

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2013-14 STAFF BUDGET BRIEFING
DEPARTMENT OF CORRECTIONS**

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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TABLE OF CONTENTS

Department Overview 2

Department Budget: Recent Appropriations..... 2

Department Budget: Graphic Overview 3

General Factors Driving the Budget 5

Summary: FY 2012-13 Appropriation & FY 2013-14 Request 14

Issues:

 FTE at the Department of Corrections..... 19

 Medicaid and DOC Inmates..... 28

 Offender Population Projections..... 34

 The Youthful Offenders System 36

Appendices:

 A - Numbers Pages

 B - Recent Legislation Affecting Department Budget

 C - Update on Long Bill Footnotes & Requests for Information

 D - Indirect Cost Assessment Methodology

 E - Change Requests' Relationship to Performance Measures

 F – Cost Per Day

 G – DOC Map

DEPARTMENT OF CORRECTIONS

Department Overview

The Department of Corrections (DOC)

- Manages, supervises, and controls the correctional facilities that are operated and supported by the State.
- Oversees privately operated prison facilities to monitor compliance with contracts.
- Provides programs to the inmate population in an effort to provide them with treatment and services that will improve the likelihood of successfully reintegrating into society following release.
- Supervises and counsels inmates in community corrections programs and offenders who have been placed on parole.
- Develops and operates correctional industries within the institutions which have a rehabilitative or therapeutic value for inmates and which also supply products for state institutions and the private sector.
- Operates the Youthful Offender System (YOS), which serves as a middle tier sentencing option (between the juvenile system and the adult system) for violent youthful offenders who would otherwise be sentenced to the adult prison system.

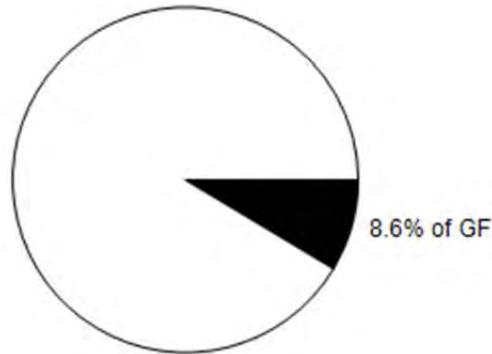
Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14 *
General Fund	\$658,794,383	\$648,950,165	\$651,332,037	665,900,846
Cash Funds	44,669,172	42,343,166	39,590,087	40,045,839
Reappropriated Funds	43,324,213	44,727,525	45,644,484	46,072,992
Federal Funds	<u>1,007,478</u>	<u>3,197,101</u>	<u>1,014,328</u>	<u>1,008,967</u>
Total Funds	\$747,795,246	\$739,217,957	\$737,580,936	\$753,028,644
Full Time Equiv. Staff	6,733.1	6,220.6	6,022.9	5,886.4

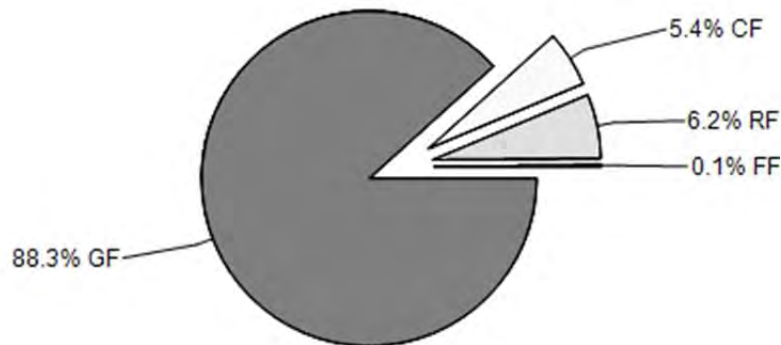
*The Department's November 2012 request totaled \$753.0 million as shown in the rightmost column; however, the Governor's budget transmittal letter and information included in the DOC budget request indicated that the total executive branch request would subsequently be changed by three DOC-related adjustments that would reduce the total executive branch request by an estimated \$4.6 million. It now appears that two of these adjustments will reduce the DOC request by an estimated \$9.6 million General Fund, but the third item, which would have taken the form of a \$5.0 million General Fund increase in capital construction spending, will not be forthcoming.

Department Budget: Graphic Overview

**Department's Share of Statewide
General Fund**

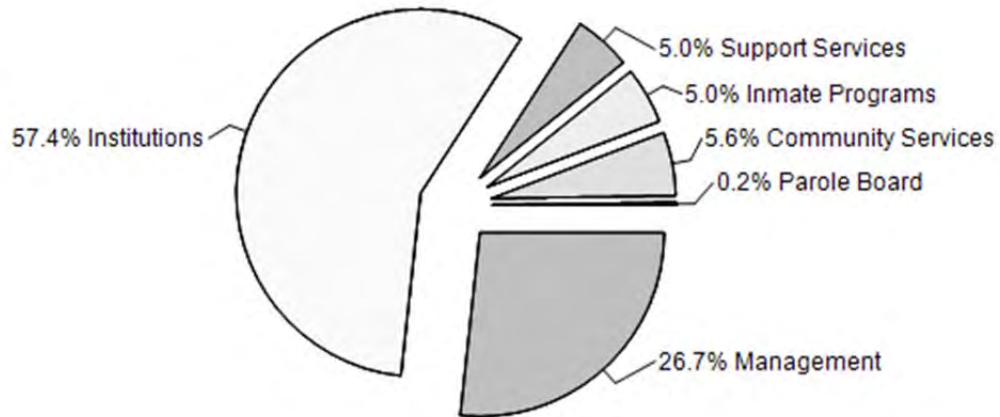


Department Funding Sources

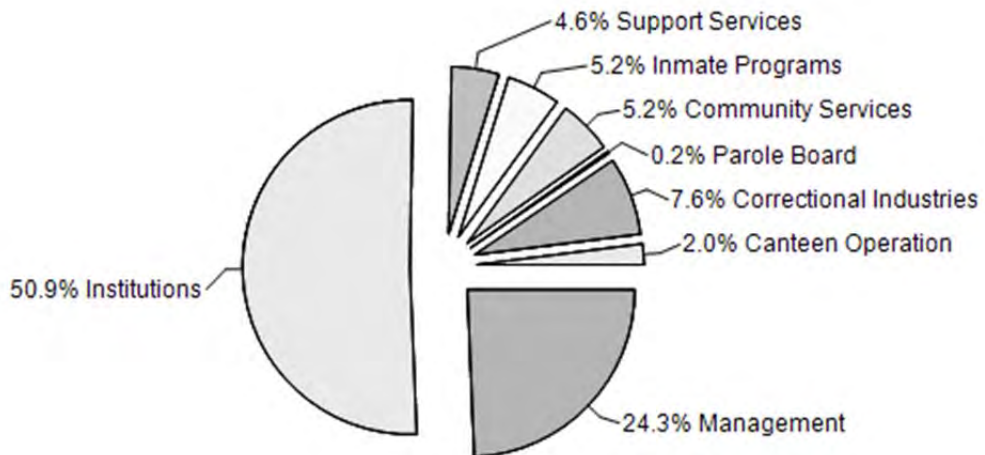


All charts are based on the FY 2012-13 appropriation.

Distribution of General Fund by Division



Distribution of Total Funds by Division



All charts are based on the FY 2012-13 appropriation.

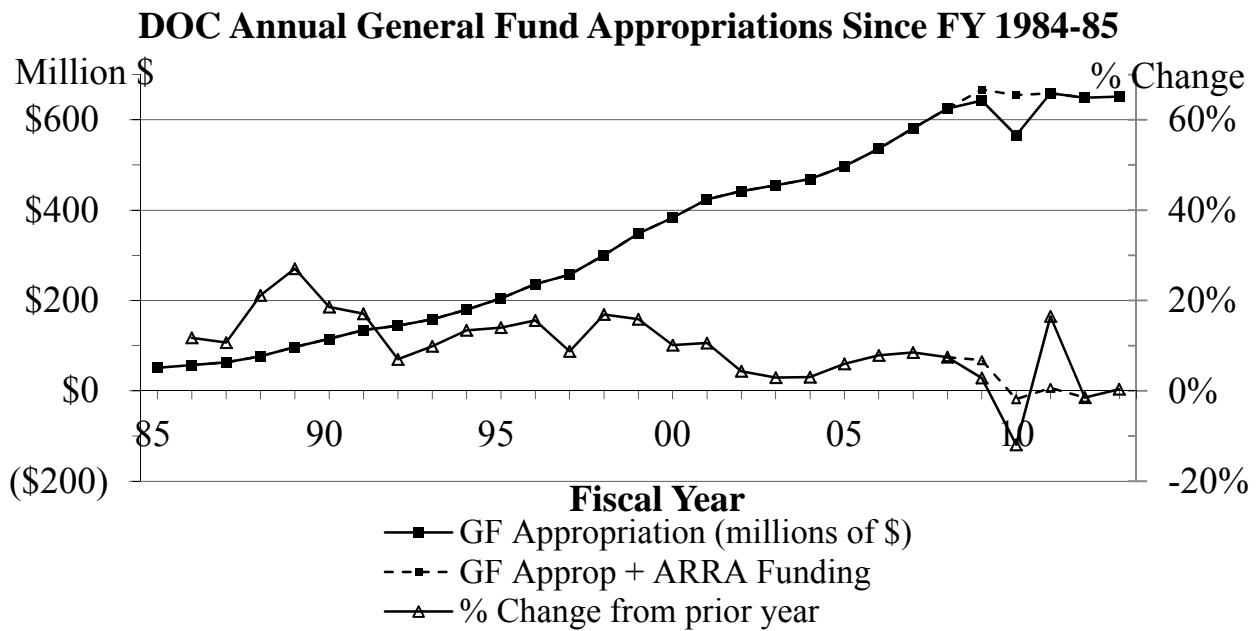
General Factors Driving the Budget

Significant Growth in Appropriations to the Department of Corrections

Background. General Fund appropriations to the Department of Corrections (DOC) grew more than 12 fold from FY 1984-85 until FY 2009-10 when the Department’s inmate population peaked—an average annual growth rate of 9.2 percent. During the same period, Colorado’s population grew at a much slower 1.8% annually.

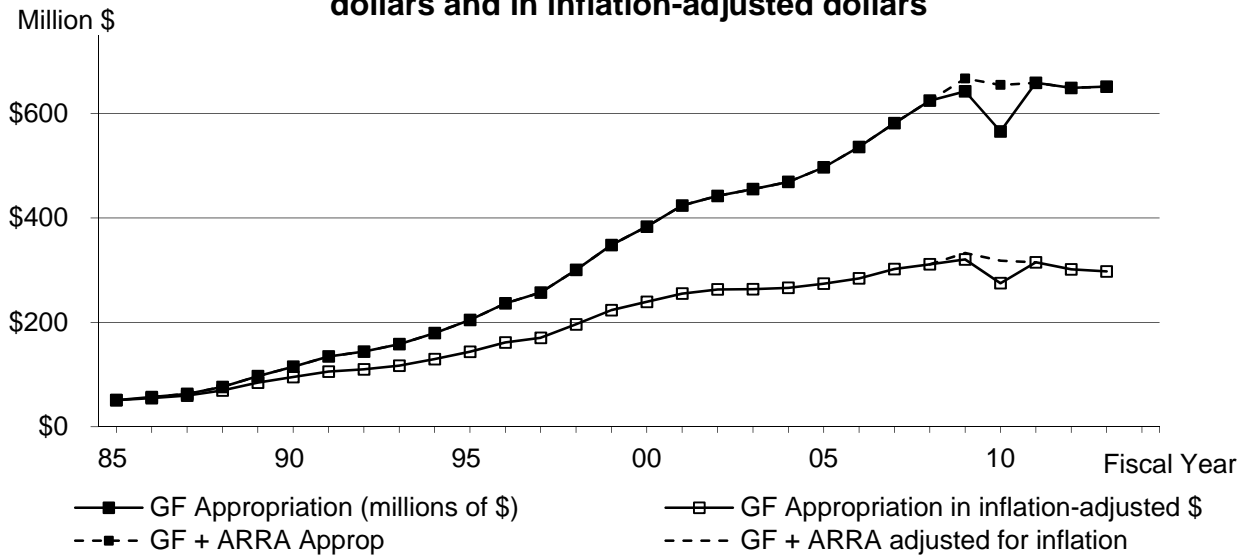
Historical Growth. The following graph depicts annual General Fund appropriations to the Department since FY 1984-85 and shows the percentage change of these appropriations each year. To enhance year-to-year comparisons, the dotted lines in this chart includes FY 2008-09 and 2009-10 American Recovery and Reinvestment Act (ARRA) funding that the state used to pay some of its correctional bills. This temporary federal funding, which equaled \$24.6 million in FY 2008-09 and \$89.0 million in FY 2009-10, displaced DOC General Fund appropriations, freeing the money to be used elsewhere in the budget. Without this ARRA funding, DOC General Fund appropriations would have undoubtedly been higher, though perhaps not quite as high as the dotted line in the graph.

Focusing on the graph lines that include the ARRA funding, it is apparent that appropriation growth rates have been trending downward for more than 20 years and are now close to zero. The General Fund growth rate averaged nearly 18 percent in the latter half of the 1980’s, declined to an average of 12.8 percent in the 1990’s, and further declined to an average of 5.6 percent in the first decade of this century. Average appropriation growth has equaled -2.3 percent annually since FY 2009-10.

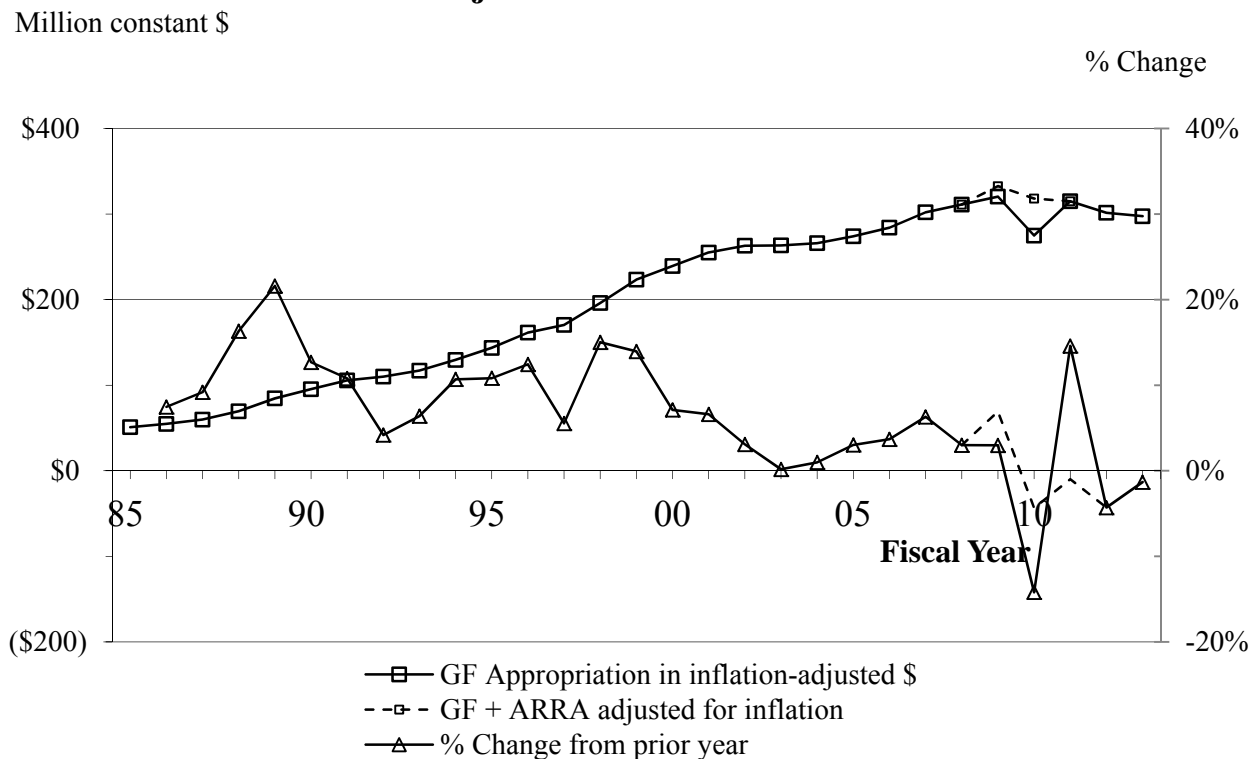


The growth of General Fund appropriations to the Department has had a substantial inflation component. The following chart shows the growth of General Fund appropriations and the growth of these appropriation in "constant" inflation-adjusted dollars.

DOC General Fund appropriations since FY 1984-85 in current dollars and in inflation-adjusted dollars



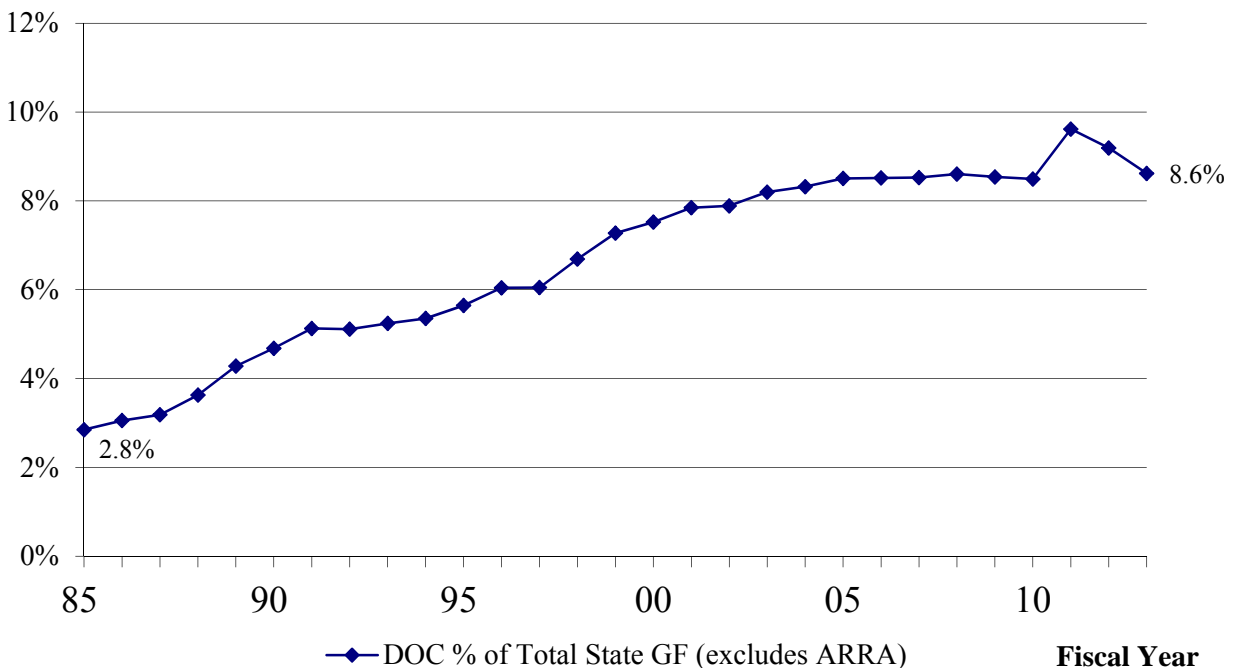
GF appropriations in constant inflation-adjusted dollars since FY 1984-85



Removing the effects of inflation reveals lower appropriation growth rates in all decades, though the general downward trend of growth rates is still apparent. Overall growth of constant dollar DOC appropriations since the mid 1980's is slightly less than half the growth of current dollar appropriations. The 27.1 percent growth that occurred between FY 1987-88 and FY 1988-89 in current dollars equaled 16.3 percent when measured in constant dollars. The dip in growth that occurred in FY 2002-03 and FY 2003-04 brought appropriation growth nearly to a halt in inflation-adjusted dollars. In constant dollar terms, appropriations have declined \$35.2 million (11.3 percent) since the combined GF and ARRA peak in FY 2008-09. Adjusted for inflation, General Fund appropriations are now 1.5 percent lower than they were in FY 2006-07.

As the Department of Corrections grew, it consumed a growing portion of the state's General Fund appropriations. The following graph, which excludes ARRA funding, illustrates this growth. In FY 1984-85 General Fund appropriations to the Department accounted for 2.8 percent of the state operating budget. By FY 2007-08 this share had reached 8.6 percent and would have grown to nearly 10 percent during depths of the recent recession had ARRA funding not reduced the need for General Fund appropriations to the Department. The expiration of ARRA funding in FY 2010-11, required restoration of General Fund appropriations, creating a brief spike to 9.6 percent, followed by a decline in FY 2012-13 to 8.6 percent.

