis above, keeping the facility open for 79 people may not be viable. Without additional funding or a determination on the IMD issue, the State will have to consider closing the facility. Without Fort Lyon, individuals that could reside and receive supportive services at Fort Lyon will remain homeless and the current residents at Fort Lyon will be returned to homelessness. The State will continue to pay services and treatment costs through other local and state programs, particularly emergency room visits, jail visits and detox. As reported above, chronically homeless individuals living on the street show average costs of \$45,993. In addition, without this program, the State will continue to incur costs to maintain the vacant Fort Lyon facility. As mentioned above, the cost to maintain the vacant Fort Lyon property is estimated to be \$150,000 per month.

#### ***Proposed Solution:***

The Department of Local Affairs requests \$1,765,786 cash funds and 1.0 FTE in FY 2016-17 to support the continued operation of the Fort Lyon Supportive Residential Community. The Department is requesting funding from the Marijuana Tax Cash Fund (MTCF) because Fort Lyon provides transitional housing and supportive services including connection to drug treatment to homeless individuals with histories of substance abuse. This is an ongoing request, which is conditional based on the availability of federal funding. If federal funds are not available for FY 2017-18, the request will annualize to \$1,765,786.

This request includes funding for 1.0 FTE at the General Professional V level to continue the staffing effort currently in place within the Department that was previously funded from the 2012 Mortgage Servicing Settlement Funds. The position performs the following tasks in support of the Fort Lyon program:

- Contract Management - There are two large contracts associated with Fort Lyon. One contract is with the Colorado Coalition for the Homeless (CCH) and the other with Bent County. These contracts need to be monitored for compliance including a review and verification against all receipts submitted to ensure they are within the allowances outlined in the contract.
- Program Evaluation - Development of evaluation tools for current residents and graduates.
- Program Management - There are several aspects of program management currently being conducted: budgeting, budget monitoring, budget requests, data monitoring, data analysis, referral network management.
- Performance Management - This involves staying in close contact with the contract agencies to ensure performance measures are being met and to problem solve when a performance issue has been identified.
- Permanent Supportive Housing - The staff are currently administering the rental assistance voucher program that is being used to transition residents back to their communities of choice.

If approved, the Department's request will fully fund operation and treatment costs at Fort Lyon with cash funds from the MTCF until such time as other funding sources are approved or granted. If federal funding is obtained, the Department will revise this request accordingly. In addition, one of the primary focuses of the program at Fort Lyon is education and employment training. As program participants become employed and have steady income, participants will eventually be asked to contribute a rent payment. This

additional income will increase the per resident savings and reduce the required contribution from the MTCF.

**Anticipated Outcomes:**

The Colorado Coalition for the Homeless provides the transitional housing and recovery oriented supportive services. Bent County is the property manager for the facility. The program provides a recovery environment of on-site education, employment, and housing navigation, as well as community-based substance-abuse treatment, mental health and health care services and education for its residents. Collaborative service providers include Otero Junior College, Lamar Community College, Southeast Mental Health Services, and Prowers Medical Center and Valley-Wide Health Systems, Inc.

As shown in Table 3 below, 28 percent of residents were enrolled in educational programs, including GED or higher education. Furthermore, 57 residents successfully transitioned back to the community and into permanent housing and 43 residents secured employment. These outcomes will increase in the following years as the young program continues to advance and additional residents successfully complete the program.

**Fort Lyon Program Outcomes:**

Table 3: Fort Lyon Supportive Residential Community Outcomes			
Current Measurements	Total Residents Actual FY 2014-15	Total Residents Anticipated FY 2015-16	Total Residents Anticipated FY 2016-17
Number of residents served	364	400	400
Number of residents transitioned to permanent housing programs	57	100	150
Number of persons connected to Fort Lyon TBRA vouchers.	10	30	30
Enrollment in educational programs (GED or higher education)	103	150	150
Number of residents who obtained employment	43	75	100

Recovery, as defined by the Substance Abuse and Mental Health Services Administration (SAMHSA) Center for Substance Abuse Treatment, is “a process of change through which an individual achieves abstinence and improved health, wellness, and quality of life.” Therefore, three additional outcomes were selected for evaluation of the program’s impact: depression, anxiety, and quality of life.