**DOC General Fund appropriations as a % of total state General Fund
operating appropriations since FY 1984-85**

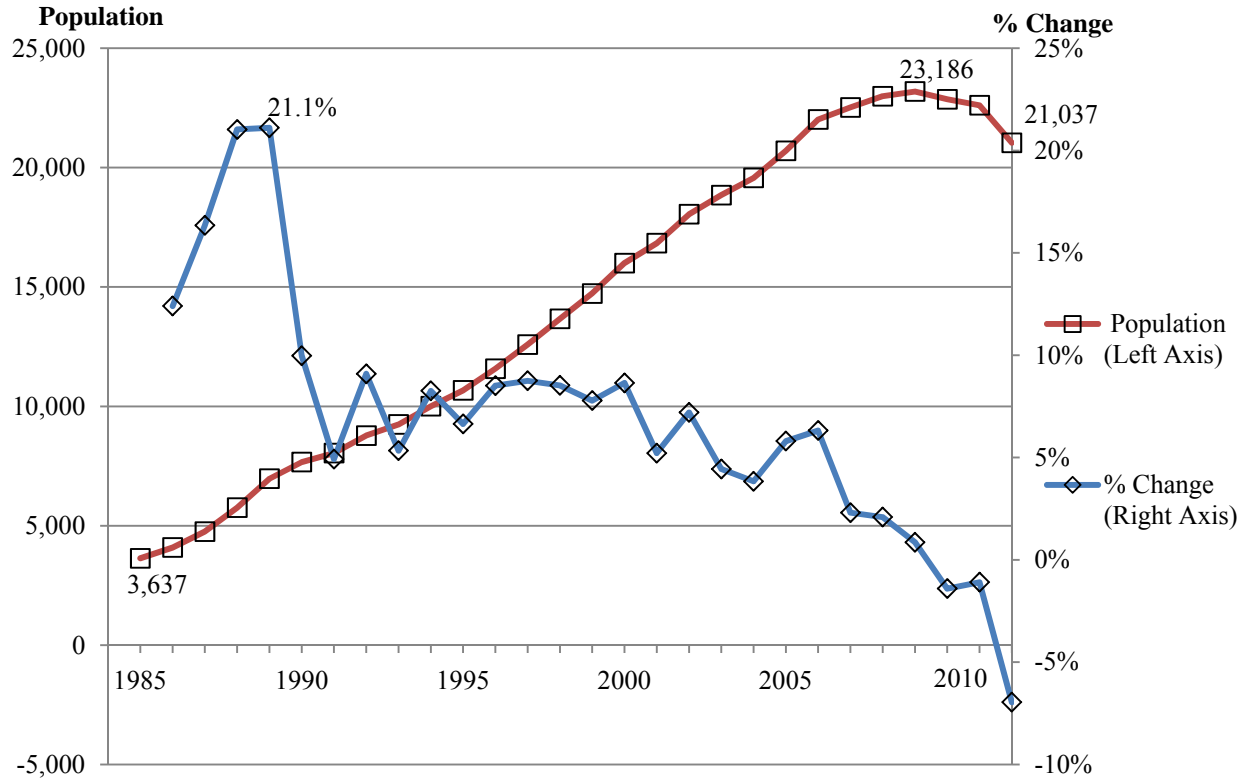


Inmate Population

After inflation, the primary factor driving General Fund appropriations is growth of the inmate population, which includes inmates housed in private prisons and in community corrections facilities. As shown in the following graph, the DOC inmate population has grown more than 6

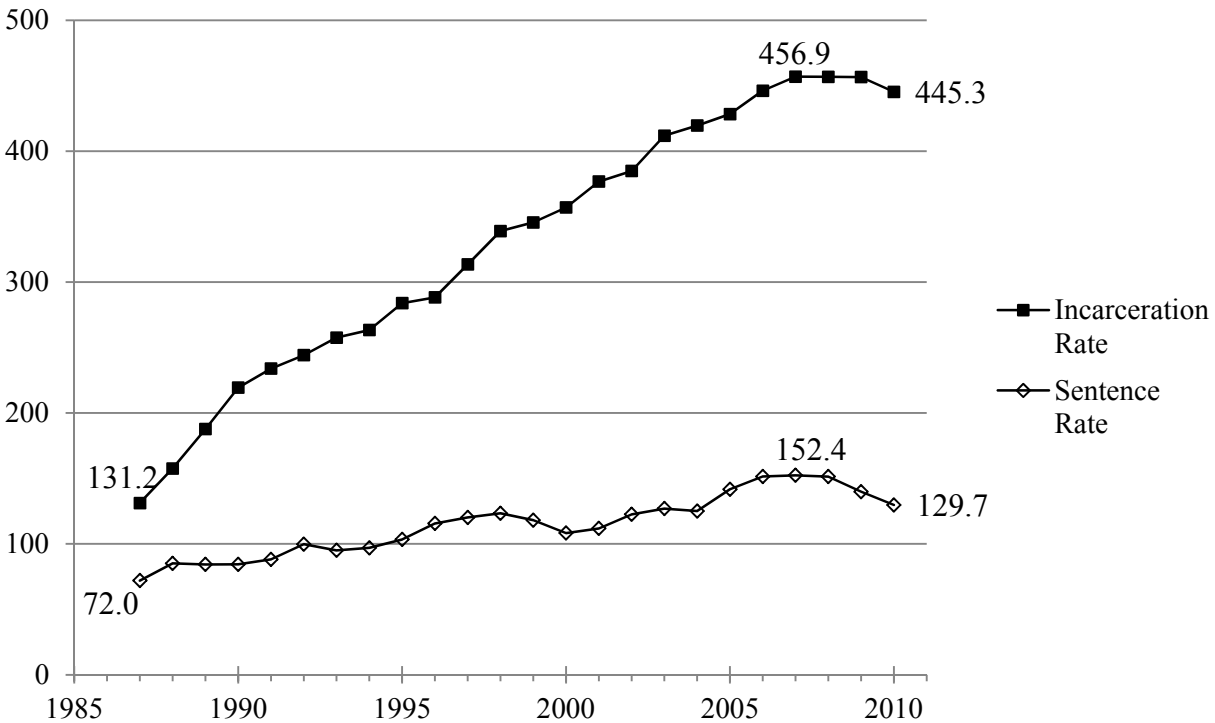
fold since the mid 1980's, rising from 3,637 in 1985 to a peak of 23,186 in 2009, after which it declined to 21,037 at the end of FY 2011-12.

Department of Corrections Inmate Population, End of Fiscal Year



Colorado's general population growth was an important contributor to this prison population growth, but the 57 percent increase of the general population over this interval cannot explain the 637 percent increase in the number of DOC inmates between 1985 and 2009. A much more important factor behind the rise was dramatic increase in Colorado's incarceration rate, the number of inmates per 100,000 Colorado residents, which is illustrated by the following chart, along with the "Sentencing Rate," the number of offenders sentenced to prison during a fiscal year per 100,000 Colorado residents.

Sentence and Incarceration Rates Per 100,000 Colorado Residents



This chart highlights the key factors that determine the prison population: the number of people who go to prison (the sentence rate) and, implicitly, the amount of time that they remain there. The Sentence rate can change for a number of reasons, including

- changes of the proclivity of Colorado residents to commit crime, which may be linked to changes in the relative size of the "at risk" population (those aged 19 to 39, who are more likely to commit crime) and to the effects of numerous other factors, such as the effectiveness of the education system, the effectiveness of the criminal justice system in deterring crime, and the ability of the criminal justice system to alter the criminal proclivity of those who previously committed crimes and already have been through the justice system.
- legislative changes that define new crimes punishable with DOC incarceration or alter the definitions of existing crimes punishable with DOC incarceration.
- changes in the rate at which law enforcement arrests those who commit crimes,
- changes in the rate at which prosecutors obtain convictions that lead directly to periods of DOC incarceration,
- changes in the rate at which those who are convicted of crimes but receive probation or another alternative to DOC incarceration are "revoked" and sent to DOC.

By itself, the 112 percent increase of the sentence rate between 1987 and 2007 would have approximately doubled Colorado's prison population, after a period of adjustment. Since the incarceration rate rose by 248 percent over this same period, the other key factor, the duration of

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incarceration following a sentence, was also at work. Duration of incarceration depends upon a number of factors, including

- the presumptive range for sentences as prescribed in law,
- the ability and willingness of offenders to reduce the length of their prison stay with good behavior,
- the willingness of the parole board to release offenders who are past their parole eligibility date but before their mandatory release date, and
- the ability of those paroled to avoid technical violations that result in a return to prison for a portion of their parole.

DOC Offenders in Private Prisons

In the 1990s, rapid prison population growth led the DOC to began contracting with out-of-state prisons and in-state private prisons to house Colorado offenders. The DOC continues to house offenders at in-state private prisons, but Colorado offenders have not been housed at out-of-state prisons since FY 2007-08. The following table summarizes recent payments to private prisons.

Fiscal Year	05-06	06-07	07-08	08-09	09-10	10-11	11-12
End of year population in private prisons	3,797	4,440	4,583	5,425	5,088	4,460	3,944
Annual Cost (\$ million)	\$69.7	\$84.1	\$88.4	\$104.3	\$97.8	\$85.6	\$80.4
Daily rate paid to private prisons	\$50.28	\$51.91	\$52.69	\$52.69	\$52.69	\$52.69	\$52.69
Rate Change	1.5%	3.2%	1.5%	0.0%	0.0%	0.0%	0.0%

DOC Offenders in County Jails

A portion of the inmates under the DOC's jurisdiction are housed in county jails. Some of these offenders have recently been sentenced to the DOC and are awaiting transfer from jail (a population that is commonly referred to as the jail backlog). Pursuant to Section 17-1-112 (1), C.R.S., the DOC is required to start reimbursing counties for holding these inmates 72 hours after they are sentenced. Other jailed offenders were on parole and, following a parole violation, have been placed in jail while awaiting a parole revocation hearing. After the revocation hearing, the parolee may remain in jail until placed in a parole revocation facility. Some jailed offenders were in community corrections and, following a violation of the rules, have been placed in jail while awaiting transfer back to the DOC. A similar story applies for offenders who are “regressed” to a DOC facility while on “ISP-Inmate” status, under which the offender can live in the community under intensive supervision. In addition, the DOC has contracts with several jails around the state and places offenders in these facilities on a longer term basis. The following table highlights the DOC jail population in recent years.

Fiscal Year	05-06	06-07	07-08	08-09	09-10	10-11	11-12
Avg. Daily Population	801	635	443	413	569	639	
Annual cost of jail backlog (\$ million)	\$13.9	\$11.3	\$8.0	\$7.6	\$10.5	\$11.8	
Daily reimbursement rate to jails	\$47.42	\$48.96	\$49.69	\$50.44	\$50.44	\$50.44	
Reimbursement rate change	2.0%	3.2%	1.5%	1.5%	0.0%	0.0%	

Transition and Parole – Costs of Returning Offenders to the Community

The process of returning an offender to the community almost always involves a period of parole, but about a third of the time also involves placement in a community corrections facility (known as a halfway house) and possibly a period of intensely supervised independent living before parole begins. Inmates living in halfway houses or living on their own under intensive supervision are often referred to as "transition" offenders. Once on parole, a significant number of offenders are reincarcerated for violating their parole conditions; if the parole violation does not involve a new crime that leads to a new conviction, reincarceration will last no longer than six months.

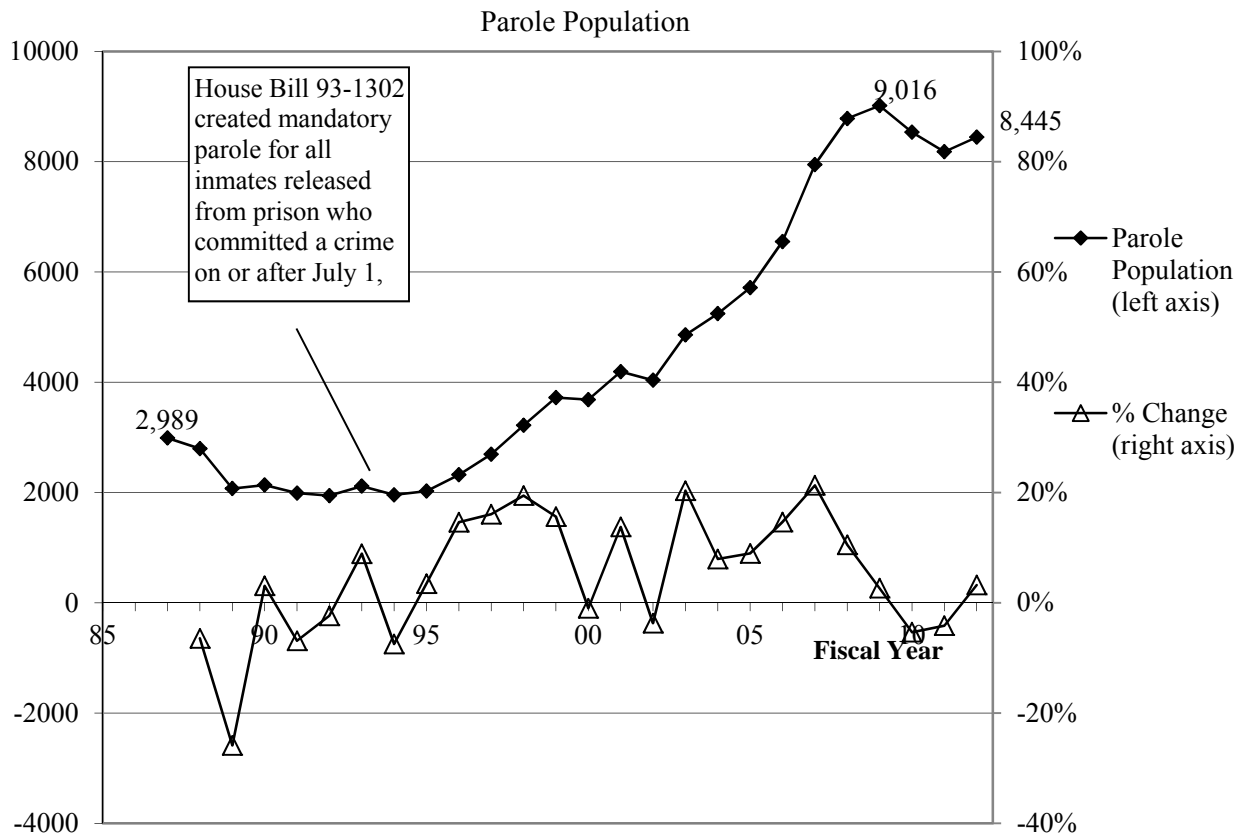
The costs of returning offenders to the community are shared by the DOC and the Division of Criminal Justice (DCJ) at the Department of Public Safety. The DCJ is responsible for payments to halfway houses, which in Colorado are operated by private entities, non-profits, and local governments. The DOC is responsible for the costs of supervising DOC offenders who are in community corrections, living independently prior to parole, or on parole. In addition, the DOC pays many of the costs of jailing offenders when parole is revoked. Non-violent parolees whose parole is temporarily revoked may be reincarcerated in "Community Return-to-Custody" facilities, which are run by community corrections centers.

Costs of supervision are closely tied to the size of the population being supervised. The following table reports the recent fiscal year-end parole population. The key factors driving caseload are the number of releases to parole and the length of stay on parole. A stay on parole may be punctuated by temporary reincarceration for a violation of the offender's conditions of parole.

	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual
Fiscal year-end parole population	8,783	9,016	8,535	8,181	8,445
Annual percentage change		2.7%	(5.3)%	(4.1)%	2.1%

The following chart shows parole population changes over a longer period.

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The next table summarizes DOC's recent costs of supervision and recent payments to Community Return-to-Custody facilities.

	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Approp.	FY 12-13 Approp.
Community Corrections Supervision (\$ millions)	\$12.9	\$12.8	\$13.7	\$12.8	\$12.7	\$12.7
Annual percentage change		(0.7)%	6.5%	(6.4)%	(1.1)%	0.5%
Parole Supervision (\$ millions)	\$18.3	\$20.8	\$21.1	\$22.2	\$23.6	\$22.8
Annual percentage change		13.4%	1.4%	5.2%	6.3%	(3.2)%
Payments to Community Return-to-Custody Facilities (\$ millions)	\$3.3	\$3.4	\$3.9	\$4.0	\$3.9	\$3.6
Annual percentage change		3.5%	15.2%	3.2%	(4.6)%	(7.9)%

Capital Construction and Certificates of Participation

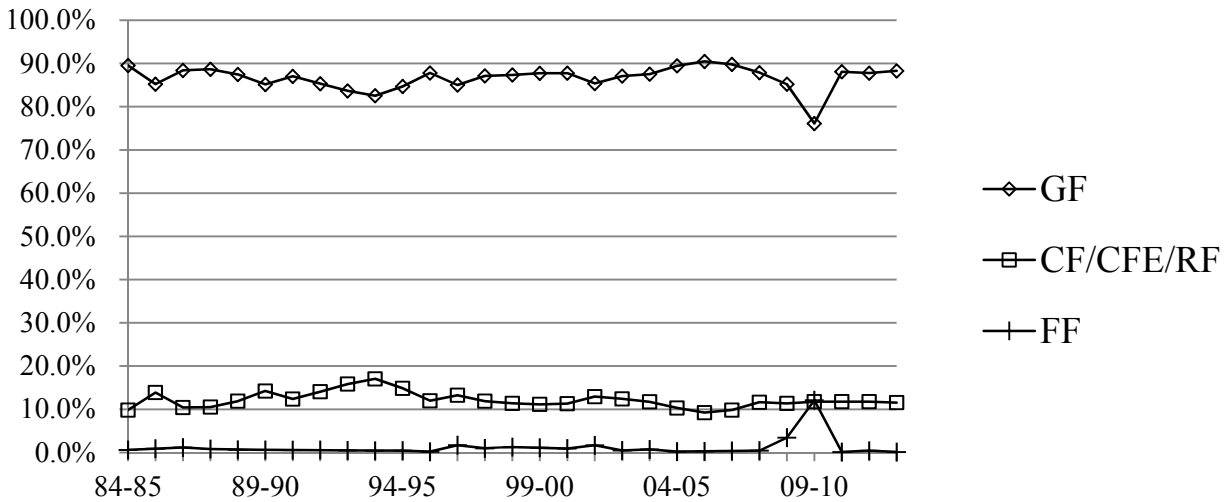
In addition to the DOC's operating costs, there are also costs associated with new construction, controlled maintenance of existing capital resources, and payments for the certificates of participation that financed the construction of state facilities (i.e. CSP II). Related appropriations, summarized in the following table, appear in the capital construction section of the Long Bill.

	FY06-07 Approp.	FY07-08 Approp.	FY08-09 Approp.	FY09-10 Approp.	FY10-11 Approp.	FY11-12 Approp.	FY12-13 Approp.
Capital Construction Fund Appropriation	\$16.0	\$50.9	\$3.7	\$6.3	\$2.0	\$19.0	\$20.8

Distribution of Total Appropriations Among Fund Sources

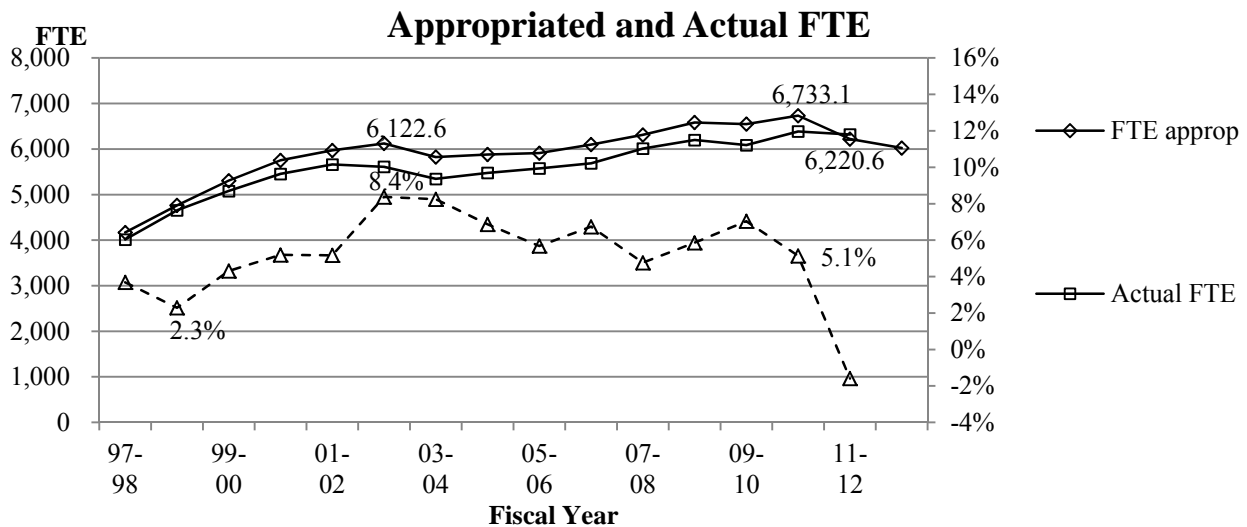
The following chart shows the percentage distribution of the Department's funding sources. The FY 2009-10 temporary spike in federal funds and the offsetting effect on General Fund appropriations is readily apparent. Also note that cash and reappropriated funds have remained relatively constant in recent years but are now relatively lower than they were in the early 1990's.

Percentage Distribution of DOC Funding Sources



The Growth of Department of Corrections FTE

The following chart shows the growth of Department of Corrections FTE in recent years. Note that the percentage gap between actual and appropriated FTE peaked during the FY 2001-03 recession and peaked again during the current period of slow economic growth.



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Summary: FY 2012-13 Appropriation & FY 2013-14 Request

Department of Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	736,945,972	650,697,073	40,835,214	44,399,357	1,014,328	6,020.9
Statutory Appropriations in 5-Year Sentencing Bills	486,664	486,664	0	0	0	0.0
HB 12-1223 JBC Earned Time Bill	0	0	0	0	0	2.0
Other Legislation	148,300	148,300	(1,245,127)	1,245,127	0	0.0
TOTAL	\$737,580,936	\$651,332,037	\$39,590,087	\$45,644,484	\$1,014,328	6,022.9
FY 2013-14 Requested Appropriation:						
FY 2012-13 Appropriation	\$737,580,936	\$651,332,037	\$39,590,087	\$45,644,484	\$1,014,328	6,022.9
R-1 Parole Caseload	2,331,901	2,331,901	0	0	0	25.1
R-2 Medical and Pharmaceutical Expenditures for Offenders	(2,245,277)	(2,245,277)	0	0	0	0.0
R-3 Community Supervision Caseload	(804,807)	(804,807)	0	0	0	(6.6)
R-4 Food Service Inflation	441,612	441,612	0	0	0	0.0
R-5 Sex Offender Treatment Expansion	2,100,000	2,100,000	0	0	0	0.0
R-6 Mental Health Expansion	2,848,786	2,848,786	0	0	0	0.0
R-7 Administrative Reductions	(632,857)	(632,857)	0	0	0	(10.4)
R-8 Common Provider Rate Change	1,337,765	1,337,765	0	0	0	0.0
NP OIT Enterprise Asset Management	110,367	110,367	0	0	0	0.0
NP Employee Engagement Survey	64,227	61,658	2,569	0	0	0.0
NP Capital Complex Building Upgrade, Repair, and Replacement	4,241	3,030	1,211	0	0	0.0
Salary Survey, Merit Pay, and Shift Differential (includes state PERA and Medicare payments associated with the salary changes)	10,535,797	10,199,850	335,947	0	0	0.0
Other Total-compensation changes (Health, Life, and Dental; Short Term Disability; AED; SAED)	6,721,834	6,324,556	397,278	0	0	0.0
Common Policy IT Expenditures	1,569,639	1,575,880	(6,241)	0	0	0.0
Other central appropriations and Indirect Cost Assessments	1,398,154	1,244,214	(269,207)	428,508	(5,361)	0.0
CSP II closure second year impact	(9,120,943)	(9,117,757)	(3,186)	0	0	(142.4)
Close 317 beds at 3 state facilities second year impact	(740,796)	(738,177)	(2,619)	0	0	(2.2)
HB 12-1223 Earned Time annualization (a JBC bill)	(103,408)	(103,408)	0	0	0	0.0
Annualize other prior year bills and decision items	(368,527)	(368,527)	0	0	0	0.0
TOTAL	\$753,028,644	665,900,846	\$40,045,839	\$46,072,992	\$1,008,967	5,886.4
Increase/(Decrease)	\$15,447,708	\$14,568,809	\$455,752	\$428,508	(\$5,361)	(136.5)
Percentage Change	2.1%	2.2%	1.2%	0.9%	-0.5%	-2.3%

Additional budget-related items that are not listed above.

1. **The Prison Utilization Study.** House Bill 12-1336 appropriated \$350,000 of General Fund to the office of the Governor for a prison utilization study. This one time funding is not part of the DOC budget. A team has been selected to conduct the study; its members include James Austin, and Emmitt Sparkman, who last year wrote the report that criticized the Department for excessive use of administrative segregation. The study has begun, but because of its large scope, the study results will not be available in time for introduction of the Long Bill.
2. **\$9.9 million of yet-to-be-specified budget reductions.** The Department estimated as part of its budget submission, that it expects to reduce its request by approximately \$9.9 million for FY 2013-14 as a result of declining offender populations. Staff presumes that this will take the form of one or more budget amendments. The Department notes, however, that it cannot know where to request reductions until the Prison Utilization study is complete. This problem is compounded by the fact that the department is currently revising its offender classification instrument, which may change the number of offenders at various custody levels. Thus a premature reduction that eliminates beds at a specific custody level could result in a shortage of a type of bed that subsequently turns out to be needed. Thus the Department did not specify the line items that would be reduced collectively by \$9.9 million. This appears to be a problem since the prison utilization study will not be available until after the Long Bill is introduced.
3. **Restorative justice and lawsuit-related improvements.** The Governor's FY 2013-14 budget transmittal letter states that "We have identified \$15.7 million GF for legislation and important budget amendments that we expect to request and support in the upcoming session. These include: In the Department of Corrections, an estimated \$5.0 million for lawsuit-related improvements and \$312,476 for a restorative justice program." Staff suspects that the appropriation for the restorative justice program will be contained in a special bill, but cannot rule out the possibility that it will be contained in a budget amendment. Staff believes that the "lawsuit-related improvements" pertain to a widely publicized U.S. District Court case that was recently decided in favor of a DOC offender who sued the Department. The offender maintained that exercise areas at CSP I provide insufficient access to the outdoors for offenders who are in administrative segregation for years at a time, thus violating the eighth amendment prohibition of cruel and unusual punishment. The judge agreed and ordered the state to remedy the problem, which the State handled by transferring the offender to Sterling when the exercise facilities are more open to the outside. Staff has been informed that the Department will not submit a request for this item this year; much more analysis must be done before the Department can decide on a best course of action.

Issue Descriptions

R-1 Parole Caseload: The Department requests an increase of \$2,331,901 GF and 25.1 FTE due to projected increases of the parole population and the parole intensive supervision program (ISP) population. Projections are based upon the August 2012 parole population forecast from the Division of Criminal Justice (DCJ) at the Department of Public Safety.

R-2 Medical and Pharmaceutical Expenditures for Offenders: The Department requests a General Fund reduction of \$2,245,277 in expenditures for pharmaceuticals and for outside medical services for offenders (including catastrophic medical expenditures). The Department forecasts that per offender pharmaceutical expenditures will be 5.6 lower than expected, while

per offender expenditures for medical services provided outside of DOC will be 2.1 percent higher. Based on the August 2012 parole population forecast from the DCJ, the offender population that benefits from these expenditures is projected to decline by 3.9 percent, relative to the population projection on which FY 2012-13 appropriations were based.

R-3 Community Supervision Caseload: The Department requests a decrease of \$804,807 GF and 6.6 FTE due to projected decreases of the population of transition offenders in community corrections programs and in the community intensive supervision program (ISP) population. Projections are based upon the August 2012 inmate jurisdictional population forecast from the DCJ.

R-4 Food Service Inflation: The Department requests an increase of \$441,612 General Fund in FY 2013-14 and subsequent years in the Food Service Subprogram Operating line item for purchase of raw food due to food price increases. The Department notes that it has not received an inflationary food service increase since 2007. Since that time, food costs have increased 15.3%.

R-5 Sex Offender Treatment Expansion: The Department has submitted a placeholder request that would increase General Fund appropriations by approximately \$2,100,000 to expand the Department's Sex Offender Treatment and Monitoring Program in FY 2013-14 and subsequent years. The increase would begin to address the backlog of more than 1,300 incarcerated sex offenders who are within two years of their parole eligibility date and have not yet begun treatment due to limited program capacity -- the program's current treatment capacity is 675 offenders per year. These offenders are unlikely to be paroled before they complete the treatment program. Even if they complete the program, success before the parole board is not assured. During the 2012 Legislative session, the General Assembly funded an external study of the Department's Sex Offender Program that is currently examining the efficacy and cost-effectiveness of the program. The study's authors will make recommendations for improvement, based on consideration of the relevant literature and examination of alternative treatment and management models. The report will be provided to the JBC by February 1, 2013, which will be early enough for its recommendations to be considered during figure setting.

R-6 Mental Health Expansion: The Department requests \$2,848,786 General Fund in FY 2013-14 for additional contract funding in the Mental Health Medical Contract Services line item to fund additional contract psychiatrists to adequately meet the treatment needs of offenders with mental illness (OMI) who are incarcerated in DOC facilities. The Department states that the number of psychiatry positions is inadequate to meet the current needs of the DOC population of offenders with mental illness. This is a result of the continuing increase in the number of offenders with mental illness who are incarcerated in DOC operated facilities. The Department further states that the request will improve the quality of psychiatric services; allow for improved assessment and diagnosis; allow for closer monitoring of patient response to treatment; and decrease the risk of psychiatric deterioration, acting out, and the need for special placements of those offenders with mental illness.

R-7 Administrative Reductions: The Department requests a \$632,857 General Fund reduction from various line items in FY 2013-14. The Department states that it reviewed its administrative

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Committee Decision**

functions in order to identify potential cost reductions in light of expected continuing offender population declines. These declines provide an opportunity for the department to reduce its overall administrative expenses without compromising service levels or public safety. There will be no layoffs as a result of this proposal.

R-8 Common Provider Rate Change: The Department requests a General Fund increase of \$1,337,765 in FY 2013-14 and subsequent years in the Payments to House State Prisoners Subprogram line items. The Department notes that there has not been a provider rate increase for external capacity providers since 2009, and that was later reversed to 2007-08 levels due to budget constraints. The Department is requesting an increase of \$1,337,765 which represents a 1.5% increase of per diem rates paid to providers.

NPI OIT Enterprise Asset Management: The request includes an increase of \$110,367 General Fund for FY 2013-14 to support the Department's share of an executive branch information technology asset management program and corresponding data system. *This request was previously addressed in a separate staff briefing for the Department of Personnel and Administration.*

NPI Employee Engagement Survey: The request includes an increase of \$64,227 total funds for FY 2013-14 to support the Department's share of a survey to gauge employees' attitudes toward their work and their work environment, their overall satisfaction, and trends developing within the workforce. *This request was previously addressed in a separate staff briefing for the Department of Personnel and Administration.*

NPI Capital Complex Building Upgrade, Repair, and Replacement: The request includes an increase of \$4,241 total funds for FY 2013-14 to support the Department's share of building maintenance and upgrades for the State's Capitol Complex (the DOC's capital complex space is its correctional facility at Camp George West). *This request was previously addressed in a separate staff briefing for the Department of Personnel and Administration.*

Salary Survey, Merit Pay, and Shift Differential: The request includes \$10,535,797 total funds to increase take home pay for the Department's employees and pay the associated PERA and Medicare increases that would result. The funds would be centrally appropriated.) *This request was previously addressed in a separate staff briefing for common policies.*

Other Total-compensation changes: The request includes \$6.7 million for non-salary components of the total compensation package. (Health, Life, and Dental; Short Term Disability; AED; SAED) *This request was previously addressed in a separate staff briefing for common policies.*

Common Policy IT Expenditures. *This request was previously addressed in a separate staff briefing for common policies.*

Other central appropriations and Indirect Cost Assessments. Includes common policy adjustments to Risk Management, Workers' Compensation, Administrative Law judges, capital complex, communication services.

CSP II closure second year impact. The closure of CSP II reduced FY 2012-13 appropriations by 4,535,907 total funds; in FY 2013-14 spending falls by another \$9.1 million.

Close 317 beds at 3 state facilities, second year impact: The closure of pods at Trinidad, Sterling and Buena Vista reduced FY 2012-13 appropriations by \$3,946,052 total funds; in FY 2013-14 spending falls by another \$740,796.

HB 12-1223 Earned Time annualization. This JBC bill gave DOC offenders additional opportunities to accumulate additional earned time, potentially shortening stays in DOC facilities. The department forecasts FY 2013-14 savings of \$103,408.

Annualize other prior year bills and decision items: Annualizes 12-1310 (Omnibus Crime); SB 11-241 (Parole Board Changes); a parole decision item from FY 12-13; and removes one time funding for the sex offender study.

Issue: FTE at the Department of Corrections

In FY 2010-11 the Department of Correction's FTE appropriation exceeded its actual FTE use by 346.2. During figure setting in 2011, when this discrepancy was suspected but not yet known, the JBC reduced the Department's FTE appropriation by 400.0 in order to align it more closely with actual usage. In FY 2011-12 the situation reversed; actual FTE use exceeded FTE appropriations by 99.1, indicating that the 2011 figure setting adjustment was too large. Staff will recommend that the JBC increase the Department's FTE appropriations at supplementals to align them with actual usage.

SUMMARY:

- In FY 2010-11 the Department of Correction's FTE appropriation exceeded its actual FTE use by 346.2. Following a 400.0 FTE adjustment by the JBC, actual FTE in FY 2011-12 exceeded appropriations by 99.1.
- The Department of Corrections was one of only two Departments that exceeded their FTE appropriations in FY 2011-12; it was the clear outlier.

RECOMMENDATION:

At supplementals, Staff will recommend that the JBC increase FTE appropriations by approximately 100 to align them more closely with actual usage.

DISCUSSION:

During FY 2011-12 figure setting for the Department of Corrections, the JBC voted to reduce the DOC's FTE appropriation by 400.0, spread among numerous line items. When this action was combined with the effects of decision items, special bills, and annualizations enacted during the 2011 session, plus the supplemental bill passed in the 2012 session, the resulting FTE appropriation for the Department declined from 6,733.1 in FY 2010-11 to 6,220.6 in FY 2011-12, a reduction of 512.5.

When the Committee voted to reduce the Department's appropriation of FTE by 400.0, it did not yet know that the Department's FY 2011-12 FTE appropriation would exceed its actual FTE use by 346.2, but it did know that the FTE appropriation exceeded the likely amount that the Department would use. When it reduced the appropriation by 400.0 FTE, it sought to align the FTE appropriation more closely with usage; the intent was not to reduce actual FTE use.

We now know that the 400.0 FTE adjustment too large, which made the Department's FY 2011-12 FTE appropriation was too low; the Department's actual FTE use in FY 2011-12 was 99.1 higher than the appropriation.



















***JBC Staff Budget Briefing – FY 2013-14 Staff Working Document – Does Not Represent
Committee Decision***



















The table on the next page shows the results by line item. The first six columns of this table detail the FTE appropriations and the actual FTE usage for FY 2010-11 and FY 2011-12 and show the distribution of the 400.0 FTE reduction approved by the Committee. The two columns to the right of the table use horizontal bar graphs to show the amount by which actual FTE exceeded or fell short of the appropriation. For example, in FY 2010-11 usage of FTE in the Executive Director's Office (Management Division) was 7.2 FTE lower than the appropriation. This difference is shown by a horizontal bar (green if you are viewing this document on a computer) that extends to the left from the dotted vertical line that represents exact alignment of use and appropriation. In FY 2011-12, actual FTE usage in the Executive Director's Office exceeded the appropriation by 4.5 FTE, which is represented by a (red) bar that extends to the right from the dotted vertical line.



















The bottom of the table summarizes the overall results: actual FTE use in FY 2010-11 was 346.2 less than the appropriation and 99.1 FTE more than the appropriation a year later. As the bar graphs for FY 2010-11 show, the line items for which FTE use exceeded appropriation were relatively few (6 out of 39) and the excesses were small (the biggest was 5.3 FTE in the Housing and Security line, which has an appropriation of over 3,000 FTE). Numerous line items were under their FTE authorization, but six accounted for more than two thirds of the overall shortfall: medical, mental health, education, drug and alcohol treatment, and correctional industries.



















In FY 2011-12 the situation reversed, overall FTE use exceeded the appropriation by 99.1 FTE with almost two thirds of line items showing use in excess of the appropriation.

The following table compares the Department of Corrections with other state agencies; it shows that only two Departments exceeded their FTE appropriations during FY 2011-12, Corrections and Labor, and Labor was barely over its authorization.

	FY 2010-11		JBC FTE Reduction	FY 2011-12		FY 2010-11		FY 2011-12	
	FTE Approp	Actual FTE		FTE Approp	Actual FTE	(Under) Over FTE	(Under) Over FTE		
(1) MANAGEMENT									
(A) Executive Director's Office Subprogram									
Personal Services									
FTE	26.6	19.4	(7.5)	17.1	21.6		(7.2)		4.5
(B) External Capacity Subprogram									
(1) Private Prison Monitoring Unit									
Personal Services - GF									
FTE	20.5	17.5	(2.4)	13.3	16.0		(3.0)		2.7
(C) Inspector General Subprogram									
Personal Services									
FTE	49.2	48.0	0.0	45.2	45.8		(1.2)		0.6
Inspector General Grants									
FTE	1.0	0.0	0.0	1.0	0.0		(1.0)		(1.0)
SUBTOTAL - MANAGEMENT									
FTE	97.3	84.9	(9.9)	76.6	83.4				
(2) INSTITUTIONS									
(A) Utilities Subprogram									
Energy Management Program - GF									
FTE	3.0	2.4	0.0	2.6	2.7		(0.6)		0.1
(B) Maintenance Subprogram									
Personal Services - GF									
FTE	320.3	314.2	(2.3)	314.5	305.2		(6.1)		(9.3)
(C) Housing and Security Subprogram									
Personal Services									
FTE	3,116.7	3,122.0	(53.0)	3,057.9	3,049.0		5.3		(8.9)
(D) Food Service Subprogram									
Personal Services - GF									
FTE	277.7	265.4	(14.6)	261.1	260.4		(12.3)		(0.7)
(E) Medical Services Subprogram									
Personal Services									
FTE	444.0	364.3	(71.9)	371.9	370.6		(79.7)		(1.3)

	FY 2010-11		JBC FTE Reduction	FY 2011-12		FY 2010-11 (Under) Over FTE		FY 2011-12 (Under) Over FTE	
	FTE Approp	Actual FTE		FTE Approp	Actual FTE				
(F) Laundry Subprogram									
Personal Services - GF									
FTE	40.1	36.8	(1.3)	35.8	37.1		(3.3)		1.3
(G) Superintendents Subprogram									
Personal Services - GF									
FTE	169.1	166.5	(8.3)	153.9	160.7		(2.6)		6.8
(H) Youthful Offender System Subprogram									
Personal Services - GF									
FTE	171.9	161.8	(9.2)	162.7	164.0		(10.1)		1.3
(I) Case Management Subprogram									
Personal Services - GF									
FTE	234.2	223.1	(13.1)	218.8	225.1		(11.1)		6.3
(J) Mental Health Subprogram									
Personal Services - GF									
FTE	134.2	96.1	(20.5)	120.6	111.0		(38.1)		(9.6)
(L) San Carlos Subprogram									
Personal Services - GF									
FTE	195.1	175.2	(16.9)	178.2	185.2		(19.9)		7.0
(M) Legal Access Subprogram									
Personal Services - GF									
FTE	21.5	23.0	0.0	20.5	22.6		1.5		2.1
SUBTOTAL - INSTITUTIONS									
FTE	5,127.8	4,950.8	(211.1)	4,898.5	4,893.6				
(3) SUPPORT SERVICES									
(A) Business Operations Subprogram									
Personal Services									
FTE	112.7	106.9	(15.9)	92.3	104.7		(5.8)		12.4
(B) Personnel Subprogram									
Personal Services - GF									
FTE	19.6	21.6	(2.7)	17.0	20.9		2.0		3.9

	FY 2010-11		JBC FTE Reduction	FY 2011-12		FY 2010-11 (Under) Over FTE		FY 2011-12 (Under) Over FTE	
	FTE Approp	Actual FTE		FTE Approp	Actual FTE				
(C) Offender Services Subprogram									
Personal Services - GF									
FTE	47.9	42.8	(4.8)	42.1	45.5		(5.1)		3.4
(E) Transportation Subprogram									
Personal Services - GF									
FTE	36.1	35.3	(0.2)	35.9	36.6		(0.8)		0.7
(F) Training Subprogram									
Personal Services - GF									
FTE	27.3	27.6	(0.3)	25.7	25.9		0.3		0.2
(H) Facility Services Subprogram									
Personal Services - GF									
FTE	12.0	10.5	(2.2)	9.4	11.3		(1.5)		1.9
SUBTOTAL - SUPPORT SERVICES									
FTE	255.6	244.7	(26.1)	222.4	244.9				
(4) INMATE PROGRAMS									
(A) Labor Subprogram									
Personal Services - GF									
FTE	95.3	89.4	(3.6)	90.9	89.4		(5.9)		(1.5)
(B) Education Subprogram									
Personal Services									
FTE	253.9	225.4	(26.9)	183.4	203.2		(28.5)		19.8
Education Grants									
FTE	2.0	0.0	0.0	2.0	0.0		(2.0)		(2.0)
(C) Recreation Subprogram									
Personal Services - GF									
FTE	116.7	118.3	(0.9)	114.8	118.9		1.6		4.1
(D) Drug and Alcohol Treatment Subprogram									
Personal Services - GF									
FTE	103.0	60.9	(38.2)	42.8	64.4		(42.1)		21.6

	FY 2010-11		JBC FTE Reduction	FY 2011-12		FY 2010-11		FY 2011-12	
	FTE Approp	Actual FTE		FTE Approp	Actual FTE	(Under) Over FTE	(Under) Over FTE		
(E) Sex Offender Treatment Subprogram									
Personal Services									
FTE	49.1	39.8	(8.3)	40.8	38.1		(9.3)		(2.7)
(F) Volunteers Subprogram									
Personal Services - CF									
FTE	9.0	7.0	(1.6)	7.4	7.9		(2.0)		0.5
SUBTOTAL - INMATE PROGRAMS									
FTE	629.0	540.8	(79.5)	482.1	521.9				
(5) COMMUNITY SERVICES									
(A) Parole Subprogram									
Personal Services - GF									
FTE	179.9	165.8	(15.8)	160.5	159.2		(14.1)		(1.3)
(B) Parole Intensive Supervision Subprogram (ISP)									
Personal Services - GF									
FTE	89.0	87.1	(13.3)	73.3	86.4		(1.9)		13.1
(C) Community Intensive Supervision Subprogram (ISP)									
Personal Services - GF									
FTE	52.2	48.0	(6.0)	45.6	43.4		(4.2)		(2.2)
(D) Community Supervision Subprogram									
(1) Community Supervision									
Personal Services - GF									
FTE	47.6	41.4	(9.7)	35.5	43.2		(6.2)		7.7
(2) Youthful Offender System Aftercare									
Personal Services - GF									
FTE	9.5	7.6	(1.5)	8.0	6.3		(1.9)		(1.7)
(E) Community Re-entry Subprogram									
Personal Services - GF									
FTE	38.0	35.7	(2.4)	35.6	33.1		(2.3)		(2.5)
Community Reintegration Grants									
FTE	1.0	0.0	0.0	1.0	0.0		(1.0)		(1.0)

	FY 2010-11		JBC FTE Reduction	FY 2011-12		FY 2010-11 (Under) Over FTE		FY 2011-12 (Under) Over FTE	
	FTE Approp	Actual FTE		FTE Approp	Actual FTE				
SUBTOTAL - COMMUNITY SERVICES									
FTE	417.2	385.6	(48.7)	359.5	371.6				
(6) PAROLE BOARD									
Personal Services - GF									
FTE	13.5	16.8	(1.0)	12.5	12.8		3.3		0.3
(7) CORRECTIONAL INDUSTRIES									
Personal Services									
FTE	163.0	134.3	(20.9)	142.1	155.0		(28.7)		12.9
(8) CANTEEN OPERATION									
Personal Services									
FTE	29.7	29.0	(2.8)	26.9	36.5		(0.7)		9.6
GRAND TOTAL - DEPARTMENT OF CORRECTIONS									
FTE	6,733.1	6,386.9	(400.0)	6,220.6	6,319.7		(346.2)		99.1

**JBC Staff Budget Briefing – FY 2013-14 Staff Working Document – Does Not Represent
Committee Decision**

FY 2011-12			
Agency	FTE Appropriation	Actual FTE	(Under) Over FTE
Agriculture	284.1	255.5	(28.6)
Corrections	6,220.6	6,319.7	99.1
Education	545.9	520.1	(25.8)
Governor's Office	951.5	941.8	(9.7)
HCPF	312.5	293.4	(19.1)
Higher Education	166.1	149.6	(16.5)
Human Services	4,849.6	4,743.6	(106.0)
Judicial	4,178.5	4,006.8	(171.7)
Labor and Employment	1,046.8	1,048.6	1.8
Law	419.0	399.2	(19.8)
Local Affairs	191.1	169.4	(21.7)
Military and Veterans Affairs	145.8	140.5	(5.3)
Natural Resources	1,466.1	1,385.4	(80.7)
Personnel and Administration	394.3	352.1	(42.2)
CDPHE	1,284.9	1,205.2	(79.7)
Public Safety	1,363.2	1,284.5	(78.7)
Regulatory Agencies	593.4	535.4	(58.0)
Revenue	1,370.3	1,323.0	(47.3)
State	129.0	117.1	(11.9)
Transportation	178.3	158.7	(19.6)
<u>Treasury</u>	<u>31.5</u>	<u>24.1</u>	<u>(7.4)</u>
Total	26,393.5	2,158.3	(144.2)
Excludes Higher Education, Legislature, and non appropriated FTE in transportation and several other agencies.			

Since Fiscal Year 2012-13 appropriations for the Department of Corrections took FY 2011-12 appropriations as their starting point, they are also too low. This misalignment of FTE use and appropriation will continue to carry forward into subsequent years unless corrected.

During supplementals, Staff will recommend that the Committee increase the FY 2013-14 FTE appropriations for a number of the Department's line items in order to better align appropriation with actual use.

Some might ask “why bother,” given the somewhat questionable status of an FTE appropriation following Colorado Supreme Court decisions on this topic. The Governor, in his May 7, 2012 letter to the General Assembly on the Long Bill (H.B. 12-1335), alluded to these opinions and wrote, "We remain concerned with the General Assembly's inclusion of fulltime equivalent positions (FTE) within the general appropriations act....Executive Branch agencies will not be constrained by the FTE authorizations within House Bill 12-1335, and instead have been instructed to manage their operations within the scope of the dollars appropriated in House Bill 12-1335." This statement echoed a similar statement that the Governor issued in 2011, and may

have been inspired by knowledge that one agency in particular—Corrections—was likely to exceed its FTE authorization by a large margin.

Despite the opinions issued by the Supreme Court and the Governor's directive that agencies not be constrained by FTE appropriations, Staff believes that these appropriations still carry great weight and should be set with care.¹ A Department should rightly expect the JBC to hold it accountable if it requests 10 FTE for a decision item but adds 11 when implementing the decision. As long as the General Assembly makes reasonable FTE appropriations and holds agencies accountable for deviations from its decisions, Staff believes that it will have de facto control over FTE.

If the JBC, by mistake, sets an FTE appropriation too low, and lets the mistake propagate in future appropriations, it risks undermining its implicit control over FTE. If the DOC's FY 2012-13 FTE appropriations are not corrected, the DOC is very likely to exceed its FTE appropriations in FY 2013-14 and later years as the error rolls forward. As a consequence, the DOC and other agencies may conclude that FTE appropriations don't really matter: "Corrections has been over its FTE authorization for years and nothing has happened."

Staff recommends that the Committee make realistic FTE appropriations and hold agencies accountable if they do not adhere to them. Staff further recommends that Committee correct FTE appropriation mistakes as soon as possible when they occur and not allow them to roll forward.

RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S STRATEGIC PLAN:

The Department's value statements say, "We strive to deliver correctional services with optimal efficiency." Resolution of this issue may reduce departmental uncertainty for planning purposes and thus increase efficiency.

¹ Staff finds it interesting that the Judicial Branch, where the Supreme Court is located in the Long Bill, stays within its FTE appropriations.

Issue: Medicaid and DOC Inmates

If Colorado expands Medicaid coverage in January 2014 to childless adults who earn less than 133 percent of the Federal Poverty Level, then most DOC offenders will qualify for Medicaid when they receive inpatient medical care in a non-prison facility. The Federal matching percentage for Medicaid is initially 100 percent for new enrollees, so the savings to the state could be substantial, perhaps as much as \$19.5 million.

SUMMARY:

- Prisons cannot bill Medicaid for medical care delivered within a prison.
- If an inmate is eligible for Medicaid and is transported out of a correctional facility to receive inpatient hospital services, Medicaid can be billed to cover the cost of these services
- If Colorado expand Medicaid coverage in January 2014 to childless adults who earn less than 133 percent of the Federal Poverty Level, most incarcerated offenders will qualify for Medicare when they receive inpatient care outside of a prison.

RECOMMENDATION:

Staff recommends that the Department respond to the questions at the end of this issue.