The Patient Health Questionnaire 9 (PHQ-9) was selected to measure depression outcomes because it is a brief, 9-item, self-report questionnaire that is easy for program participants to complete. Clients receive an overall score from one to 27 that translates to a symptom severity scale ranging from minimal to severe. It

is valid and reliable.<sup>5</sup> According to SAMHSA, the PHQ-9 is the most widely used tool for measuring depression symptoms.<sup>6</sup>

Similarly, the Generalized Anxiety Disorder 7-item (GAD-7) scale is a brief, self-report screen for general anxiety disorder symptoms. Clients receive a total score from 0 to 21; higher scores indicate more severe anxiety symptoms. It was selected because it is easy to complete and a commonly used, valid and reliable tool that can be used to measure the impact of services on the severity of anxiety symptoms.<sup>7</sup>

The World Health Organization Quality of Life brief version (WHOQOL-BREF) was selected to measure quality of life outcomes, which go beyond traditional health outcomes to include overall function, perceived health and the impact of health disorders on daily life.<sup>8</sup> The WHOQOL-100 item assessment was identified by SAMHSA through the Environmental Scan of Measures of Recovery as a promising measure of recovery. The brief version was selected because it has been shown to be a valid and reliable measure of quality of life; however, it is less time consuming to complete.<sup>9</sup> The WHOQOL has been increasingly used in recovery oriented programming.

**Quality of Life Assessment:** Fort Lyon residents reported an average increase of 53 percent in their quality of life from 2.73 to 4.20 (out of 5.00) as measured from baseline to six months using the World Health Organization Quality of Life assessment tool (WHOQOL-BREF), which asks respondents to rate their quality of life in the last two weeks using a scale ranging from Very Poor (1) to Very Good (5). Additionally, the WHOQOL-BREF asks respondents a series of questions to obtain further detail about four domain areas which reflect categories of health-related factors that contribute to quality of life: Physical Health, Psychological, Social Relationships and Environment. The scale for the four additional domains is 100. The general population scores 72.67/100. In comparison, Fort Lyon clients scored 50.39/100 at baseline. At the six month follow up, clients reported an average score across domains of 64.40/100<sup>10</sup>. The changes in these four domain scores are statistically significant, meaning that the approach to supportive services adopted at Fort Lyon would be highly likely to result in the same levels of success if a completely different group of individuals had entered the program.

**Depression Assessment Tool:** Fort Lyon residents reported an average decrease of 56 percent in their depression symptoms from 11.53 to 5.04 as measured from baseline to six months using the Patient Health Questionnaire-9 diagnostic tool (PHQ-9). The PHQ-9 is an established measure of depression severity with a score range of 0-27. A score of 5.04 is considered “Mild Depression” while a score of 11.53 is considered “Moderate Depression”. Studies suggest that approximately 61 percent of the general population has minimal or no depressive disorder (PHQ-9 scores 0-4), and 20 percent of the general population has “mild depression severity” (PHQ-9 scores 5-9). In contrast, only 16 percent of the general public reported scores of 10 or higher.<sup>11</sup>

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<sup>5</sup> Kroenke, K., Spitzer, R., & Williams, J. (2001). The PHQ-9 validity of a brief depression severity measure. *Intern Med*, 9 (606-613).

<sup>6</sup> SAMHSA-HRSA Center for Integrated Health Solutions, <http://www.integration.samhsa.gov/clinical-practice/screening-tools>.

<sup>7</sup> Lowe, B., Decker, O., Muller, S., Brahler, E., Schellberg, D., Herzog, W., et al. (2008). Validation and standardization of the generalized anxiety disorder screener (GAD-7) in the general population. *Med Care*, 46(3), 266-274.

<sup>8</sup> Harper, Alison. WHOQOL-BREF: Introduction, Administration, Scoring and Generic Version of the Assessment. Field Trial Version. World Health Organization Program on Mental Health. Dec 1996.

<sup>9</sup> Hawthorne, G.; Herrman, H.; & Murphy, B (2006). Interpreting the WHOQOL-Bref: Preliminary Population Norms and Effect Sizes. *Social Indicators Research*, Vol 77, issue 1, p37-59.

<sup>10</sup> Hawthorne, G.; Herrman, H.; & Murphy, B (2006). *Interpreting the WHOQOL-Bref: Preliminary Population Norms and Effect Sizes*. Social Indicators Research, Vol 77, issue 1, p37-59.

<sup>11</sup> Kroenke, K., Spitzer, R., & Williams, J. (2001). The PHQ-9 validity of a brief depression severity measure. *Intern Med*, 9 (606-613)

**Anxiety Assessment Tool:** Fort Lyon residents reported an average decrease of 56 percent in their anxiety symptoms from 10.83 to 4.73 as measured from baseline to 6 months using the Generalized Anxiety Disorder-7 diagnostic tool. The GAD-7 is an established measure of anxiety with scores ranging from 0-21. A score of 10.83 is considered “Moderate Anxiety” while a score of 4.73 is considered “Minimal Anxiety.” Studies suggest that for the general public; mean scores average around 3.2 for women and 2.7 for men. Approximately 5 percent of the general public has GAD-7 scores of 10 or higher.<sup>12</sup>

In addition, one of the Department’s Strategic Initiatives is improving quality of life for Fort Lyon residents in a cost-effective manner. For FY 2014-15, the total savings of \$3,290,965 in Table 4 below is arrived at by multiplying the total savings per person of \$17,789 from Table 1 by the average residents served on a monthly basis, 185. Also, as is indicated in Table 1, it is important to note that the cost savings are expected to increase in subsequent years as the average number of residents increases to 250 and the total cost per resident declines to less than \$20,000.