DISCUSSION:

Background on Medicaid for inmates: In 1977, the U.S. Supreme Court ruled in *Estelle v. Gamble* that the State has a duty to provide medical care for those whom it is punishing by incarceration. Because imprisonment leaves inmates unable to obtain medical care for themselves, the State must care for them, to do otherwise would violate the eighth amendment prohibition against cruel and unusual punishment. Once an offender is released on parole or to community corrections, the offender can seek medical care for himself and the state no longer has a duty to provide care.

Internal and External Medical Care at the DOC. The Department of Corrections' Clinical Services Division is responsible for providing medical, optometry, and dental services to about 18,000 offenders at a cost of approximately \$78 million. Medical care provided by the Department of Corrections can be divided into two categories: internal care and external care. Clinical staff who are employees of the Department provide the internal primary and emergency care in each state correctional facility. External physicians, hospitals, and other health care facilities provide specialty services, outpatient tests and procedures, and inpatient hospital care to inmates. The Department contracts with Correctional Health Partners to manage the external health care services for inmates.

General rule: no Medicaid for inmates. When Congress enacted the federal Medicaid program in 1965, it expressly prohibited Medicaid payments "with respect to care or services for any

individual who is an inmate of a public institution." This exclusion has remained part of federal law since that time but an important exception allows the state to collect matching Medicaid funds (known as Federal Financial Participation of FFP) for inmate care that it provided outside the confines of a prison on an *inpatient* basis .

Federal regulation [Title 42, Code of Federal Regulations (CFR), §435.1010, Definitions relating to institutionalized status] defines inmates and public institutions:

Inmate of a public institution means a person who is living in a public institution....

Public institution means an institution that is the responsibility of a governmental unit or over which a governmental unit exercises administrative control....

Exception for inmates not in a public institutions. Federal Regulations contain a qualification to the general rule that inmates can't qualify for Medicaid: "The exclusion of FFP [Federal Financial Participation]... does not apply during that part of the month in which the individual is not an inmate of a public institution or a patient in an institution for tuberculosis or mental diseases." [Title 42, CFR, §435.1009, Institutionalized individuals].

In December 1997, the U.S. Department of Health and Human Services distributed a memorandum to its regional Medicaid administrators that clarified Medicaid coverage policy for inmates of a public institution. The memo made several important points:

- FFP (Federal Financial Participation) is permitted when an inmate is admitted as an inpatient in a hospital, nursing facility, or intermediate care facility provided the services are included under a State's Medicaid plan and the 'inmate' is Medicaid-eligible. FFP is not available for services provided on an outpatient basis. Nor is FFP available for medical care provided to an inmate taken to a prison hospital or dispensary. However, if an inmate is eligible for Medicaid and is transported out of a correctional facility to receive inpatient hospital services, Medicaid can be billed to cover the cost of these services
- An individual is an inmate when serving time for a criminal offense or confined involuntarily in State or Federal prisons, jails, detention facilities, or other penal facilities.
- If a state has contracted with a private health care entity to provide medical care in the public institution to its inmates, FFP is not available for those medical services.
- Even though FFP may not be available for an individual because of his inmate status, Medicaid *eligibility* is not precluded for individuals who are inmates of a public institution. Inmates of a public institution may be eligible for Medicaid if the appropriate eligibility criteria are met.

The 1997 memorandum provided the following examples illustrating when FFP is available:

1. Infants living with an inmate in a public institution
2. Paroled individuals
3. Individuals on probation
4. Individuals on home release except during those times when reporting to a prison for overnight stay

The memorandum also provided examples showing when FFP is unavailable:

1. Individuals being held involuntarily in detention centers awaiting trial
2. *Inmates involuntarily residing in half-way houses under governmental control*
3. Inmates receiving care as an outpatient
4. Inmates receiving care on premises of prison, jail, detention center, or other penal setting

As discussed further below, if Colorado decides to expand Medicaid coverage in January 2014, item number 2 concerning half-way houses may preclude residential offenders in Colorado's residential community corrections centers from coverage.

Colorado sought FFP for inmates as early as 1995. Legislation indicates that the General Assembly has been aware that the state can receive FFP for inpatient inmate medical care provided outside of a prison at least since 1995. That was the year when H.B. 95-1081 added incarcerated inmates and infants of incarcerated inmates to the list of optional groups that qualify for Medicaid in Colorado. The bill authorized the Department of Health Care Policy and Financing (HCPF) to seek FFP for inmates and required HCPF to seek FFP for infants of inmates. (Subsequently inmates were removed from the optional-groups list, which is now contained in Section 25.5-5-201, C.R.S. Removal has apparently not changed eligibility for those few offenders who are covered by Medicaid.)

The state has been able to obtain FFP for inpatient external care for pregnant inmates and for their infants—a group that would qualify for FFP if they were not incarcerated and met the other Medicaid requirements. It has proven difficult to obtain FFP for inpatient care for inmates who fall into other categories that would make them eligible if they were not incarcerated.

The amount of matching federal Medicaid funding that the state receives for inpatient care of Medicaid eligible inmates is not separately appropriated in the Long Bill, as it is for some other Medicaid supported programs, so it is difficult to determine the amount of FFP that has been received from the federal government over the years.

House Bill 09-1293 expanded state Medicaid to adults without dependent children up to 10% of Federal Poverty Level (FPL), with an enrollment cap of 10,000 individuals. Inmates, who lack dependent children and have very low incomes, would seemingly qualify under this expansion but the existence of a waiting list and lottery has proved an obstacle. By the time the offender who received inpatient care is randomly selected for enrollment, he will have almost surely returned to incarceration, which makes him ineligible for Medicaid. Senate Bill 08-006 also could have helped the state draw FFP, but due to complexities in state and federal laws and rules has not.

(Note that the Department of Corrections has other programs with Medicaid components. Section 17-1-113.5, C.R.S., which was added to statute by H.B. 02-1295 and subsequently amended four times, requires DOC to identify offenders who will be Medicaid-eligible following release and assist them in qualifying, starting at least 90 days before release. There's a similar provision requiring assistance for offenders who are likely to qualify for supplemental security income (SSI) following release. The DOC is required to enter into agreements with local social security administration offices to simplify the application process for Medicaid and SSI.)

The Affordable Care Act and Medicaid Expansion. The possible January 1, 2014 expansion of Colorado's State Medicaid plan to cover adults without dependent children with income up to 133 percent of the Federal Poverty Level has the potential to substantially increase the number of incarcerated offenders for whom the state can receive FFP.

The DOC is aware of the potential of the Affordable Care Act and has identified it as a priority. Strategic Objective 10 of the Department's 2013-2014 Strategic Plan is:

Prepare to obtain Medicaid reimbursement for eligible offenders effective with the new Affordable Health Care Act (AHCA) by December 31, 2013.

- a. Formulate procedures to meet requirements of AHCA.
- b. Prepare plan for offenders to obtain Medicaid coverage when paroled or discharged.
- c. Ensure information technology systems are able to capture new process and capture outcome measure.
- d. Obtain approval for DOC as a Medicaid application site.

Strategic Objective 7 of the Department's 2012-13 Strategic Plan focused on obtaining Medicaid reimbursement for offenders who require catastrophic care and did not allude to the Affordable Care Act. However, it did provide detail regarding implementation and suggest that this may be a complex task:

Objective: Obtain Medicaid reimbursement for hospitalizations on eligible catastrophic offender medical cases resulting in fiscal savings to the state.

- Establish an interagency team to formulate procedures for the state of Colorado. Include such considerations as: electronic system for transmission of information—Medical Assistance Site; claims processing; establish a process for rebilling and tracking of eligible offenders and charges; discussion of individual hospital systems and their current systems.
- Assess Medicaid eligibility criteria in relation to the CDOC offender population with considerations such as: approval of eligibility for offenders with disability not receiving SSI; inclusion of offender population in the adults without dependent children; eligibility would be approved for one year at a time and suspended, not terminated, when incarcerated; designation of state staff as contact for CDOC and CHP perhaps through Eligibility Vendor; approval of billing proposal resulting in interagency transfer of funds instead of providers billing Medicaid directly; and, obtain necessary approvals from federal level.

- Designate a team of CDOC staff to participate in this initiative and to: identify potentially eligible offenders; develop a system to track future eligible offenders; and create a tracking system for payments for Medicaid eligible offenders.
- Identify healthcare providers who are currently Medicaid approved providers. Educate existing healthcare contract providers to ensure they understand any new processes that would impact their operations.
- Target Date: July 1, 2012

Staff recommends that the Committee ask the Department whether it achieved its July 1, 2012 target. Note that the Department requested no resources to accomplish this objective.

If Colorado decides to move forward with Medicaid expansion to 133 percent of the Federal Poverty Level for adults without dependent children in January 2014, Medicaid will probably cover most of the Department's outpatient medical expenses. Federal Financial Participation will equal 100 percent for new Medicaid populations from 2014 through 2016, declining to 90 percent in subsequent years, so the resulting saving may be substantial. Since the Medicaid expansion would occur in the middle of FY 2013-14, the expansion would affect the Department's FY 2013-14 expenditures and potentially its FY 2013-14 Long Bill appropriation, if enough is known at the time the Long Bill is introduced.

Savings depends on the amount of inpatient care delivered outside of prisons. The DOC reports that during FY 2010-11, it spent approximately \$7.7 million for catastrophic hospitalization for 54 offenders. The Department stated that if these offenders had been in a community setting, most likely they would have qualified for Medicaid. With a 100 percent federal match, the savings to the state would have equaled \$7.7 million.

The Department's budget submissions report total external medical expenses but do not distinguish between expenditures for inpatient and outpatient care. However, a 1996 report by the State Auditor titled "Inmate Health Care, Department of Corrections" shows that 64% of the Department's external medical expenses at that time were for outpatient medical care. The Department's statement that \$7.7 million of its FY 2010-11 catastrophic hospitalization expenditure were for inpatient care implies that 69% of catastrophic care expenditures were inpatient. Thus it seems reasonable to suppose that about 65 percent of the Department's \$30.0 million of external health care expenses for FY 2011-12 were for inpatient care. This means that the potential savings if Medicaid paid for 100 percent of external inpatient care could equal as much as 65%* \$30.0 million or \$19.5 million.

Offenders in community corrections may not qualify for Medicaid. The December 1997 U.S. Department of Health and Human Services memo on Medicaid coverage for inmates of public institutions that was discussed earlier, stated that Federal Financial Participation is not available for "Inmates involuntarily residing in half-way houses under governmental control." Colorado's residential community corrections facilities are informally referred to as halfway houses. Does this mean that residential diversion and transition clients who reside in community corrections facilities cannot qualify for Medicaid? Due to the possible expansion of Medicaid coverage in January 2014, this question has become increasingly urgent. In letters written to CMS (the

Centers for Medicare and Medicaid Services) in recent years the State has argued that offenders are not “inmates” in the sense the term is used in Medicaid law and that community corrections facilities are not “public institutions” in the sense of Medicaid law. Thus far, however, CMS has held that residential community-corrections offenders do not qualify for Medicaid, despite the State’s arguments that they do. As a consequence, if the state wishes to extend medical coverage to residential offenders in community corrections programs, it may have to pay for the care itself. (Note that these offenders would still potentially qualify for FFP for inpatient care, though the mechanics of obtaining FFP could be complex.)

Staff recommends that the Committee ask the Department to respond to the following questions:

- If the state decides to expand Medicaid prior to 2013 figure setting for the Department of Corrections, will it be possible to take FFP for inmates into account when writing the Long Bill?
- What will happen if Colorado doesn’t move forward with Medicaid expansion in 2014?
- Is any legislation needed to facilitate efforts to qualify offenders for FFP?
- What sort of administrative difficulties and costs is DOC likely to encounter as the state tries to obtain FFP for substantial numbers of inmates?
- CMS has stated that offenders who receive care at the Correctional Care Medical Facility of Denver Health Medical Center are entitled to FFP. This unit is designed exclusively to treat inpatient referrals from the Denver County jail but is a part of and operates under the accredited inpatient hospital license of the Denver Health Medical Center. Would the state benefit if the Department of Corrections had a similar center?
- Due to provisions in the affordable care act, offenders aged 26 and younger can now remain on their parents’ insurance. Does this have any potential to reduce the DOC’s medical costs?

**RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S
STRATEGIC PLAN:**

Objective 10 of the DOC's 2013-2014 Strategic Plan calls for the Department to obtain Medicaid reimbursement for eligible offenders effective with the new Affordable Health Care Act.

Issue: Offender Population Projections

Legislative Council Staff (LCS) and the Division of Criminal Justice (DCJ) both project that the prison inmate population will decrease through FY 2014-15. LCS projects a significantly larger decline than does DCJ. Both forecasts predict that the parole population will increase until June of 2013 and then decline, however the LCS forecast predicts a higher June 2013 parole population and a more gradual subsequent decline than does the DCJ forecast.

SUMMARY:

- Both the LCS and the DCJ December 2012 inmate population projections forecast a decreasing prison population. The LCS population projection is lower than the DCJ projection in each year, with the difference widening from 354 at the end of June 2013, to 932 in June 2014 and then to 1,087 by June 2015.
- Both parole forecasts predict increases until June FY 2012-13, followed by decline.

RECOMMENDATION:

Staff recommends that the Committee wait until supplementals and figure setting to determine which projections to use to fund the required level of prison beds. Waiting will allow more time to determine which monthly forecast looks more reasonable. This recommendation is consistent with the approach taken by the JBC in prior years.

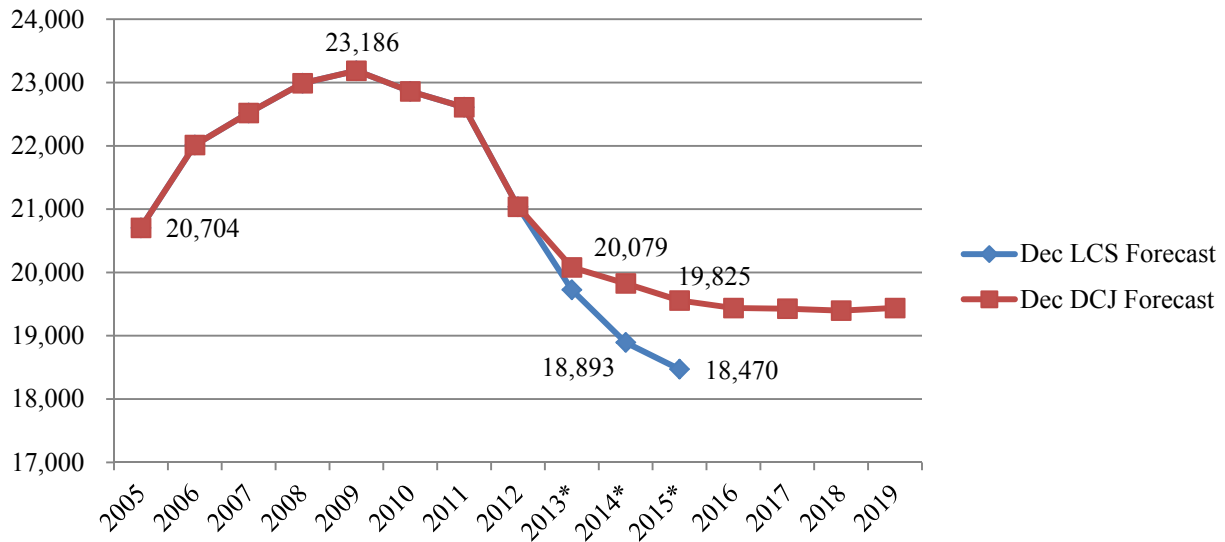
DISCUSSION:

Legislative Council Staff and the Division of Criminal Justice are responsible for developing population projections for the adult inmate population and the adult parole population.

The following diagram summarizes the inmate population forecasts from LCS and DCJ. The two lines in this diagram coincide for the actual years prior to 2013. They begin diverging in 2013, the first forecast year. The top line in the region to the right of 2012 is the DCJ forecast. The DCJ forecast extends until 2019 while the LCS forecast ends in 2015. Thus the line for the DCJ forecast is longer.

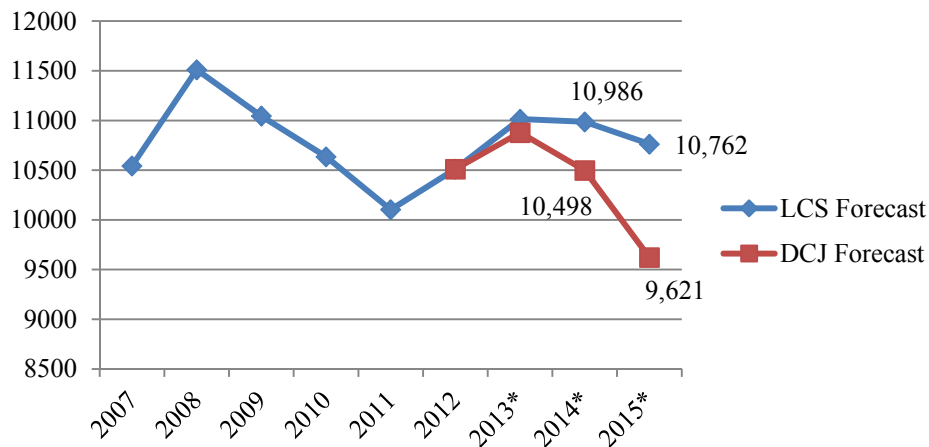
The vertical distance between the two lines is the difference between the two forecasts. In June of 2013, the vertical distance between the two lines is 354, meaning that the DCJ forecast predicts DOC will have 354 more offenders than does the LCS forecast. By June of 2015, this vertical distance widens to 1,086. Averaging the vertical differences between the two forecasts reveals that the DCJ forecast predicts an average of 643 more offenders for DOC in FY 2013-14 than does the LCS forecast. If 80% of the extra offenders in the FY 13-14 DCJ forecast were housed in private prisons at the rate of \$52.69 per day, it would cost the state an extra \$9.9 million to house the larger DCJ population in as compared with the cost of housing the smaller LCS population. This cost gap between the two forecasts widens to \$15.5 million in FY 2014-15

December 2012 DCJ and LCS Inmate Forecasts Compared



The following diagram compares the DCJ parole population forecast with the LCS forecast. Both forecasts predict that the parole population will increase until June of 2013 and then decline, however the LCS forecast predicts a higher June 2013 parole population and a more gradual subsequent decline than does the DCJ forecast.

December 2012 DCJ and LCS Parole Forecasts Compared



RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S STRATEGIC PLAN:

The Department's value statements state that "We strive to deliver correctional services with optimal efficiency." Accurate forecasts help Department plan, which increases efficiency.

Issue: The Youthful Offenders System

The Department of Corrections operates the Youthful Offender System (YOS), which receives juveniles who are tried as adults. Until recently, young adults who were 18 or 19 when they committed their crime also could be admitted.. This issue explains paths into the YOS and explores the effects of H.B. 09-1122.

SUMMARY:

- There are several paths into the Youthful Offender System (YOS):
 - For youth under 18, Direct File in district court or Transfer from juvenile court to district court. If convicted, a sentence to YOS may be possible.
 - Between Oct. 2009 and Oct. 2012 young adults who were 18 or 19 when their crime was committed could be sentenced to YOS, a provision added to law by H.B. 09-1122.
- H.B. 09-1122 saved the state money by placing more offenders in a program with excess capacity.

RECOMMENDATION:

This is an informational issue with no recommendations. Committee members may want to ask the Department about the YOS program. The Committee may want to ask if the older population introduced into YOS by H.B. 09-1122 has caused any problems.

DISCUSSION:

The Youthful Offender System (YOS) opened its doors in 1994 on the grounds of the Denver Reception and Diagnostic Center (DRDC). In 1998 YOS was relocated to Pueblo. YOS was originally designed for violent youthful offenders under 18 at the time of their offense. To get to YOS, a convicted offender must be sentenced to the program by a judge. In recent years there have been three paths into YOS:

Sentences to YOS for youths 12 to 17 years old.

Youth who are under age 18 when they commit a crime are normally tried in juvenile court rather than in district court (where adults are tried for felonies) or in county court (where adults are tried from misdemeanors). There are two ways juveniles can be tried in adult court:

- 1. Direct file in adult count:** A District Attorney (DA) can directly file charges in district court (subsequently called adult court) against a 16 or 17 year-old who

- Has a prior felony-level adjudication (the juvenile equivalent of a felony conviction) and is charged with a felony that's classified as a crime of violence or is charged with certain sexual assaults,
--or--
- Has no prior felony-level adjudications but is charged with certain very serious crimes. The eligible crimes are class 1 and 2 felonies (example: murder) and certain very serious sexual assaults.

The juvenile can challenge the DA's decision to directly file in adult court and ask the adult-court judge to decide, after a "reverse transfer" hearing, whether the case should be moved to juvenile court.

2. Transfer from juvenile to adult court: If the case does not meet the requirements for directly filing criminal charges in adult court, a DA who wants to try the case in adult court must petitioned the juvenile court to have the case transferred to adult court. (Example 1: the defendant is under age 16; Example 2: the juvenile is 16 or 17, has no prior felony adjudication, and is charged with a crime of violence that is not serious enough to qualify for direct file.) Twelve and thirteen year-olds must be charged with class 1 or 2 felonies or with crimes of violence. Fourteen through seventeen year olds can be charged with any felony. If, after a "transfer" hearing, the judge agrees with the DA, the case is transferred to adult court.

Once a juvenile's case is in adult court, it doesn't matter whether it arrived through direct file or transfer; if the juvenile is convicted, the same sentencing options are open to the court. The judge can sentence the juvenile to most of the sentencing options that adults are subject to, including adult prison. But the judge also has another sentencing option available if the juveniles did not commit certain very serious offenses, such as premeditated murder, and the offender has not reached his 21st birthday by the time of sentencing : a sentence to the Youthful Offender System.

Sentences to YOS for "young adult offenders" aged 18 and 19.

Offenders who are 18 or over are adults for criminal justice purposes. They are tried in district court for felonies and in county court for misdemeanors and are subject to the full range of adult sentences if found guilty, including incarceration with the Department of Corrections.

House Bill 09-1122, temporarily added Section 18-1.3-408, C.R.S., to statute, which provided a Youthful Offender System sentencing option for "young adult offenders" (defined as offenders who are 18 or 19 years old when they commit their offense and are sentenced before their 21st birthday). This sentencing option was available between Oct. 1 2009 and Oct 1, 2012, but is now expired. YOS is available for young adults who commit violent class 3 to class 6 felonies. They can't return to YOS if they were sent there earlier for another crime. Following conviction the judge could optionally sentence these offenders to YOS.

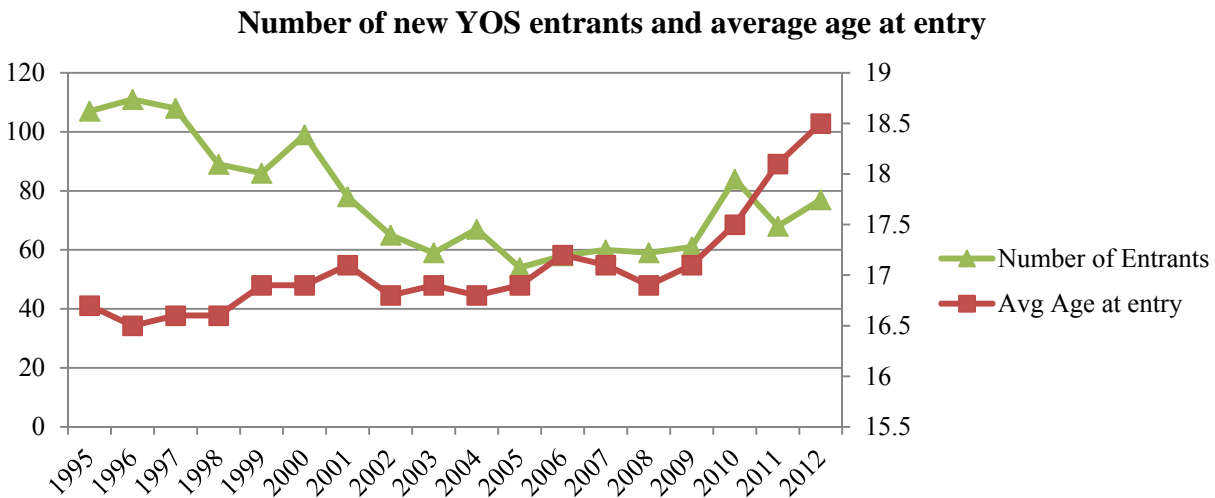
How sentences to YOS work.

YOS is an optional sentence for qualifying juveniles who are convicted in adult court and for qualifying young adult offenders.

Sentences to the Youthful Offender System can range from 2 to 7 years in length. In addition to the YOS sentence, the adult court must also impose a suspended sentence to an adult prison. These alternative adult sentences are on average 9 years longer than the YOS sentence. An offender who successfully completes the YOS sentence doesn't have to serve the adult sentence. If the offender fails the Youthful Offender System program, the adult court will revoke the YOS sentence and reinstate the adult sentence, with credit for time already served.

Age Distribution at YOS

The following diagram shows the average age of new entrants to YOS along with the number of new entrants.

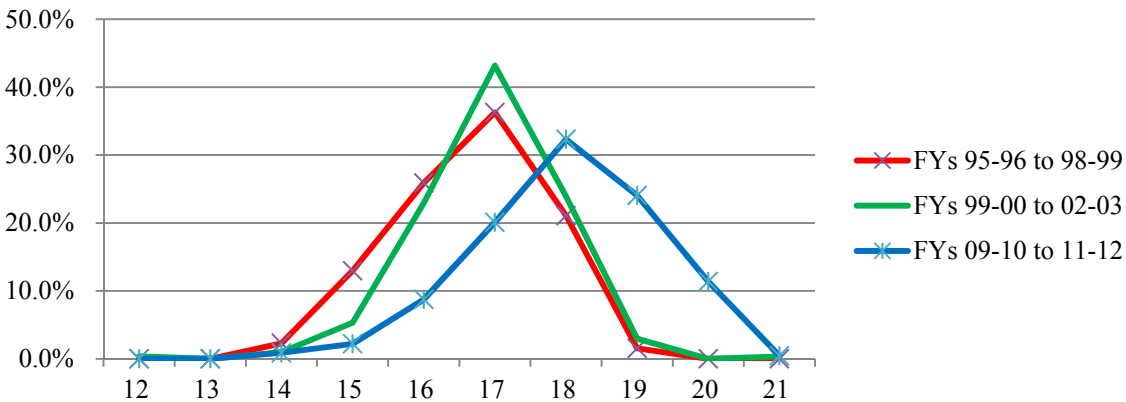


Two trends are clear:

- The average entry age at YOS has risen two years since the program began operations, with most of the increase happening after 2008.
- Until 2010, the YOS population was trending downward. The YOS population experienced an uptick beginning in 2010.

The next diagram shows that the age distribution at YOS has been shifting rightward as the mean entry age rose. The number of entrants less than 16 has declined and there has been a marked rise in entrants older than 20.

Distribution of ages at entry into YOS

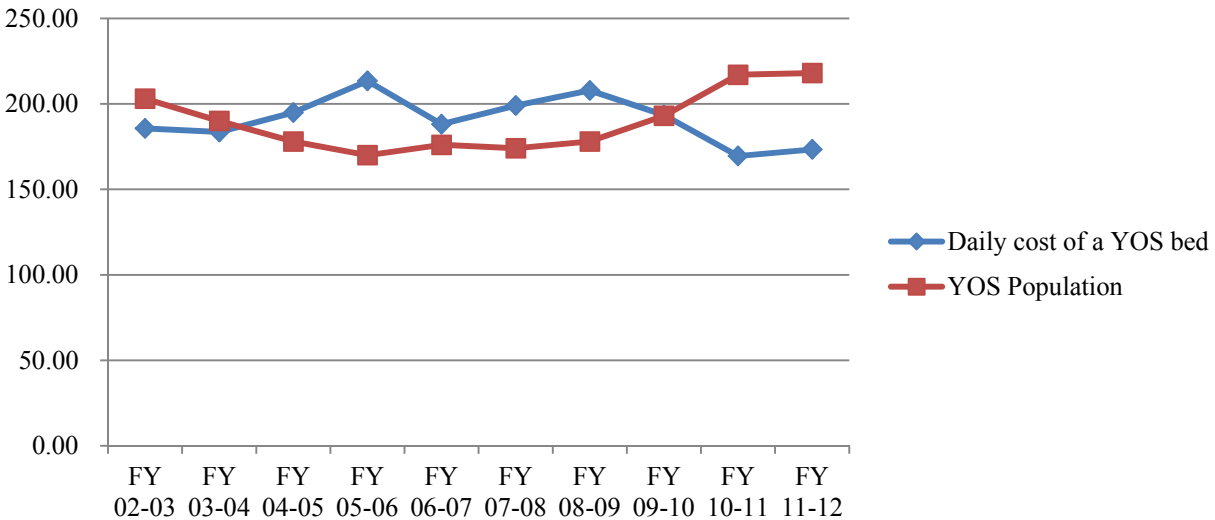


Two recent bills were the cause of the age distribution shift and the recent surge in enrollment. The first was H.B. 09-1122. For three years beginning in 2009 this bill allowed young adults to be sentenced to YOS for crimes committed when they were 18 and 19. The second bill was HB 10-1413, which removed juveniles who are 14 and 15 years of age at the time of their offense from direct file consideration, with an exception for first degree murder and certain violent sexual offenses. The more recently passed H.B. 12-1227 further narrowed the conditions under which a prosecutor could use direct file, and it allowed juveniles to contest a prosecutor’s direct-file decision; the bill has not yet had enough time to affect the YOS population .

The population and age effects of H.B. 09-1122 are readily apparent. Within two years of becoming effective, average entry age at YOS had risen by 1 year to 18.1 and 36 percent of new entrants were young adults, aged 18 or 19 when they committed their crime, who entered under the provisions of H.B. 09-1122.

As the following chart shows, the effect on the cost of a bed at YOS was also swift. As the population rose, the average cost of a bed declined.

YOS Population and Cost Per Day



What was happening was simple. An essentially fixed numerator was being divided by an increasing denominator. The YOS facility in Pueblo has a fixed physical plant size and by statute can have no more than 256 offenders in residence. As the YOS offender population rises and falls, the number of FTE who run the program stays relatively constant—between FY 2008-09 and FY 2011-12, the FTE count at YOS declined from 165.6 to 164.0 as the offender population rose from 178 to 218. (Note that YOS was very close to having a 1:1 offender to corrections employee ratio at the start of this period, which helps explain why its so expensive.)

What was the fiscal impact of H.B. 09-1122? The fiscal note for the bill said there was no impact because YOS then had extra capacity and extra offenders could be managed within existing resources.

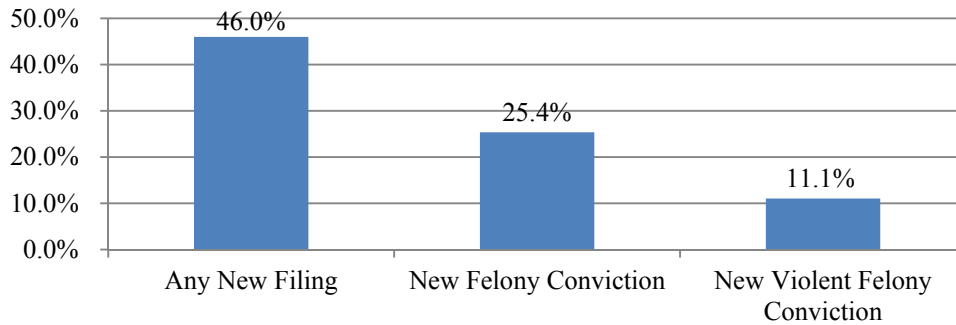
However, this analysis ignored the question of where these young adult offenders would alternately have been sentenced if the zero cost YOS option had not been available. Would the judge have sentenced the offender to probation? Community Corrections? DOC? Given the way the Department of Corrections was then operating, anyone sentenced to DOC at that time would have either gone to a private prison or would have displaced someone in a DOC bed who was then sent to a private prison. In either case, the cost to the state would have be \$52.69 per day—the cost of a private prison bed, which works out to \$19,232 annually. If 10 of the 24 H.B. 09-1122 offenders who entered YOS in 2011 avoided DOC, it would have saved the state $\$19,232 * 10 = \$192,320$ per year. There also would have been savings for Community Corrections avoidance and probation avoidance, but not as much.

Given the success of H.B. 09-1122 in reversing what surely would have been declining YOS enrollment, Staff believes that it is likely that a bill will be introduced this session that will reinstate the young-adult provisions of H.B. 09-1122.

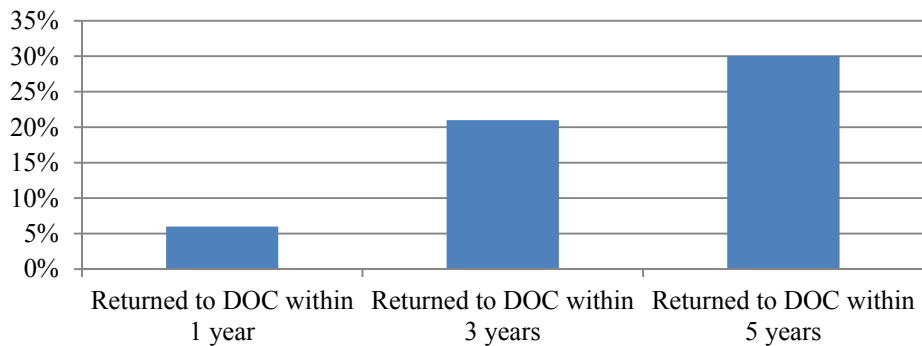
In November 2012, the Division of Criminal Justice published a study of YOS that is available on the DCJ web site. The report was basically positive; it found that YOS is generally operating

in accord with statute and that staff do a good job, though there are areas for improvement. It also found that YOS offenders commit more serious crimes than juveniles sentenced to the Division of Youth Corrections and it found the following recidivism rates:

YOS 2-Year Post-Release Recidivism (n=733)



Return to DOC Recidivism



For comparison, the Division of Youth Corrections reports that 33.9% of youth discharged in FY 2009-10 received a new felony or misdemeanor filing within *one* year following discharge from the Division of Youth Corrections, which is not the same as the *two* year misdemeanor or filing statistic reported for YOS above. The Department of Corrections reports return to prison recidivism rate for offenders who are not in YOS. The DOC 3-year return to prison rate is 52%, but it is not comparable to the YOS statistic above because technical parole returns count as recidivism while returns to the main YOS program from aftercare (the YOS equivalent of parole) don't count as recidivism. The YOS recidivism figure also excludes those who fail out of the YOS program and serve the remainder of their sentence in DOC.

**RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S
STRATEGIC PLAN:**

The YOS program is part of the Department's strategic plan. The goal is to " Supervise offenders to comply with terms and conditions of YOS sentence from Intake through Phase III (community supervision), while providing essential services to ensure for successful community transition.

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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DEPARTMENT OF CORRECTIONS
Tom Clements, Executive Director

(1) MANAGEMENT

Primary Functions: Central management, appropriations for private prisons, and the Inspector General's Office.

(A) Executive Director's Office, Subprogram

Primary Function: Responsible for providing oversight and developing policies for all operations throughout the Department.

Personal Services	<u>1,402,690</u>	<u>1,500,048</u>	<u>1,586,181</u>	<u>1,540,695</u>	
FTE	19.4	21.6	17.1	17.1	
General Fund	1,222,777	1,261,792	1,342,376	1,296,890	
Reappropriated Funds	179,913	238,256	243,805	243,805	
Federal Funds	0	0	0	0	
Health, Life, and Dental	<u>36,047,560</u>	<u>37,225,531</u>	<u>42,287,905</u>	<u>44,289,521</u>	*
General Fund	35,048,806	36,218,963	41,017,064	42,778,034	
Cash Funds	998,754	1,006,568	1,270,841	1,511,487	
Short-term Disability	<u>511,077</u>	<u>559,947</u>	<u>535,860</u>	<u>588,331</u>	*
General Fund	498,278	546,018	520,359	568,734	
Cash Funds	12,799	13,929	15,501	19,597	
S.B. 04-257 Amortization Equalization Disbursement	<u>7,617,487</u>	<u>8,812,956</u>	<u>9,745,013</u>	<u>11,324,163</u>	*
General Fund	7,418,488	8,582,431	9,446,431	10,952,227	
Cash Funds	198,999	230,525	298,582	371,936	

JBC Staff Budget Briefing: FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>5,501,239</u>	<u>7,034,231</u>	<u>8,320,697</u>	<u>10,217,945</u> *	
General Fund	5,356,795	6,849,702	8,064,103	9,882,169	
Cash Funds	144,444	184,529	256,594	335,776	
Salary Survey	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,320,930</u>	
General Fund	0	0	0	5,143,873	
Cash Funds	0	0	0	177,057	
Merit Pay	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,950,801</u>	
General Fund	0	0	0	4,803,175	
Cash Funds	0	0	0	147,626	
Shift Differential	<u>6,163,173</u>	<u>4,574,071</u>	<u>6,057,660</u>	<u>6,321,726</u>	
General Fund	6,155,996	4,567,627	6,044,475	6,297,277	
Cash Funds	7,177	6,444	13,185	24,449	
Workers' Compensation	<u>6,065,207</u>	<u>6,165,344</u>	<u>7,767,033</u>	<u>8,415,767</u>	
General Fund	5,871,120	5,970,392	7,521,595	8,149,570	
Cash Funds	194,087	194,952	245,438	266,197	
Operating Expenses	<u>283,075</u>	<u>259,034</u>	<u>281,455</u>	<u>281,455</u>	
General Fund	181,881	179,446	191,455	191,455	
Reappropriated Funds	19,794	10,588	5,000	5,000	
Federal Funds	81,400	69,000	85,000	85,000	
Legal Services	<u>1,158,309</u>	<u>1,053,371</u>	<u>1,263,517</u>	<u>1,263,517</u>	
General Fund	1,117,368	1,053,371	1,223,337	1,223,337	
Cash Funds	40,941	0	40,180	40,180	

JBC Staff Budget Briefing: FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Payment to Risk Management and Property Funds	<u>1,299,105</u>	<u>2,823,339</u>	<u>3,087,036</u>	<u>3,688,091</u>	
General Fund	1,247,141	2,710,406	2,963,555	3,540,568	
Cash Funds	51,964	112,933	123,481	147,523	
Leased Space	<u>3,437,154</u>	<u>3,410,708</u>	<u>3,275,715</u>	<u>3,542,946</u> *	
General Fund	3,226,949	3,200,503	3,065,510	3,326,435	
Cash Funds	210,205	210,205	210,205	216,511	
Capitol Complex Leased Space	<u>166,586</u>	<u>126,730</u>	<u>154,507</u>	<u>170,790</u>	
General Fund	92,481	98,626	123,625	133,148	
Cash Funds	74,105	28,104	30,882	37,642	
Planning and Analysis Contracts	<u>56,160</u>	<u>82,410</u>	<u>82,410</u>	<u>82,410</u>	
General Fund	56,160	82,410	82,410	82,410	
Payments to District Attorneys	<u>282,406</u>	<u>262,375</u>	<u>366,880</u>	<u>366,880</u>	
General Fund	282,406	262,375	366,880	366,880	
External Study of Sex Offender Treatment and Management Program	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	
General Fund	0	0	100,000	0	
SUBTOTAL - (A) Executive Director's Office, Subprogram	69,991,228	73,890,095	84,911,869	102,365,968	20.6%
<i>FTE</i>	<u>19.4</u>	<u>21.6</u>	<u>17.1</u>	<u>17.1</u>	0.0%
General Fund	67,776,646	71,584,062	82,073,175	98,736,182	20.3%
Cash Funds	1,933,475	1,988,189	2,504,889	3,295,981	31.6%
Reappropriated Funds	199,707	248,844	248,805	248,805	0.0%
Federal Funds	81,400	69,000	85,000	85,000	0.0%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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(B) External Capacity Subprogram

(1) Private Prison Monitoring Unit

Primary Function: Monitor private prison operations pursuant to Section 17-1-202 (1) (g), C.R.S.

Personal Services	<u>1,354,516</u>	<u>1,031,077</u>	<u>1,065,095</u>	<u>1,065,095</u>	
FTE	17.5	16.0	13.3	13.3	
General Fund	1,354,516	1,031,077	1,065,095	1,065,095	
Operating Expenses	<u>224,316</u>	<u>202,222</u>	<u>213,443</u>	<u>213,443</u>	
General Fund	224,316	172,169	183,976	183,976	
Cash Funds	0	30,053	29,467	29,467	
SUBTOTAL - (1) Private Prison Monitoring Unit	1,578,832	1,233,299	1,278,538	1,278,538	0.0%
FTE	<u>17.5</u>	<u>16.0</u>	<u>13.3</u>	<u>13.3</u>	<u>0.0%</u>
General Fund	1,578,832	1,203,246	1,249,071	1,249,071	0.0%
Cash Funds	0	30,053	29,467	29,467	0.0%

(2) Payments to House State Prisoners

Primary Function: To reimburse county jails and private prisons for state inmates housed in these facilities.

Payments to local jails	<u>11,772,794</u>	<u>10,320,054</u>	<u>10,318,430</u>	<u>10,473,206</u>	*
General Fund	11,772,794	10,320,054	10,318,430	10,473,206	
Payments to in-state private prisons	<u>72,481,021</u>	<u>68,739,645</u>	<u>63,695,722</u>	<u>64,651,158</u>	*
General Fund	70,735,797	65,378,304	61,337,015	62,292,451	
Cash Funds	1,745,224	3,361,341	2,358,707	2,358,707	
Payments to pre-release parole revocation facilities	<u>13,118,883</u>	<u>11,654,047</u>	<u>11,623,378</u>	<u>11,797,729</u>	*
General Fund	13,118,883	11,654,047	11,623,378	11,797,729	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Community Corrections Programs	<u>4,035,869</u>	<u>4,004,246</u>	<u>3,546,819</u>	<u>3,600,021</u> *	
General Fund	4,035,869	4,004,246	3,546,819	3,600,021	
SUBTOTAL - (2) Payments to House State Prisoners	101,408,567	94,717,992	89,184,349	90,522,114	1.5%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	99,663,343	91,356,651	86,825,642	88,163,407	1.5%
Cash Funds	1,745,224	3,361,341	2,358,707	2,358,707	0.0%
SUBTOTAL - (B) External Capacity Subprogram	102,987,399	95,951,291	90,462,887	91,800,652	1.5%
<i>FTE</i>	<u>17.5</u>	<u>16.0</u>	<u>13.3</u>	<u>13.3</u>	<u>0.0%</u>
General Fund	101,242,175	92,559,897	88,074,713	89,412,478	1.5%
Cash Funds	1,745,224	3,391,394	2,388,174	2,388,174	0.0%

(C) Inspector General Subprogram

Primary Function: Investigate crimes within the state prison system.

Personal Services	<u>3,839,507</u>	<u>3,562,464</u>	<u>3,635,506</u>	<u>3,635,506</u>	
FTE	48.0	45.8	45.2	45.2	
General Fund	3,744,811	3,482,543	3,535,149	3,535,149	
Cash Funds	94,696	79,921	100,357	100,357	
Operating Expenses	<u>370,124</u>	<u>338,512</u>	<u>347,230</u>	<u>347,735</u> *	
General Fund	286,936	255,325	264,043	264,548	
Cash Funds	83,188	83,187	83,187	83,187	
Inspector General Grants	<u>85,778</u>	<u>125,605</u>	<u>235,649</u> 1.0	<u>235,649</u> 1.0	
Reappropriated Funds	83,820	86,968	27,737	27,737	
Federal Funds	1,958	38,637	207,912	207,912	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
SUBTOTAL - (C) Inspector General Subprogram	4,295,409	4,026,581	4,218,385	4,218,890	0.0%
<i>FTE</i>	<u>48.0</u>	<u>45.8</u>	<u>46.2</u>	<u>46.2</u>	<u>0.0%</u>
General Fund	4,031,747	3,737,868	3,799,192	3,799,697	0.0%
Cash Funds	177,884	163,108	183,544	183,544	0.0%
Reappropriated Funds	83,820	86,968	27,737	27,737	0.0%
Federal Funds	1,958	38,637	207,912	207,912	0.0%
TOTAL - (1) Management	177,274,036	173,867,967	179,593,141	198,385,510	10.5%
<i>FTE</i>	<u>84.9</u>	<u>83.4</u>	<u>76.6</u>	<u>76.6</u>	<u>0.0%</u>
General Fund	173,050,568	167,881,827	173,947,080	191,948,357	10.3%
Cash Funds	3,856,583	5,542,691	5,076,607	5,867,699	15.6%
Reappropriated Funds	283,527	335,812	276,542	276,542	0.0%
Federal Funds	83,358	107,637	292,912	292,912	0.0%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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(2) INSTITUTIONS

Primary Function: includes all costs directly attributable to the operation of state-owned and operated prisons. These costs include utilities, maintenance, housing and security, food service, medical services, laundry, superintendents, the Youth Offender System, case management, mental health, inmate pay, and legal access.

(A) Utilities Subprogram

Primary Function: Provide heat, power, water, and sanitation at all facilities.

Energy Management Program	<u>320,211</u>	<u>296,098</u>	<u>300,792</u>	<u>300,792</u>	
FTE	2.4	2.7	2.6	2.6	
General Fund	320,211	296,098	300,792	300,792	
Utilities	<u>19,581,181</u>	<u>20,460,942</u>	<u>20,025,190</u>	<u>19,933,884</u>	
General Fund	18,667,855	19,475,759	18,974,356	18,883,050	
Cash Funds	913,326	985,183	1,050,834	1,050,834	

SUBTOTAL - (A) Utilities Subprogram	19,901,392	20,757,040	20,325,982	20,234,676	(0.4%)
FTE	<u>2.4</u>	<u>2.7</u>	<u>2.6</u>	<u>2.6</u>	<u>0.0%</u>
General Fund	18,988,066	19,771,857	19,275,148	19,183,842	(0.5%)
Cash Funds	913,326	985,183	1,050,834	1,050,834	0.0%

(B) Maintenance Subprogram

Primary Function: Includes grounds maintenance, and maintenance of facilities, which includes the boiler house, janitorial, and life safety.