Table 4: DOLA Strategic Initiatives for Fort Lyon			
	FY 2014-15 (actual)	FY 2015-16 (goal)	FY 2016-17 (goal)
Number of Fort Lyon residents obtaining employment	43	75	100
Number of Fort Lyon resident returning to permanent housing	57	100	150
Estimated amount of public cost savings	\$3,290,965	\$6,542,000	\$6,570,500
Strategy for improvement: Create a statewide referral system to identify vulnerable homeless individuals, provide permanent housing, offer medical care, job training, mental health and substance abuse treatment.			

Historically, cost savings are extrapolated based the number of chronically homeless people served. HIPAA laws are a limiting factor in collecting this information. Respecting the privacy of individuals who are not willing to provide personal identifying information in order to track all state and local public cost is a limitation on data collection. Therefore, to provide estimates of cost savings for individuals with the highest public costs we looked at cost studies carried out by the Economic Roundtable in Los Angeles County, which had access to extensive pre- and post-housing cost data.<sup>13</sup>

The estimated reductions in public costs for the Los Angeles study after residents are housed include:

- VMC Health Care: 47 percent decrease from reduced emergency room and inpatient costs
- Private Hospitals: 61 percent decrease from reduced emergency room and inpatient costs
- Mental Health: 67 percent decrease because of reduced inpatient treatment
- Paramedics: 76 percent decrease from reduced emergency medical episodes
- Alcohol and Drug Services: 98 percent decrease from reduced justice system encounters
- Nonprofit Homeless Agencies: 100 percent decrease because homeless services are no longer needed.

<sup>12</sup> Lowe, B., Decker, O., Muller, S., Brahler, E., Schellberg, D., Herzog, W., et al. (2008). Validation and standardization of the generalized anxiety disorder screener (GAD-7) in the general population. *Med Care*, 46(3), 266-274.

<sup>13</sup> The original cost study, *Where We Sleep: The Costs of Housing and Homelessness in Los Angeles*, was released in 2009. A more recent report evaluated pre-and post-housing costs for individuals placed in permanent supportive housing through the 10<sup>th</sup> Decile Project that is underway in Los Angeles. The report is titled, *Getting Home: Outcomes from Housing High Cost Homeless Hospital Patients*. Both reports are available on the Economic Roundtable web site: [www.economicrt.org](http://www.economicrt.org).

- General Assistance: 79 percent decrease because many individuals become enrolled in SSI, which provides higher benefits.
- Probation: 72 percent decrease from reduced justice system use

#### ***Assumptions and Calculations:***

The table below details the entire annual operating budget required to operate Fort Lyon and serve 250 people coming from homelessness. This detail includes CCH contract costs, Bent County contract facility management costs, and DOLA FTE related costs. Total projected costs to operate and manage Fort Lyon of \$4,989,637 in FY 2016-17 include contingency funding of \$191,124 at approximately 5 percent for both the CCH and Bent County contracts. This will allow for unexpected outlays related to maintenance, operating, and utilities to be absorbed in the normal course of operations.

Detailed FTE calculations can be found in the FTE Calculations Template. In addition to the costs for salary, benefits and standard operating expenses, the Department is requesting \$750 for travel expenses and \$2,253 for office space. The FTE will be located at the Department's main office in Denver but will be required to travel to Fort Lyon to provide the necessary oversight and support approximately five times per year. Costs for travel and office space were calculated based on FY 2014-15 actual expenditures.