Personal Services	<u>18,672,802</u>	<u>18,297,191</u>	<u>17,930,205</u>	<u>16,921,836</u>	
FTE	314.2	305.2	299.5	282.8	
General Fund	18,672,802	18,297,191	17,930,205	16,921,836	
Operating Expenses	<u>5,082,314</u>	<u>6,749,777</u>	<u>5,261,740</u>	<u>5,151,426</u>	
General Fund	5,082,314	6,749,777	5,261,740	5,151,426	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Purchase of Services	<u>1,111,424</u>	<u>1,111,424</u>	<u>1,467,820</u>	<u>1,467,820</u>	
General Fund	1,111,424	1,111,424	1,467,820	1,467,820	
Maintenance Grants	<u>67,347</u>	<u>78,066</u>	<u>0</u>	<u>0</u>	
Cash Funds	0	78,066	0	0	
Reappropriated Funds	67,347	0	0	0	
Start-up Costs	<u>117,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	117,000	0	0	0	
SUBTOTAL - (B) Maintenance Subprogram	25,050,887	26,236,458	24,659,765	23,541,082	(4.5%)
<i>FTE</i>	<u>314.2</u>	<u>305.2</u>	<u>299.5</u>	<u>282.8</u>	(5.6%)
General Fund	24,983,540	26,158,392	24,659,765	23,541,082	(4.5%)
Cash Funds	0	78,066	0	0	0.0%
Reappropriated Funds	67,347	0	0	0	0.0%

(C) Housing and Security Subprogram

Primary Function: Responsible for ongoing inmate supervision, including the implementation and management of security operations.

Personal Services	<u>158,329,809</u>	<u>155,825,747</u>	<u>160,416,969</u>	<u>154,820,607</u> *
FTE	3,122.0	3,049.0	3,031.9	2,923.5
General Fund	158,326,862	155,822,800	160,414,022	154,817,660
Cash Funds	2,947	2,947	2,947	2,947
Operating Expenses	<u>1,947,883</u>	<u>1,919,481</u>	<u>1,807,249</u>	<u>1,771,595</u>
General Fund	1,947,883	1,919,481	1,807,249	1,771,595

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
SUBTOTAL - (C) Housing and Security Subprogram	160,277,692	157,745,228	162,224,218	156,592,202	(3.5%)
<i>FTE</i>	<u>3,122.0</u>	<u>3,049.0</u>	<u>3,031.9</u>	<u>2,923.5</u>	<u>(3.6%)</u>
General Fund	160,274,745	157,742,281	162,221,271	156,589,255	(3.5%)
Cash Funds	2,947	2,947	2,947	2,947	0.0%

(D) Food Service Subprogram

Primary Function: Provide three meals daily to all inmates.

Personal Services	<u>15,130,075</u>	<u>14,879,281</u>	<u>14,875,986</u>	<u>14,596,420</u> *	
FTE	265.4	260.4	254.6	249.7	
General Fund	15,130,075	14,879,281	14,875,986	14,596,420	
Operating Expenses	<u>16,025,292</u>	<u>16,166,349</u>	<u>15,347,897</u>	<u>15,495,980</u>	
General Fund	15,880,464	15,904,534	15,267,897	15,415,980	
Federal Funds	144,828	261,815	80,000	80,000	
Purchase of Services	<u>831,367</u>	<u>841,775</u>	<u>1,228,011</u>	<u>1,228,011</u>	
General Fund	831,367	841,775	1,228,011	1,228,011	
SUBTOTAL - (D) Food Service Subprogram	31,986,734	31,887,405	31,451,894	31,320,411	(0.4%)
<i>FTE</i>	<u>265.4</u>	<u>260.4</u>	<u>254.6</u>	<u>249.7</u>	<u>(1.9%)</u>
General Fund	31,841,906	31,625,590	31,371,894	31,240,411	(0.4%)
Federal Funds	144,828	261,815	80,000	80,000	0.0%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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(E) Medical Services Subprogram

Primary Function: Provide acute and long-term health care services to all inmates, using both state employees and contracted health care providers.

Personal Services	<u>27,872,112</u>	<u>27,589,383</u>	<u>30,529,379</u>	<u>30,069,201</u>	*
FTE	364.3	370.6	402.3	397.7	
General Fund	27,715,291	27,433,760	30,304,182	29,844,004	
Cash Funds	156,821	155,623	225,197	225,197	
Operating Expenses	<u>2,699,418</u>	<u>2,673,259</u>	<u>2,581,364</u>	<u>2,565,376</u>	
General Fund	2,699,418	2,673,259	2,581,364	2,565,376	
Purchase of Pharmaceuticals	<u>10,421,518</u>	<u>11,173,485</u>	<u>11,930,318</u>	<u>10,890,660</u>	
General Fund	10,421,518	11,173,485	11,930,318	10,890,660	
Purchase of Medical Services from Other Medical Facilities	<u>20,435,719</u>	<u>20,378,663</u>	<u>19,690,825</u>	<u>18,277,555</u>	*
General Fund	20,435,719	20,378,663	19,690,825	18,277,555	
Catastrophic Medical Expenses	<u>11,992,258</u>	<u>9,594,144</u>	<u>9,859,744</u>	<u>10,067,395</u>	*
General Fund	11,992,258	9,594,144	9,859,744	10,067,395	
Service Contracts	<u>2,469,255</u>	<u>2,452,396</u>	<u>2,389,886</u>	<u>2,389,886</u>	
General Fund	2,469,255	2,452,396	2,389,886	2,389,886	
Indirect Cost Recoveries	<u>0</u>	<u>0</u>	<u>56,516</u>	<u>2,932</u>	
Cash Funds	0	0	56,516	2,932	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
SUBTOTAL - (E) Medical Services Subprogram	75,890,280	73,861,330	77,038,032	74,263,005	(3.6%)
<i>FTE</i>	<u>364.3</u>	<u>370.6</u>	<u>402.3</u>	<u>397.7</u>	<u>(1.1%)</u>
General Fund	75,733,459	73,705,707	76,756,319	74,034,876	(3.5%)
Cash Funds	156,821	155,623	281,713	228,129	(19.0%)

(F) Laundry Subprogram

Primary Function: Issue and maintains all clothing, bedding, jackets, and footwear for inmates.

Personal Services	<u>2,303,995</u>	<u>2,175,147</u>	<u>2,238,193</u>	<u>2,238,193</u>	
FTE	<u>36.8</u>	<u>37.1</u>	<u>36.1</u>	<u>36.1</u>	
General Fund	2,303,995	2,175,147	2,238,193	2,238,193	
Operating Expenses	<u>2,206,751</u>	<u>2,143,921</u>	<u>2,099,960</u>	<u>2,082,673</u>	
General Fund	2,206,751	2,143,921	2,099,960	2,082,673	
SUBTOTAL - (F) Laundry Subprogram	4,510,746	4,319,068	4,338,153	4,320,866	(0.4%)
<i>FTE</i>	<u>36.8</u>	<u>37.1</u>	<u>36.1</u>	<u>36.1</u>	<u>(0.0%)</u>
General Fund	4,510,746	4,319,068	4,338,153	4,320,866	(0.4%)

(G) Superintendents Subprogram

Primary Function: Develop facility policy, procedures, and practices that conform with applicable laws, consent decrees, court orders, legislative mandates, and executive orders.

Personal Services	<u>9,989,742</u>	<u>9,669,570</u>	<u>9,954,972</u>	<u>9,867,790</u>	
FTE	<u>166.5</u>	<u>160.7</u>	<u>152.9</u>	<u>150.9</u>	
General Fund	9,989,742	9,669,570	9,954,972	9,867,790	
Operating Expenses	<u>3,364,780</u>	<u>3,879,005</u>	<u>3,312,490</u>	<u>3,263,035</u>	
General Fund	3,364,780	3,879,005	3,312,490	3,263,035	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Dress-Out	<u>719,027</u>	<u>675,401</u>	<u>675,433</u>	<u>675,433</u>	
General Fund	719,027	675,401	675,433	675,433	
Start-up Costs	<u>580,470</u>	<u>0</u>	<u>0</u>	<u>39,585</u> *	
General Fund	580,470	0	0	39,585	
SUBTOTAL - (G) Superintendents Subprogram	14,654,019	14,223,976	13,942,895	13,845,843	(0.7%)
<i>FTE</i>	<u>166.5</u>	<u>160.7</u>	<u>152.9</u>	<u>150.9</u>	<u>(1.3%)</u>
General Fund	14,654,019	14,223,976	13,942,895	13,845,843	(0.7%)

Formerly (H) Boot Camp Subprogram

Primary Function: Operate a 90-day minimum security military discipline training program with 100 beds.

Personal Services	<u>143,696</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	143,696	0	0	0	
Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
SUBTOTAL - Formerly (H) Boot Camp Subprogram	143,696	0	0	0	0.0%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	143,696	0	0	0	0.0%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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(H) Youthful Offender System Subprogram

Primary Function: Target offenders aged 14 to 18 years at the time of offense who have committed violent class 2 to 6 felonies. All sentences are determinate of 2-7 years.

Personal Services	<u>9,825,657</u>	<u>9,730,405</u>	<u>9,941,970</u>	<u>9,941,970</u>	
FTE	161.8	164.0	162.7	162.7	
General Fund	9,825,657	9,730,405	9,941,970	9,941,970	
Operating Expenses	<u>333,350</u>	<u>469,025</u>	<u>604,705</u>	<u>604,705</u>	
General Fund	333,350	469,025	604,705	604,705	
Contract Services	<u>28,800</u>	<u>28,800</u>	<u>28,820</u>	<u>28,820</u>	
General Fund	28,800	28,800	28,820	28,820	
Purchase of Services	<u>624,451</u>	<u>620,381</u>	<u>624,589</u>	<u>624,589</u>	
General Fund	624,451	620,381	624,589	624,589	

SUBTOTAL - (H) Youthful Offender System					
Subprogram	10,812,258	10,848,611	11,200,084	11,200,084	0.0%
FTE	<u>161.8</u>	<u>164.0</u>	<u>162.7</u>	<u>162.7</u>	<u>0.0%</u>
General Fund	10,812,258	10,848,611	11,200,084	11,200,084	0.0%

(I) Case Management Subprogram

Primary Function: Responsible for case analysis, classification reviews, performance assessment, earned time evaluations, sentence computation, and parole preparations.

Personal Services	<u>15,448,653</u>	<u>15,161,791</u>	<u>15,158,111</u>	<u>14,867,665</u>	
FTE	223.1	225.1	212.2	208.7	
General Fund	15,448,653	15,161,791	15,158,111	14,867,665	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Operating Expenses	<u>160,578</u>	<u>158,802</u>	<u>159,018</u>	<u>156,009</u>	
General Fund	160,578	158,802	159,018	156,009	
SUBTOTAL - (I) Case Management Subprogram	15,609,231	15,320,593	15,317,129	15,023,674	(1.9%)
<i>FTE</i>	<u>223.1</u>	<u>225.1</u>	<u>212.2</u>	<u>208.7</u>	(1.6%)
General Fund	15,609,231	15,320,593	15,317,129	15,023,674	(1.9%)

(J) Mental Health Subprogram

Primary Function: Provide a full range of professional psychiatric, psychological, social work and other mental health services to inmates.

Personal Services	<u>8,544,023</u>	<u>9,008,819</u>	<u>10,595,870</u>	<u>10,248,410</u>	
FTE	96.1	111.0	130.8	127.1	
General Fund	8,544,023	9,008,819	10,595,870	10,248,410	
Operating Expenses	<u>266,162</u>	<u>268,507</u>	<u>259,477</u>	<u>257,853</u>	
General Fund	266,162	268,507	259,477	257,853	
Medical Contract Services	<u>560,790</u>	<u>616,894</u>	<u>1,034,762</u>	<u>3,883,548</u>	
General Fund	560,790	616,894	1,034,762	3,883,548	
Mental Health Grants	<u>251,294</u>	<u>0</u>	<u>64,799</u>	<u>64,799</u>	
Reappropriated Funds	251,294	0	64,799	64,799	
SUBTOTAL - (J) Mental Health Subprogram	9,622,269	9,894,220	11,954,908	14,454,610	20.9%
<i>FTE</i>	<u>96.1</u>	<u>111.0</u>	<u>130.8</u>	<u>127.1</u>	(2.8%)
General Fund	9,370,975	9,894,220	11,890,109	14,389,811	21.0%
Reappropriated Funds	251,294	0	64,799	64,799	0.0%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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(K) Inmate Pay Subprogram

Primary Function: Provide pay between \$0.23 and \$0.60 per day to inmates for labor positions such as janitorial services, facility maintenance, food services, laundry, grounds keeping, etc.

Inmate Pay	<u>1,527,421</u>	<u>1,533,490</u>	<u>1,470,396</u>	<u>1,462,111</u>
General Fund	1,527,421	1,533,490	1,470,396	1,462,111

SUBTOTAL - (K) Inmate Pay Subprogram	1,527,421	1,533,490	1,470,396	1,462,111	(0.6%)
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	1,527,421	1,533,490	1,470,396	1,462,111	(0.6%)

Formerly (L) San Carlos Subprogram

Primary Function: Operate a 250-bed specialized facility designed to provide mental health treatment services to high needs mentally ill inmates.

Personal Services	<u>12,352,827</u>	<u>12,231,845</u>	<u>0</u>	<u>0</u>
FTE	175.2	185.2	0.0	0.0
General Fund	12,352,827	12,231,845	0	0
Operating Expenses	<u>199,092</u>	<u>199,091</u>	<u>0</u>	<u>0</u>
General Fund	199,092	199,091	0	0
Service Contracts	<u>725,306</u>	<u>725,309</u>	<u>0</u>	<u>0</u>
General Fund	725,306	725,309	0	0

SUBTOTAL - Formerly (L) San Carlos Subprogram	13,277,225	13,156,245	0	0	0.0%
FTE	<u>175.2</u>	<u>185.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	13,277,225	13,156,245	0	0	0.0%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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(L) Legal Access Subprogram

Primary Function: Provide inmates with resources to research and file claims with the courts.

Personal Services	<u>1,359,467</u>	<u>1,237,411</u>	<u>1,321,783</u>	<u>1,321,783</u>	
FTE	23.0	22.6	21.5	21.5	
General Fund	1,359,467	1,237,411	1,321,783	1,321,783	
Operating Expenses	<u>284,622</u>	<u>284,621</u>	<u>299,602</u>	<u>299,602</u>	
General Fund	284,622	284,621	299,602	299,602	
Contract Services	<u>70,905</u>	<u>70,905</u>	<u>70,905</u>	<u>70,905</u>	
General Fund	70,905	70,905	70,905	70,905	
SUBTOTAL - (L) Legal Access Subprogram	1,714,994	1,592,937	1,692,290	1,692,290	0.0%
FTE	<u>23.0</u>	<u>22.6</u>	<u>21.5</u>	<u>21.5</u>	0.0%
General Fund	1,714,994	1,592,937	1,692,290	1,692,290	0.0%
TOTAL - (2) Institutions	384,978,844	381,376,601	375,615,746	367,950,854	(2.0%)
FTE	<u>4,950.8</u>	<u>4,893.6</u>	<u>4,707.1</u>	<u>4,563.3</u>	(3.1%)
General Fund	383,442,281	379,892,967	374,135,453	366,524,145	(2.0%)
Cash Funds	1,073,094	1,221,819	1,335,494	1,281,910	(4.0%)
Reappropriated Funds	318,641	0	64,799	64,799	0.0%
Federal Funds	144,828	261,815	80,000	80,000	0.0%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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(3) SUPPORT SERVICES

Primary Functions: Contains the costs associated with the Department's support programs, including business operations, personnel, offender services, transportation, training, information services, and facility services.

(A) Business Operations Subprogram

Primary Function: Provide all fiscal management and budgeting services for the Department.

Personal Services	<u>6,151,292</u>	<u>5,905,186</u>	<u>5,999,470</u>	<u>5,919,769</u> *
FTE	106.9	104.7	91.8	89.6
General Fund	5,734,158	5,472,761	5,577,541	5,416,012
Cash Funds	417,134	432,425	413,990	36,835
Reappropriated Funds	0	0	7,939	466,922
Operating Expenses	<u>224,245</u>	<u>223,629</u>	<u>234,201</u>	<u>234,201</u>
General Fund	224,245	223,629	234,201	234,201

SUBTOTAL - (A) Business Operations Subprogram	6,375,537	6,128,815	6,233,671	6,153,970	(1.3%)
FTE	<u>106.9</u>	<u>104.7</u>	<u>91.8</u>	<u>89.6</u>	<u>(2.4%)</u>
General Fund	5,958,403	5,696,390	5,811,742	5,650,213	(2.8%)
Cash Funds	417,134	432,425	413,990	36,835	(91.1%)
Reappropriated Funds	0	0	7,939	466,922	5781.4%

(B) Personnel Subprogram

Primary Function: Provide services, including recruitment, examination, position classification, personnel records, affirmative action, appeals, grievance, benefits administration, etc.

Personal Services	<u>1,221,028</u>	<u>1,220,013</u>	<u>1,241,634</u>	<u>1,193,823</u> *
FTE	21.6	20.9	17.0	16.1
General Fund	1,221,028	1,220,013	1,241,634	1,193,823

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Operating Expenses	<u>89,259</u>	<u>82,258</u>	<u>86,931</u>	<u>86,931</u>	
General Fund	89,259	82,258	86,931	86,931	
Start-up Costs	<u>4,795</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	4,795	0	0	0	
SUBTOTAL - (B) Personnel Subprogram	1,315,082	1,302,271	1,328,565	1,280,754	(3.6%)
FTE	<u>21.6</u>	<u>20.9</u>	<u>17.0</u>	<u>16.1</u>	<u>(5.3%)</u>
General Fund	1,315,082	1,302,271	1,328,565	1,280,754	(3.6%)

(C) Offender Services Subprogram

Primary Function: Provide offender population management, offender classification, offender case management, sentence computation, release operations, jail backlog monitoring, etc.

Personal Services	<u>2,894,246</u>	<u>2,839,943</u>	<u>3,049,442</u>	<u>2,956,777</u> *	
FTE	42.8	45.5	46.1	44.3	
General Fund	2,894,246	2,839,943	3,049,442	2,956,777	
Operating Expenses	<u>55,332</u>	<u>55,331</u>	<u>71,450</u>	<u>62,044</u>	
General Fund	55,332	55,331	71,450	62,044	
SUBTOTAL - (C) Offender Services Subprogram	2,949,578	2,895,274	3,120,892	3,018,821	(3.3%)
FTE	<u>42.8</u>	<u>45.5</u>	<u>46.1</u>	<u>44.3</u>	<u>(3.9%)</u>
General Fund	2,949,578	2,895,274	3,120,892	3,018,821	(3.3%)

(D) Communications Subprogram

Primary Function: Manage staff voice communication, radio systems and equipment, cellular telephones, pagers, and video conferences.

Operating Expenses	<u>1,538,605</u>	<u>1,477,045</u>	<u>1,511,325</u>	<u>1,520,415</u> *	
General Fund	1,538,605	1,477,045	1,511,325	1,520,415	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Multiuse Network Payments	<u>2,338,576</u>	<u>2,303,077</u>	<u>3,063,333</u>	<u>2,856,531</u>	
General Fund	2,268,419	2,233,566	2,970,876	2,770,315	
Cash Funds	70,157	69,511	92,457	86,216	
Dispatch Services	<u>108,781</u>	<u>190,218</u>	<u>200,000</u>	<u>200,000</u>	
General Fund	108,781	190,218	200,000	200,000	
Communication Services Payments	<u>1,624,537</u>	<u>1,736,517</u>	<u>1,773,504</u>	<u>1,840,800</u>	
General Fund	1,624,537	1,736,517	1,773,504	1,840,800	
SUBTOTAL - (D) Communications Subprogram	5,610,499	5,706,857	6,548,162	6,417,746	(2.0%)
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	5,540,342	5,637,346	6,455,705	6,331,530	(1.9%)
Cash Funds	70,157	69,511	92,457	86,216	(6.8%)

(E) Transportation Subprogram

Primary Function: Manage the Department's vehicle fleet as well as the Central Transportation Unit.

Personal Services	<u>1,914,558</u>	<u>1,889,647</u>	<u>1,912,572</u>	<u>1,912,572</u>	
FTE	35.3	36.6	35.9	35.9	
General Fund	1,914,558	1,889,647	1,912,572	1,912,572	
Operating Expenses	<u>277,550</u>	<u>269,887</u>	<u>284,794</u>	<u>284,794</u>	
General Fund	277,550	269,887	284,794	284,794	
Vehicle Lease Payments	<u>2,649,554</u>	<u>2,525,878</u>	<u>2,766,619</u>	<u>2,808,979</u> *	
General Fund	2,389,884	2,289,725	2,382,278	2,424,638	
Cash Funds	259,670	236,153	384,341	384,341	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
SUBTOTAL - (E) Transportation Subprogram	4,841,662	4,685,412	4,963,985	5,006,345	0.9%
<i>FTE</i>	<u>35.3</u>	<u>36.6</u>	<u>35.9</u>	<u>35.9</u>	<u>0.0%</u>
General Fund	4,581,992	4,449,259	4,579,644	4,622,004	0.9%
Cash Funds	259,670	236,153	384,341	384,341	0.0%

(F) Training Subprogram

Primary Function: Provide basic, extended, in-service and advanced training to DOC employees.

Personal Services	<u>1,969,325</u>	<u>1,869,327</u>	<u>1,855,682</u>	<u>1,855,682</u>	
<i>FTE</i>	<u>27.6</u>	<u>25.9</u>	<u>25.0</u>	<u>25.0</u>	
General Fund	1,969,325	1,869,327	1,855,682	1,855,682	
Operating Expenses	<u>270,432</u>	<u>267,049</u>	<u>276,430</u>	<u>275,369</u> *	
General Fund	270,432	267,049	276,430	275,369	
SUBTOTAL - (F) Training Subprogram	2,239,757	2,136,376	2,132,112	2,131,051	(0.0%)
<i>FTE</i>	<u>27.6</u>	<u>25.9</u>	<u>25.0</u>	<u>25.0</u>	<u>0.0%</u>
General Fund	2,239,757	2,136,376	2,132,112	2,131,051	(0.0%)

(G) Information Systems Subprogram

Primary Function: Responsible for the development and maintenance of automated information systems within the DOC.

Operating Expenses	<u>1,565,322</u>	<u>1,537,962</u>	<u>1,699,322</u>	<u>1,602,722</u> *	
General Fund	1,565,322	1,537,962	1,699,322	1,602,722	
Purchase of Services from Computer Center	<u>4,596,322</u>	<u>5,516,687</u>	<u>5,750,200</u>	<u>7,869,169</u> *	
General Fund	4,596,322	5,516,687	5,750,200	7,869,169	
Management and Administration of OIT	<u>434,410</u>	<u>439,320</u>	<u>437,228</u>	<u>193,227</u>	
General Fund	434,410	439,320	437,228	193,227	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
COFRS Modernization	<u>0</u>	<u>0</u>	<u>545,055</u>	<u>545,055</u>	
General Fund	0	0	480,395	480,395	
Cash Funds	0	0	30,736	30,736	
Reappropriated Funds	0	0	33,379	33,379	
Federal Funds	0	0	545	545	
Start-up Costs	<u>27,928</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	27,928	0	0	0	
SUBTOTAL - (G) Information Systems Subprogram	6,623,982	7,493,969	8,431,805	10,210,173	21.1%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	6,623,982	7,493,969	8,367,145	10,145,513	21.3%
Cash Funds	0	0	30,736	30,736	0.0%
Reappropriated Funds	0	0	33,379	33,379	0.0%
Federal Funds	0	0	545	545	0.0%

(H) Facility Services Subprogram

Primary Function: Duties include contractor/design team selection, design review, contract administration, and fiscal management of the DOC's capital construction projects.

Personal Services	<u>963,340</u>	<u>942,135</u>	<u>956,936</u>	<u>909,126</u> *	
FTE	10.5	11.3	9.4	8.5	
General Fund	963,340	942,135	956,936	909,126	
Operating Expenses	<u>78,941</u>	<u>78,939</u>	<u>83,096</u>	<u>83,096</u>	
General Fund	78,941	78,939	83,096	83,096	
SUBTOTAL - (H) Facility Services Subprogram	1,042,281	1,021,074	1,040,032	992,222	(4.6%)
<i>FTE</i>	<u>10.5</u>	<u>11.3</u>	<u>9.4</u>	<u>8.5</u>	<u>(9.6%)</u>
General Fund	1,042,281	1,021,074	1,040,032	992,222	(4.6%)

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
TOTAL - (3) Support Services	30,998,378	31,370,048	33,799,224	35,211,082	4.2%
<i>FTE</i>	<u>244.7</u>	<u>244.9</u>	<u>225.2</u>	<u>219.4</u>	<u>(2.6%)</u>
General Fund	30,251,417	30,631,959	32,835,837	34,172,108	4.1%
Cash Funds	746,961	738,089	921,524	538,128	(41.6%)
Reappropriated Funds	0	0	41,318	500,301	1110.9%
Federal Funds	0	0	545	545	0.0%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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(4) INMATE PROGRAMS

Primary Function: Includes the Department's educational, vocational, recreational, and labor programs for offenders, as well as Sex Offender Treatment and Drug and Alcohol Treatment.

(A) Labor Subprogram

Primary Function: Supervise inmate work assignments involving physical labor to assist the DOC and outside agencies with reclamation, landscaping, construction, etc.

Personal Services	<u>5,341,465</u>	<u>5,280,223</u>	<u>5,286,167</u>	<u>5,286,167</u>
FTE	89.4	89.4	88.7	88.7
General Fund	5,341,465	5,280,223	5,286,167	5,286,167
Operating Expenses	<u>91,420</u>	<u>90,295</u>	<u>85,764</u>	<u>84,379</u>
General Fund	91,420	90,295	85,764	84,379

SUBTOTAL - (A) Labor Subprogram	5,432,885	5,370,518	5,371,931	5,370,546	(0.0%)
FTE	<u>89.4</u>	<u>89.4</u>	<u>88.7</u>	<u>88.7</u>	<u>(0.0%)</u>
General Fund	5,432,885	5,370,518	5,371,931	5,370,546	(0.0%)

(B) Education Subprogram

Primary Function: Assist inmates in improving basic skills such as English, reading, writing, spelling, and math.

Personal Services	<u>14,592,214</u>	<u>11,664,098</u>	<u>11,434,266</u>	<u>11,245,999</u>
FTE	225.4	203.2	172.4	168.9
General Fund	10,390,502	10,749,837	10,520,005	10,331,738
Cash Funds	4,201,712	914,261	914,261	914,261

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Operating Expenses	<u>1,353,025</u>	<u>930,367</u>	<u>2,638,198</u>	<u>2,633,088</u>	
General Fund	0	0	193,900	193,900	
Cash Funds	963,882	763,357	1,833,283	1,828,173	
Reappropriated Funds	389,143	167,010	611,015	611,015	
Contract Services	<u>71,704</u>	<u>73,165</u>	<u>73,276</u>	<u>73,276</u>	
General Fund	71,704	73,165	73,276	73,276	
Education Grants	<u>633,469</u>	<u>939,102</u>	<u>113,894</u>	<u>113,894</u>	
FTE	0.0	0.0	2.0	2.0	
Cash Funds	59	100	10,000	10,000	
Reappropriated Funds	202,446	207,983	76,244	76,244	
Federal Funds	430,964	731,019	27,650	27,650	
Indirect Cost Recoveries	<u>0</u>	<u>0</u>	<u>5,476</u>	<u>115</u>	
Federal Funds	0	0	5,476	115	
SUBTOTAL - (B) Education Subprogram	16,650,412	13,606,732	14,265,110	14,066,372	(1.4%)
<i>FTE</i>	<u>225.4</u>	<u>203.2</u>	<u>174.4</u>	<u>170.9</u>	(2.0%)
General Fund	10,462,206	10,823,002	10,787,181	10,598,914	(1.7%)
Cash Funds	5,165,653	1,677,718	2,757,544	2,752,434	(0.2%)
Reappropriated Funds	591,589	374,993	687,259	687,259	0.0%
Federal Funds	430,964	731,019	33,126	27,765	(16.2%)

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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(C) Recreation Subprogram

Primary Function: Provide standardized, staff supervised recreational programs to inmates.

Personal Services	<u>6,274,379</u>	<u>6,127,995</u>	<u>6,394,753</u>	<u>6,394,753</u>	
FTE	118.3	118.9	115.8	115.8	
General Fund	6,274,379	6,127,995	6,394,753	6,394,753	
Operating Expenses	<u>73,132</u>	<u>74,031</u>	<u>69,276</u>	<u>68,581</u>	
Cash Funds	73,132	74,031	69,276	68,581	

SUBTOTAL - (C) Recreation Subprogram	6,347,511	6,202,026	6,464,029	6,463,334	(0.0%)
FTE	<u>118.3</u>	<u>118.9</u>	<u>115.8</u>	<u>115.8</u>	<u>0.0%</u>
General Fund	6,274,379	6,127,995	6,394,753	6,394,753	0.0%
Cash Funds	73,132	74,031	69,276	68,581	(1.0%)

(D) Drug and Alcohol Treatment Subprogram

Primary Function: Provide drug and alcohol treatment services to inmates.

Personal Services	<u>3,421,132</u>	<u>3,911,131</u>	<u>4,986,150</u>	<u>4,986,150</u>	
FTE	60.9	64.4	64.8	64.8	
General Fund	3,421,132	3,911,131	4,986,150	4,986,150	
Operating Expenses	<u>117,580</u>	<u>117,316</u>	<u>110,932</u>	<u>110,932</u>	
General Fund	117,580	117,316	110,932	110,932	
Drug Offender Surcharge Program	<u>845,858</u>	<u>845,858</u>	<u>995,127</u>	<u>995,127</u>	
Cash Funds	845,858	845,858	0	0	
Reappropriated Funds	0	0	995,127	995,127	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Contract Services	<u>2,322,581</u>	<u>2,253,457</u>	<u>2,189,042</u>	<u>2,279,727</u> *	
General Fund	2,110,081	2,040,957	1,939,042	2,029,727	
Cash Funds	212,500	212,500	0	0	
Reappropriated Funds	0	0	250,000	250,000	
Treatment Grants	<u>211,652</u>	<u>177,732</u>	<u>126,682</u>	<u>126,682</u>	
Reappropriated Funds	169,173	177,732	126,682	126,682	
Federal Funds	42,479	0	0	0	
SUBTOTAL - (D) Drug and Alcohol Treatment					
Subprogram	6,918,803	7,305,494	8,407,933	8,498,618	1.1%
<i>FTE</i>	<u>60.9</u>	<u>64.4</u>	<u>64.8</u>	<u>64.8</u>	0.0%
General Fund	5,648,793	6,069,404	7,036,124	7,126,809	1.3%
Cash Funds	1,058,358	1,058,358	0	0	0.0%
Reappropriated Funds	169,173	177,732	1,371,809	1,371,809	0.0%
Federal Funds	42,479	0	0	0	0.0%

(E) Sex Offender Treatment Subprogram

Primary Function: Provide treatment to sex offenders who are motivated to eliminate such behavior.

Personal Services	<u>2,700,462</u>	<u>2,680,993</u>	<u>2,784,830</u>	<u>4,394,343</u> *
FTE	39.8	38.1	40.8	40.8
General Fund	2,672,206	2,657,459	2,756,451	4,365,964
Cash Funds	28,256	23,534	28,379	28,379
Operating Expenses	<u>84,776</u>	<u>84,776</u>	<u>84,776</u>	<u>529,776</u> *
General Fund	84,276	84,276	84,276	529,276
Cash Funds	500	500	500	500

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Polygraph Testing	<u>99,500</u>	<u>99,569</u>	<u>99,569</u>	<u>99,569</u>	
General Fund	99,500	99,569	99,569	99,569	
Sex Offender Treatment Grants	<u>171,330</u>	<u>0</u>	<u>65,597</u>	<u>65,597</u>	
Federal Funds	171,330	0	65,597	65,597	

SUBTOTAL - (E) Sex Offender Treatment					
Subprogram	3,056,068	2,865,338	3,034,772	5,089,285	67.7%
<i>FTE</i>	<u>39.8</u>	<u>38.1</u>	<u>40.8</u>	<u>40.8</u>	<u>0.0%</u>
General Fund	2,855,982	2,841,304	2,940,296	4,994,809	69.9%
Cash Funds	28,756	24,034	28,879	28,879	0.0%
Federal Funds	171,330	0	65,597	65,597	0.0%

(F) Volunteers Subprogram

Primary Function: Manage volunteer programs including volunteer chaplain services to inmates.

Personal Services	<u>501,308</u>	<u>547,280</u>	<u>555,345</u>	<u>555,345</u>	
<i>FTE</i>	<u>7.0</u>	<u>7.9</u>	<u>7.4</u>	<u>7.4</u>	
Cash Funds	501,308	547,280	555,345	555,345	
Operating Expenses	<u>16,577</u>	<u>17,742</u>	<u>17,912</u>	<u>17,912</u>	
Cash Funds	16,577	17,742	17,912	17,912	
SUBTOTAL - (F) Volunteers Subprogram	517,885	565,022	573,257	573,257	0.0%
<i>FTE</i>	<u>7.0</u>	<u>7.9</u>	<u>7.4</u>	<u>7.4</u>	<u>0.0%</u>
Cash Funds	517,885	565,022	573,257	573,257	0.0%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
TOTAL - (4) Inmate Programs	38,923,564	35,915,130	38,117,032	40,061,412	5.1%
<i>FTE</i>	<u>540.8</u>	<u>521.9</u>	<u>491.9</u>	<u>488.4</u>	<u>(0.7%)</u>
General Fund	30,674,245	31,232,223	32,530,285	34,485,831	6.0%
Cash Funds	6,843,784	3,399,163	3,428,956	3,423,151	(0.2%)
Reappropriated Funds	760,762	552,725	2,059,068	2,059,068	0.0%
Federal Funds	644,773	731,019	98,723	93,362	(5.4%)

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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(5) COMMUNITY SERVICES

Primary Function: Monitors and supervises offenders who are on parole, in community corrections facilities prior to parole, living in private residences under intensive supervision prior to parole, and in Youthful Offender System aftercare.

(A) Parole Subprogram

Primary Function: Supervise offenders who have been placed on parole by the Parole Board.

Personal Services	<u>10,163,591</u>	<u>10,100,005</u>	<u>9,645,476</u>	<u>10,280,317</u>	*
FTE	165.8	159.2	147.5	162.4	
General Fund	10,163,591	10,100,005	9,645,476	10,280,317	
Operating Expenses	<u>1,087,337</u>	<u>1,114,582</u>	<u>1,035,530</u>	<u>1,093,891</u>	*
General Fund	1,087,337	1,114,582	1,035,530	1,093,891	
Administrative Law Judge Services	<u>4,461</u>	<u>4,449</u>	<u>4,604</u>	<u>2,752</u>	
General Fund	4,461	4,449	4,604	2,752	
Contract Services	<u>1,631,373</u>	<u>3,204,429</u>	<u>3,462,652</u>	<u>3,558,362</u>	*
General Fund	1,621,440	1,658,382	1,680,552	1,776,262	
Reappropriated Funds	9,933	1,546,047	1,782,100	1,782,100	
Wrap-Around Services Program	<u>1,108,764</u>	<u>1,199,728</u>	<u>1,207,225</u>	<u>1,207,225</u>	
General Fund	1,108,764	1,199,728	1,207,225	1,207,225	
Start-up Costs	<u>116,294</u>	<u>0</u>	<u>0</u>	<u>43,478</u>	*
General Fund	116,294	0	0	43,478	
SUBTOTAL - (A) Parole Subprogram	14,111,820	15,623,193	15,355,487	16,186,025	5.4%
FTE	<u>165.8</u>	<u>159.2</u>	<u>147.5</u>	<u>162.4</u>	<u>10.1%</u>
General Fund	14,101,887	14,077,146	13,573,387	14,403,925	6.1%
Reappropriated Funds	9,933	1,546,047	1,782,100	1,782,100	0.0%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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(B) Parole Intensive Supervision Subprogram

Primary Function: Manage high-risk offenders who are placed on parole by the Parole Board.

Personal Services	<u>4,784,519</u>	<u>4,647,197</u>	<u>4,454,126</u>	<u>4,828,043</u>	*
FTE	87.1	86.4	67.4	76.2	
General Fund	4,784,519	4,647,197	4,454,126	4,828,043	
Operating Expenses	<u>476,428</u>	<u>466,729</u>	<u>438,516</u>	<u>468,988</u>	*
General Fund	476,428	466,729	438,516	468,988	
Contract Services	<u>1,598,972</u>	<u>1,520,680</u>	<u>1,436,592</u>	<u>1,612,791</u>	*
General Fund	1,598,972	1,520,680	1,436,592	1,612,791	
Non-residential Services	<u>1,188,017</u>	<u>1,156,580</u>	<u>1,070,937</u>	<u>1,206,762</u>	*
General Fund	1,188,017	1,156,580	1,070,937	1,206,762	
Home Detention	<u>59,927</u>	<u>69,382</u>	<u>69,383</u>	<u>69,383</u>	
General Fund	59,927	69,382	69,383	69,383	
Start-up Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,729</u>	*
General Fund	0	0	0	23,729	

SUBTOTAL - (B) Parole Intensive Supervision					
Subprogram	8,107,863	7,860,568	7,469,554	8,209,696	9.9%
FTE	<u>87.1</u>	<u>86.4</u>	<u>67.4</u>	<u>76.2</u>	<u>13.1%</u>
General Fund	8,107,863	7,860,568	7,469,554	8,209,696	9.9%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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(C) Community Intensive Supervision Subprogram

Primary Function: Monitor and supervises offenders in who are in non-residential, transition community corrections programs.

Personal Services	<u>3,185,694</u>	<u>3,146,344</u>	<u>3,190,868</u>	<u>3,002,440</u>	*
FTE	48.0	43.4	45.6	41.5	
General Fund	3,185,694	3,146,344	3,190,868	3,002,440	
Operating Expenses	<u>515,731</u>	<u>515,110</u>	<u>517,792</u>	<u>502,071</u>	*
General Fund	515,731	515,110	517,792	502,071	
Contract Services	<u>3,169,618</u>	<u>3,103,365</u>	<u>3,174,885</u>	<u>2,856,512</u>	*
General Fund	3,169,618	3,103,365	3,174,885	2,856,512	

SUBTOTAL - (C) Community Intensive Supervision Subprogram	6,871,043	6,764,819	6,883,545	6,361,023	(7.6%)
FTE	<u>48.0</u>	<u>43.4</u>	<u>45.6</u>	<u>41.5</u>	<u>(9.0%)</u>
General Fund	6,871,043	6,764,819	6,883,545	6,361,023	(7.6%)

(D) Community Supervision Subprogram

(1) Community Supervision

Primary Function: Supervise transition offenders who are placed in residential community corrections facilities.

Personal Services	<u>2,887,164</u>	<u>2,770,846</u>	<u>2,804,381</u>	<u>2,676,439</u>	*
FTE	41.4	43.2	35.5	32.5	
General Fund	2,887,164	2,770,846	2,804,381	2,676,439	
Operating Expenses	<u>151,099</u>	<u>138,363</u>	<u>139,269</u>	<u>130,579</u>	*
General Fund	151,099	138,363	139,269	130,579	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Community Mental Health Services	<u>525,245</u>	<u>449,185</u>	<u>596,897</u>	<u>610,356</u>	*
General Fund	525,245	449,185	416,897	430,356	
Reappropriated Funds	0	0	180,000	180,000	
Psychotropic Medication	<u>177,947</u>	<u>131,760</u>	<u>131,400</u>	<u>131,400</u>	
General Fund	177,947	131,760	131,400	131,400	
Contract Services for High Risk Offenders	<u>280,355</u>	<u>243,000</u>	<u>243,162</u>	<u>221,200</u>	*
General Fund	280,355	243,000	243,162	221,200	
Contract Services for Fugitive Returns	<u>70,027</u>	<u>67,133</u>	<u>74,524</u>	<u>74,524</u>	
General Fund	42,049	42,049	42,049	42,049	
Reappropriated Funds	27,978	25,084	32,475	32,475	
SUBTOTAL - (1) Community Supervision	4,091,837	3,800,287	3,989,633	3,844,498	(3.6%)
<i>FTE</i>	<u>41.4</u>	<u>43.2</u>	<u>35.5</u>	<u>32.5</u>	<u>(8.5%)</u>
General Fund	4,063,859	3,775,203	3,777,158	3,632,023	(3.8%)
Reappropriated Funds	27,978	25,084	212,475	212,475	0.0%

(2) Youthful Offender System Aftercare

Primary Function: Assist YOS offenders as they return to their communities after confinement in YOS.

Personal Services	<u>626,918</u>	<u>624,162</u>	<u>636,789</u>	<u>636,789</u>
FTE	7.6	6.3	8.0	8.0
General Fund	626,918	624,162	636,789	636,789
Operating Expenses	<u>140,362</u>	<u>140,362</u>	<u>141,067</u>	<u>141,067</u>
General Fund	140,362	140,362	141,067	141,067

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Contract Services	<u>1,060,770</u>	<u>985,675</u>	<u>1,062,396</u>	<u>1,062,396</u>	
General Fund	1,060,770	985,675	1,062,396	1,062,396	
SUBTOTAL - (2) Youthful Offender System					
Aftercare	1,828,050	1,750,199	1,840,252	1,840,252	0.0%
<i>FTE</i>	<u>7.6</u>	<u>6.3</u>	<u>8.0</u>	<u>8.0</u>	<u>0.0%</u>
General Fund	1,828,050	1,750,199	1,840,252	1,840,252	0.0%
SUBTOTAL - (D) Community Supervision					
Subprogram	5,919,887	5,550,486	5,829,885	5,684,750	(2.5%)
<i>FTE</i>	<u>49.0</u>	<u>49.5</u>	<u>43.5</u>	<u>40.5</u>	<u>(6.9%)</u>
General Fund	5,891,909	5,525,402	5,617,410	5,472,275	(2.6%)
Reappropriated Funds	27,978	25,084	212,475	212,475	0.0%

(E) Community Re-entry Subprogram

Primary Function: Provide emergency assistance to inmates who require temporary shelter, work clothes, bus tokens, small work tools, or other short-term emergency assistance upon release from custody.

Personal Services	<u>1,959,152</u>	<u>1,950,503</u>	<u>1,974,663</u>	<u>1,974,663</u>
FTE	35.7	33.1	35.6	35.6
General Fund	1,959,152	1,950,503	1,974,663	1,974,663
Operating Expenses	<u>122,586</u>	<u>122,585</u>	<u>123,202</u>	<u>123,202</u>
General Fund	122,586	122,585	123,202	123,202
Offender Emergency Assistance	<u>96,768</u>	<u>96,569</u>	<u>96,768</u>	<u>96,768</u>
General Fund	96,768	96,569	96,768	96,768

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Contract Services	<u>172,282</u>	<u>178,875</u>	<u>190,000</u>	<u>190,000</u>	
General Fund	172,282	178,875	190,000	190,000	
Offender Re-employment Center	<u>364,000</u>	<u>363,999</u>	<u>374,000</u>	<u>374,000</u>	
General Fund	364,000	363,999	364,000	364,000	
Cash Funds	0	0	10,000	10,000	
Community Reintegration Grants	<u>23,176</u>	<u>72,072</u>	<u>48,779</u>	<u>48,779</u>	
FTE	0.0	0.0	1.0	1.0	
Cash Funds	749	0	0	0	
Reappropriated Funds	2,250	72,072	9,681	9,681	
Federal Funds	20,177	0	39,098	39,098	
SUBTOTAL - (E) Community Re-entry Subprogram	2,737,964	2,784,603	2,807,412	2,807,412	0.0%
<i>FTE</i>	<u>35.7</u>	<u>33.1</u>	<u>36.6</u>	<u>36.6</u>	<u>0.0%</u>
General Fund	2,714,788	2,712,531	2,748,633	2,748,633	0.0%
Cash Funds	749	0	10,000	10,000	0.0%
Reappropriated Funds	2,250	72,072	9,681	9,681	0.0%
Federal Funds	20,177	0	39,098	39,098	0.0%
TOTAL - (5) Community Services	37,748,577	38,583,669	38,345,883	39,248,906	2.4%
<i>FTE</i>	<u>385.6</u>	<u>371.6</u>	<u>340.6</u>	<u>357.2</u>	<u>4.9%</u>
General Fund	37,687,490	36,940,466	36,292,529	37,195,552	2.5%
Cash Funds	749	0	10,000	10,000	0.0%
Reappropriated Funds	40,161	1,643,203	2,004,256	2,004,256	0.0%
Federal Funds	20,177	0	39,098	39,098	0.0%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
(6) PAROLE BOARD					
Primary Function: Conduct all parole hearings and parole revocation hearings statewide.					
Personal Services	<u>1,174,391</u>	<u>1,164,840</u>	<u>1,197,526</u>	<u>1,197,526</u>	
FTE	16.8	12.8	12.5	12.5	
General Fund	1,174,391	1,164,840	1,197,526	1,197,526	
Operating Expenses	<u>101,545</u>	<u>99,543</u>	<u>104,890</u>	<u>104,890</u>	
General Fund	101,545	99,543	104,890	104,890	
Contract Services	<u>70,071</u>	<u>259,175</u>	<u>288,437</u>	<u>272,437</u>	
General Fund	70,071	259,175	288,437	272,437	
TOTAL - (6) Parole Board	1,346,007	1,523,558	1,590,853	1,574,853	(1.0%)
FTE	<u>16.8</u>	<u>12.8</u>	<u>12.5</u>	<u>12.5</u>	0.0%
General Fund	1,346,007	1,523,558	1,590,853	1,574,853	(1.0%)

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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(7) CORRECTIONAL INDUSTRIES

Primary Function: Employ inmates in profit-oriented industries, usually within DOC facilities.

Personal Services	<u>9,204,427</u>	<u>9,785,031</u>	<u>10,160,810</u>	<u>10,160,810</u>	
FTE	134.3	155.0	142.1	142.1	
Cash Funds	2,067,109	2,833,469	2,989,807	2,989,807	
Reappropriated Funds	7,137,318	6,951,562	7,171,003	7,171,003	
Operating Expenses	<u>5,572,585</u>	<u>5,353,581</u>	<u>5,928,190</u>	<u>5,928,190</u>	
Cash Funds	1,704,437	1,659,610	1,817,327	1,817,327	
Reappropriated Funds	3,868,148	3,693,971	4,110,863	4,110,863	
Raw Materials	<u>25,115,021</u>	<u>27,880,517</u>	<u>35,823,826</u>	<u>35,823,826</u>	
Cash Funds	5,528,887	6,274,909	8,441,080	8,441,080	
Reappropriated Funds	19,586,134	21,605,608	27,382,746	27,382,746	
Inmate Pay	<u>1,591,311</u>	<u>1,640,726</u>	<u>1,649,702</u>	<u>1,649,702</u>	
Cash Funds	453,345	459,477	468,453	468,453	
Reappropriated Funds	1,137,966	1,181,249	1,181,249	1,181,249	
Capital Outlay	<u>370,702</u>	<u>913,099</u>	<u>1,406,200</u>	<u>1,406,200</u>	
Cash Funds	55,222	190,515	337,094	337,094	
Reappropriated Funds	315,480	722,584	1,069,106	1,069,106	
Correctional Industries Grants	<u>0</u>	<u>0</u>	<u>503,050</u>	<u>503,050</u>	
Federal Funds	0	0	503,050	503,050	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Indirect Cost Assessment	<u>330,462</u>	<u>347,328</u>	<u>335,362</u>	<u>381,286</u>	
Cash Funds	46,928	63,794	51,828	128,227	
Reappropriated Funds	283,534	283,534	283,534	253,059	
TOTAL - (7) Correctional Industries	42,184,508	45,920,282	55,807,140	55,853,064	0.1%
<i>FTE</i>	<u>134.3</u>	<u>155.0</u>	<u>142.1</u>	<u>142.1</u>	<u>(0.0%)</u>
Cash Funds	9,855,928	11,481,774	14,105,589	14,181,988	0.5%
Reappropriated Funds	32,328,580	34,438,508	41,198,501	41,168,026	(0.1%)
Federal Funds	0	0	503,050	503,050	0.0%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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(8) CANTEEN OPERATION

Primary Function: Provide various items for sale to DOC inmates at all DOC facilities.