**Actual and Projected Expenditures for Fort Lyon Supportive Residential Community**

<b>Colorado Coalition for the Homeless (CCH)</b>					
	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
Wage & Fringe	\$1,089,706	\$1,849,340	\$1,843,229	\$1,843,229	\$1,843,229
Travel	\$18,023	\$47,842	\$6,648	\$6,648	\$6,648
Equipment	\$84,445	\$50,063	\$7,977	\$7,977	\$7,977
Supplies	\$0	\$0	\$0	\$0	\$0
Vehicles	\$0	\$0	\$0	\$0	\$0
Maint & Ops	\$658,532	\$779,926	\$540,698	\$540,698	\$540,698
Security	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0
Indirect Costs	\$105,638	\$204,073	\$188,181	\$188,181	\$188,181
<b>TOTAL - CCH</b>	<b>\$1,956,344</b>	<b>\$2,931,244</b>	<b>\$2,586,733</b>	<b>\$2,586,733</b>	<b>\$2,586,733</b>
<b>Bent County (Maintenance &amp; Operations)</b>					
	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
Wage & Fringe	\$542,197	\$835,295	\$675,000	\$750,155	\$750,155
Travel	\$318	\$0	\$1,350	\$2,520	\$2,520
Equipment	\$60,377	\$11,931	\$31,500	\$0	\$0
Supplies	\$272	\$2,368	\$2,700	\$0	\$0
Vehicles	\$12,887	\$0	\$1,170	\$0	\$0
Maint & Ops	\$550,589	\$390,273	\$436,547	\$470,747	\$470,747
Security	\$5,700	\$0	\$0	\$0	\$0
Utilities	\$648,551	\$728,406	\$765,000	\$765,000	\$765,000
Energy Improvements	\$0	\$0	\$0	\$122,090	\$122,090
<b>TOTAL - Bent County</b>	<b>\$1,820,890</b>	<b>\$1,968,273</b>	<b>\$1,913,267</b>	<b>\$2,110,512</b>	<b>\$2,110,512</b>
<b>Other Fort Lyon Expenditures:</b>					
	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
Colorado DOC	\$135,750	n/a	n/a		
Referral Networks	\$110,409	\$116,043	\$10,000	\$0	\$0
Energy Audit	\$0	\$103,858	\$0	\$0	\$0
Remaining Contract Authority - Bent County	\$0	\$0	\$294,587	\$0	\$0
DOLA Program Oversight (1.0 FTE)	\$39,188	\$98,234	\$101,268	\$101,268	\$101,268
Program Contingency	\$0	\$0	\$50,465	\$191,124	\$191,124
<b>Subtotal - Other Expenditures</b>	<b>\$285,347</b>	<b>\$318,135</b>	<b>\$456,320</b>	<b>\$292,392</b>	<b>\$292,392</b>
<b>TOTAL PROGRAM EXPENSES</b>	<b>\$4,062,581</b>	<b>\$5,217,652</b>	<b>\$4,956,320</b>	<b>\$4,989,637</b>	<b>\$4,989,637</b>
<b>FUNDING SOURCES BREAKDOWN</b>					
General Fund	\$2,788,851	\$3,223,851	\$3,223,851	\$3,223,851	\$3,223,851
Mortgage Settlement Funds	\$1,273,730	\$1,993,801	\$1,732,469	\$0	\$0
Marijuana Tax Cash Fund	\$0	\$0	\$0	\$1,765,786	\$1,765,786
<b>TOTAL FUNDS</b>	<b>\$4,062,581</b>	<b>\$5,217,652</b>	<b>\$4,956,320</b>	<b>\$4,989,637</b>	<b>\$4,989,637</b>
Average Clients Served	98	185	250	250	250
Average Cost per Client	\$41,455	\$28,204	\$19,825	\$19,959	\$19,959



**FTE Calculation Assumptions:**

**Operating Expenses** -- Base operating expenses are included per FTE for \$500 per year. In addition, for regular FTE, annual telephone costs assume base charges of \$450 per year.

**Standard Capital Purchases** -- Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).

**General Fund FTE** -- New full-time General Fund positions are reflected in Year 1 as 0.9166 FTE to account for the pay-date shift. This applies to personal services costs only; operating costs are not subject to the pay-date shift.

Expenditure Detail		FY 2016-17		FY 2017-18	
<b>Personal Services:</b>					
Classification Title	Monthly	FTE		FTE	
General Professional V	\$6,139	1.0	\$73,668	1.0	\$73,668
PERA			\$7,477		\$7,477
AED			\$3,536		\$3,536
SAED			\$3,499		\$3,499
Medicare			\$1,068		\$1,068
STD			\$140		\$140
Health-Life-Dental			\$7,927		\$7,927
Subtotal Position 1, 1.0 FTE		1.0	\$97,315	1.0	\$97,315
<b>Subtotal Personal Services</b>		1.0	\$97,315	1.0	\$97,315
<b>Operating Expenses:</b>					
		FTE		FTE	
Regular FTE Operating	\$500	1.0	\$500	1.0	\$500
Telephone Expenses	\$450	1.0	\$450	1.0	\$450
PC, One-Time	\$1,230	1.0	\$0	-	\$0
Office Furniture, One-Time	\$3,473	1.0	\$0		\$0
Other - Travel	\$750	1.0	\$750	1.0	\$750
Other - Office Space	\$2,253	1.0	\$2,253	1.0	\$2,253
<b>Subtotal Operating Expenses</b>			\$3,953		\$3,953
<b>TOTAL REQUEST</b>		1.0	\$101,268	1.0	\$101,268
<i>Cash funds:</i>			\$101,268		\$101,268