Personal Services	<u>1,670,510</u>	<u>1,731,989</u>	<u>1,770,093</u>	<u>1,770,093</u>	
FTE	29.0	36.5	26.9	26.9	
Cash Funds	1,670,510	1,731,989	1,770,093	1,770,093	
Operating Expenses	<u>12,480,086</u>	<u>12,402,885</u>	<u>12,851,987</u>	<u>12,851,987</u>	
Cash Funds	12,480,086	12,402,885	12,851,987	12,851,987	
Inmate Pay	<u>40,386</u>	<u>40,386</u>	<u>40,386</u>	<u>40,386</u>	
Cash Funds	40,386	40,386	40,386	40,386	
Indirect Cost Assessment	<u>49,837</u>	<u>48,262</u>	<u>49,451</u>	<u>80,497</u>	
Cash Funds	49,837	48,262	49,451	80,497	

TOTAL - (8) Canteen Operation	14,240,819	14,223,522	14,711,917	14,742,963	0.2%
FTE	<u>29.0</u>	<u>36.5</u>	<u>26.9</u>	<u>26.9</u>	<u>0.0%</u>
Cash Funds	14,240,819	14,223,522	14,711,917	14,742,963	0.2%

TOTAL - Department of Corrections	727,694,733	722,780,777	737,580,936	753,028,644	2.1%
FTE	<u>6,386.9</u>	<u>6,319.7</u>	<u>6,022.9</u>	<u>5,886.4</u>	<u>(2.3%)</u>
General Fund	656,452,008	648,103,000	651,332,037	665,900,846	2.2%
Cash Funds	36,617,918	36,607,058	39,590,087	40,045,839	1.2%
Reappropriated Funds	33,731,671	36,970,248	45,644,484	46,072,992	0.9%
Federal Funds	893,136	1,100,471	1,014,328	1,008,967	(0.5%)

Appendix B: Recent Legislation Affecting Department Budget

2009 Session Bills

H.B. 09-1122: Expanded the eligibility for sentencing to the Youthful Offender System in the Department of Corrections to include young adult offenders who are 18 or 19 at the time the offense is committed, but less than 21 years old at the time of sentencing. Excluded most sex offenders and individuals convicted of class 1 and most class 2 felonies from eligibility for the YOS. Took effect on October 1, 2009; sunsetted on October 1, 2012.

2011 Session Bills

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the DOC's FY 2011-12 appropriation by \$8,100,294 total funds, of which \$7,868,220 is General Fund, \$99,856 is cash funds, and \$132,218 is reappropriated funds.

S.B. 11-134: Defines the terms "salvia divinorum" and "synthetic cannabinoids" and specifies that synthetic cannabinoids are not to be considered medical marijuana under Colorado law. Creates the following new criminal offenses:

- class 2 misdemeanor for unlawfully using or possessing synthetic cannabinoids or salvia divinorum;
- class 5 felony for knowingly distributing, manufacturing, dispensing, selling, or cultivating synthetic cannabinoids or salvia divinorum; or
- class 4 felony for knowingly distributing, dispensing, or selling synthetic cannabinoids or salvia divinorum when the person distributes, dispenses, or sells to a minor under the age of 18 and the person is at least 18 years of age and at least two years older than the minor.

Has a five-year fiscal impact of \$1,267,387, but includes a provision making an exception to the five-year appropriation requirement and therefore does not make any appropriations.

S.B. 11-176: Permits the accrual of earned time for inmates who have been housed in administrative segregation for at least 90 days, provided they meet the statutory criteria for doing so. Makes the following appropriations and adjustments for FY 2011-12:

- appropriates \$26,250 General Fund to the DOC Executive Director's Office Subprogram, for annual reporting requirements;

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Committee Decision*

- appropriates \$49,933 General Fund to the DOC Mental Health Subprogram, for behavior-modification programs, incentive programs, mental health services or programs, or similar efforts designed as viable alternatives to administrative segregation;
- appropriates \$122,613 General Fund to the DOC Information Systems Subprogram, for computer system programming modifications and ongoing maintenance related to changes to earned time accrual eligibility for inmates in administrative segregation and reappropriates this amount along with 2.0 FTE to the Governor - Lieutenant Governor - State Planning and Budgeting, Office of Information Technology, for the provision of programming services; and
- decreases General Fund appropriations to the DOC for payments to house state prisoners by \$198,796.

S.B. 11-209: General appropriations act for FY 2011-12.

S.B. 11-241: Expands the definition of a special needs offender to include individuals who:

- are 60 years of age or older, have been diagnosed with a chronic infirmity, illness, condition, disease, or mental illness, and have been determined to be incapacitated to the extent that they are not likely to pose a public safety risk; or
- suffer from a chronic, permanent, terminal, or irreversible physical or mental illness, condition, or disease that requires costly care or treatment and have been determined to be incapacitated to the extent that they are not likely to pose a public safety risk.

Within the definition of a special needs offender, permits the inclusion of class 2 felony crimes of violence (when the offender has served fewer than 10 years in prison), sex offenses, and class 1 felonies (when the class 1 felony was committed before July 1, 1990, and the offender has served at least 20 years in prison). Creates a presumption in favor of granting parole for an inmate with a detainer on file from the United States Immigration and Customs Enforcement Agency (ICE) who:

- has reached his or her parole eligibility date;
- is not serving a sentence for a violent crime; and
- has been assessed as medium risk or below.

Makes a FY 2011-12 appropriation of \$43,800 General Fund to the DOC, Parole Board, for training and contract administrative and release hearing officers.

H.B. 11-1064: Creates a presumption, subject to the discretion of the State Board of Parole, in favor of granting parole to an inmate who has reached his or her parole eligibility date and who:

- is serving a sentence for a felony drug possession or drug use offense (as described in Sections 18-18-404 or 18-18-405, C.R.S., as those offenses existed prior to August 11, 2010);
- has displayed satisfactory institutional behavior;
- is program compliant;

- has never been convicted of a specified list of crimes that include offenses against children and illegal possession of firearms, among others; and
- does not have an active felony or immigration detainer.

Decreases the FY 2011-12 General Fund appropriation to the DOC for payments to house state prisoners by \$45,243.

2012 Session Bills

H.B. 12-1084: Increases from a class 5 felony to a class 4 felony the penalty for a vehicle driver who leaves the scene of an accident resulting in serious bodily injury. Has a five-year fiscal impact of \$1,743,070, but includes a provision making an exception to the statutory five-year appropriation requirement and therefore does not make any appropriations.

H.B. 12-1181: Supplemental appropriation to modify FY 2011-12 appropriations to the Department.

H.B. 12-1223: Allows offenders in the DOC to receive additional earned time while in prison, while on parole, and while temporarily reincarcerated for a parole violation, thus reducing the average time that offenders are in prison and on parole while providing increased incentives for offenders to behave appropriately. Appropriates the resulting FY 2012-13 General Fund savings of \$193,900 to offender education programs within the Department.

H.B. 12-1246: Reverses the annual pay date shift for state employees who are paid on a biweekly basis. Appropriates \$136,460 General Fund to the DOC for FY 2012-13. For additional information see the corresponding bill description in the "Recent Legislation" section of the Department of Personnel.

H.B. 12-1271: Raises to 16 the minimum age at which juveniles charged with certain serious crimes may be prosecuted in adult court, a process known as "direct filing", while limiting the offenses for which direct filing is available to class 1 and 2 felonies, violent sex offenses, crimes of violence committed by prior felony offenders, and certain sex offenses committed by prior felony offenders. Reduces expenditures for the Department's Youthful Offender System by a projected \$1,856,160 over four years, beginning in FY 2013-14. For more information see the corresponding bill description in the "Recent Legislation" section of the Department of Human Services.

H.B. 12-1310: Addresses criminal justice matters in several areas including drug offenses and treatment, sentencing, court proceedings, sex offenses, probation, and parole. Contains the following provisions relevant to the DOC:

- Removes the term "cathinone" (also known as bath salts) from the statutory list of schedule 1 controlled substances and creates a detailed list of cathinones elsewhere in statute. Reduces penalties for cathinone possession to a misdemeanor. Creates a new class 3 felony for the distribution or production of cathinones, which has a five-year fiscal impact of \$82,826, but includes a provision making an exception to the statutory five-year appropriation requirement

and therefore does not make any appropriations for the criminal penalties. Creates a new civil penalty for deceptive trade practices for distribution or production of cathinones.

- Establishes a ten-year mandatory period of parole under the supervision of the DOC for juvenile offenders who are adjudicated delinquent and sentenced for first degree murder. Includes a one-time FY 2012-13 General Fund appropriation of \$11,840 to DOC for computer programming changes and an equal reappropriation to the Governor's Office of Information Technology.
- Consolidates funding for substance-abuse treatment for adult and juvenile offenders, replacing multiple appropriations with a set of similar appropriations involving the Correctional Treatment Cash Fund, which is created by the bill. Implements a consistent appropriation format that initially appropriates all General Fund and cash funds made available by S.B. 03-318 and H.B. 10-1352 for treatment to a single department (Judicial). Transfers funds not used in the Judicial Department to other state agencies as reappropriated funds. Increases appropriations of reappropriated funds to the DOC by \$1,245,127 while reducing appropriations of cash funds by the same amount. For more information see the corresponding bill description in the "Recent Legislation" section of the Judicial Department.

H.B. 12-1335: General appropriations act for FY 2012-13.

H.B. 12-1336: Directs the Office of State Planning and Budgeting (OSPB) to contract for a systemwide analysis of the DOC by July 1, 2012. Encourages the OSPB to convene an advisory group to assist the OSPB and the Joint Budget Committee (JBC) in developing options based on the study. Directs the OSPB, the JBC, and any advisory group convened to identify, evaluate, and prioritize state and private contract prison-bed utilization options for five fiscal years beginning with FY 2013-14. Appropriates \$350,000 General Fund to the Office of the Governor for FY 2012-13.

H.B. 12-1337: Closes the south campus of the Centennial correctional facility for state housing of inmates while allowing non-state entities to house inmates on the south campus. Allows the south campus to be maintained to provide support and services to the rest of the facility. The corresponding FY 2012-13 funding reductions for the DOC, comprised of \$4,533,632 General Fund, \$2,275 cash funds, and 71.2 FTE, are reflected in the Long Bill (H.B. 12-1335).

Appendix C: Update on Long Bill Footnotes & Requests for Information

Long Bill Footnotes

- 1 Department of Corrections, Management, Executive Director's Office Subprogram; Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Alcohol and Drug Abuse Division; and Division of Youth Corrections; Judicial Department, Probation and Related Services; and Department of Public Safety, Division of Criminal Justice; and Colorado Bureau of Investigation --** State agencies involved in multi-agency programs requiring separate appropriations to each agency are requested to designate one lead agency to be responsible for submitting a comprehensive annual budget request for such programs to the Joint Budget Committee, including prior year, request year, and three year forecasts for revenues into the fund and expenditures from the fund by agency. The requests should be sustainable for the length of the forecast based on anticipated revenues. Each agency is still requested to submit its portion of such request with its own budget document. This applies to requests for appropriation from the Drug Offender Surcharge Fund, the Offender Identification Fund, the Sex Offender Surcharge Fund, the Persistent Drunk Driver Cash Fund, and the Alcohol and Drug Driving Safety Program Fund, among other programs.

Comment: This Long Bill footnote...

Dept statement: The Drug Offender Surcharge and the Sex Offender Surcharge Funds are tracked by the Judicial Department. The Department reports the total Colorado Mental Health Institute at Pueblo (CMHIP) expenditures for Youthful Offender System (YOS), San Carlos Correctional Facility (SCCF) and La Vista Correctional Facility (LVCF) in its budget.

- 2 Department of Corrections, Management, Executive Director's Office Subprogram, External Study of Sex Offender Treatment and Management Program --** The Department is requested to engage external experts to conduct a study of the efficacy and cost-effectiveness of the Sex Offender Treatment and Management Program, as implemented by the Department of Corrections, with recommendations for improvement, if warranted, based on consideration of the relevant literature and on consideration of alternative treatment and management models including treatment in the community. The Department is requested to provide the report to the Joint Budget Committee by February 1, 2013. The Department is encouraged to seek alternative funding sources for this study.

Comment: The Department has hired an external expert to conduct this study and will provide the requested report to the Joint Budget Committee by February 1, 2013.

- 3 Department of Corrections, Management, External Capacity Subprogram, Payments to House State Prisoners --** It is the intent of the General Assembly that the

**JBC Staff Budget Briefing – FY 2013-14 Staff Working Document – Does Not Represent
Committee Decision**

Department of Corrections be authorized to transfer up to 5.0 percent of the total appropriation for external capacity subprogram between line items in the external capacity subprogram for purposes of reimbursing local jails, private prison providers, and community corrections providers.

Comment: As shown in the following table, the Department complied with this footnote during FY 2011-12:

Line Item	FY 11-12 GF Transfers	
	In	Out
Payments to Local Jails	\$762,697	0
Payments to In-State Private Prisons	0	(\$723,465)
Payments to Pre-Release Parole Revocation Facilities	0	(191,933)
Community Corrections Programs	152,701	0
Total amount transferred In (Out)	915,398	(915,398)
Total Payments to House State Prisoners appropriation	95,147,062	
Transfer as a percentage of the total appropriation	0.96%	

- 4 Department of Corrections, Management, External Capacity Subprogram, Payments to House State Prisoners --** It is the intent of the General Assembly that the appropriations made for payments to private facilities housing state inmates be used exclusively for the purpose of per diem payments. It is the intent of the General Assembly that the department not withhold funds from the per diem payments to cover major medical expenses incurred by state inmates assigned to private facilities. It is the intent of the General Assembly that appropriations made in the medical services subprogram are sufficient to cover major medical expenses incurred by state inmates held in both state and private facilities.

Comment: The Department did not withhold funds from the per diem payments to cover major medical expenses incurred by state inmates assigned to private facilities.

Requests for Information

- 1 Department of Corrections, Institutions, Medical Services Subprogram, Purchase of Pharmaceuticals --** The Department is requested to report by November 1, 2012, on progress in obtaining 340B pricing for AIDS and HIV drugs for the Department's HIV-positive offenders and on progress in obtaining 340B pricing for hepatitis C drugs for HIV-positive offenders who are also infected with hepatitis C. The report should discuss obstacles that may exist and indicate how those obstacles can be overcome.

Comment: The Department indicates that it has been working with the Colorado Department of Public Health and Environment (CDPHE) for much of 2012 to include offenders who are HIV-positive in the AIDS Drug Assistance Program (ADAP). This program usually serves HIV-positive patients in community settings statewide with

medications. After CDPHE determines offender eligibility, offenders' medications would be obtained from CDPHE through the Pharmacy Benefit Manager (PBM). A Memorandum of Understanding (MOU) between the Department and CDPHE is currently being finalized.

CDPHE has been working with the Pharmacy Benefit Manager vendor to resolve several issues. The Pharmacy Benefit Manager system utilized by CDPHE is undergoing major revisions in order to meet new federal requirements. Until this revision process is complete, some processes (including enforcement of prescription benefit maximums) must be performed manually, which has placed a significant strain on staffing resources. The combination of staffing shortages and previous commitments of Pharmacy Benefit Manager programmers have made it impossible to add the new functions required by the Department. Additionally, the CDPHE Pharmacy Benefit Manager contract will expire in the next six months and must be re-competed, which could result in a change in vendor. Efforts to build new functionality into the existing Pharmacy Benefit Manager system could therefore prove futile if the provider changes.

Once the above issues are resolved by the current vendor or with a new solicitation, the Department will be able to move forward with completion of the Memorandum of Understanding and implementation of the program.

- 2 **Department of Corrections, Institutions, Mental Health Subprogram** -- It is requested that the Department of Corrections submit a report to the House Judiciary Committee and the Senate Judiciary Committee by January 31, 2013, detailing the progress related to the mental health unit at Colorado State Penitentiary.

Comment: The Department indicates that it will comply with this request and will provide the requested report by January 31, 2013.

- 3 **Department of Corrections, Community Services, Community Supervision Subprogram, Community Supervision, Psychotropic Medication** -- The Department is requested to submit a report to the Joint Budget Committee on or before February 1, 2013, summarizing the outcomes of offenders who were provided psychotropic medication from this line item. The report is requested to include the number of mentally ill offenders who receive medication from this line item, the regression rate of the offenders, and the number of offenders who commit new crimes. The report is requested to compare these outcomes with the population of mentally ill offenders in community corrections programs in FY 2005-06.

Comment: The Department indicates that it will comply with this request for information and will provide the requested report to the Joint Budget Committee by February 1, 2013.

Appendix D: Indirect Cost Assessment Methodology

Description of Indirect Cost Assessment Methodology

The Department of Corrections allocates *departmental* overhead in proportion to its *FTE* appropriations but allocates *statewide* overhead in proportion to the *dollar* appropriations to the programs that pay statewide indirect cost assessments.

Allocation of Departmental Indirect Costs

Departmental indirect cost assessments are based on three components: a departmental “*Indirect Cost Pool*”, a departmental “*Indirect Cost Base*”, and a departmental “*Indirect Cost Rate*”, computed by dividing the Pool by the Base. Table 1 shows the components of the departmental Indirect Cost Pool and the appropriation the Department has requested for each component of this pool for FY 2013-14. Departments sometimes recover overhead costs with a lag, but the Department of Corrections does not; it sets departmental cost recovery rates and assessments at levels that will recover total appropriated overhead costs in the year that the corresponding outlays occur.

Table 1

Administrative overhead item	Requested appropriation
1. Executive Director's Office--Personal Services	\$1,540,695
2. Executive Director's Office--Operating Expenses	281,455
3. Business Operations--Personal Services	5,999,470
4. Business Operations--Operating Expenses	234,201
5. Personnel--Personal Services	1,241,634
6. Personnel--Operating Expenses	86,931
7. Training--Personal Services	1,855,682
8. Training-- Operating Expenses	274,864
9. Facility Services--Personal Services	956,936
10. Facility Services--Operating Expenses	83,096
11. Total overhead to be recovered (= Indirect Cost Pool)	\$12,554,964

The total overhead cost in row 11 of Table 1 is allocated among the Department’s personal services line items in proportion to the requested FTE appropriation for the line items. For FY 2013-14, the requested FTE appropriation for the entire department, i.e. the Indirect Cost Base, equals 5,878.2, which leads to a requested *Indirect Cost Rate* of

$$\text{Indirect Cost Rate} = \frac{\$12,554,964 \text{ (the Pool)}}{5,878.2 \text{ (the Base)}} = \$2,135.85 \text{ per FTE}$$

Multiplying this rate by the FTE request for the Correctional Industries Division and the Canteen Division, which are the only two divisions in the Department with a significant number of FTE who are supported with cash and reappropriated funds, leads to the indirect cost assessment requests in Table 2:

**JBC Staff Budget Briefing – FY 2013-14 Staff Working Document – Does Not Represent
Committee Decision**

Table 2

Program	FTE Request	Assessment for Departmental Indirect Costs = FTE * \$2,135.85
Correctional Industries	142.1	\$303,504
Canteen	26.9	57,454
Total Departmental Indirect Cost Recoveries		\$360,958

The departmental indirect cost assessment for the Correctional Industries division must then be allocated between the division's two fund sources: cash funds and reappropriated funds. The \$303,504 assessment is allocated in proportion to the requested dollar appropriations of cash and reappropriated funds for Correctional Industries personal services. There is no need to allocate the Canteen's departmental assessment because all appropriations to the Canteen Division are from cash funds. The resulting assessments appear in the Long Bill in the Correctional Industries Division and the Canteen Division, where they are labeled "Indirect Cost Assessment".

Allocation of Statewide Indirect Costs

The Department allocates *statewide* overhead in proportion to the *dollar* appropriations to the programs that pay statewide indirect cost assessments. The Department sets recovery rates and assessments at levels that recover appropriated statewide indirect costs in the year that the outlays occur.

For FY 2013-14, the Department's statewide indirect cost assessment, as requested by the Department of Personnel and Administration, equals \$105,963 and is comprised of \$64,895 cash funds, \$38,860 reappropriated funds, and \$2,207 federal funds. Each component of this Indirect Cost Pool is allocated among the programs that pay statewide assessments in proportion to designated appropriations to the program from the same fund source. Thus separate assessment rates are computed for appropriations of cash funds, reappropriated funds, and federal funds, which serve as the Indirect Cost Base. These assessment rates are multiplied by the corresponding dollar appropriations to the programs from that fund source.

Table 3 shows the components of the indirect cost base for the Department's statewide assessment for FY 2013-14:

Table 3

Program Line Item	Indirect Cost Base = Requested Appropriations		
	CF	RF	FF
1. Medical Services--Personal Services	\$225,197	\$0	\$0
2. Education Grants	0	0	\$27,650
3. Correctional Industries--Personal Services	2,989,807	7,171,003	
4. Correctional Industries Federal Grants	0	0	\$503,050
5. Canteen--Personal Services	1,770,093	0	0
6. Total by fund source	\$4,985,097	\$7,171,003	\$530,700
7. Amount to recover from this fund source	64,895	38,860	2,207
8. Assessment rate = $\frac{7.\text{Amount to recover from this fund source}}{6.\text{Total for this fund source}}$	0.01301	0.00541	0.00415

**JBC Staff Budget Briefing – FY 2013-14 Staff Working Document – Does Not Represent
Committee Decision**

Multiplying each element in rows 1 to 5 of Table 3 by the assessment rate in the corresponding column of row 8 of Table 3 yields the statewide indirect cost assessments shown in Table 3.

Table 4

Program	Assessments for Statewide Indirect Costs		
	CF	RF	FF
1. Medical Services	\$2,932	\$0	\$0
2. Education Grants	0	0	115
3. Correctional Industries (personal services component)	38,921	38,860	0
4. Correctional Industries (federal grants component)	0	0	2,092
5. Canteen	23,043	0	0
Amount to recover from this fund source	\$64,895	\$38,860	\$2,207

FY 2013-14 Indirect Cost Assessment Request

The Department's total indirect cost assessment request for FY 2013-14 is shown in Table 5 for each division or subdivision that pays indirect assessments. It equals the sum of the departmental and statewide assessments computed in Tables 2 and 4.

Table 5

Program	Combined Departmental and Statewide Indirect cost Assessment			
	CF	RF	FF	Total
1. Medical Services	\$2,932	\$0	\$0	\$2,932
2. Education Grants	0	0	115	115
3. Correctional Industries (personal services component)	128,227	253,059	2,092	383,378
4. Canteen	80,497	0	0	80,497
Total	\$211,656	\$253,059	\$2,207	\$466,920

The Department uses these assessments to offset the use of General Fund in the Business Services Subprogram's Personal Services line item, where the offsets appear as reappropriated funds, reflecting the fact that these moneys are being appropriated for a second time after having already been appropriated on the indirect cost assessment lines in the divisions where the assessments were collected.

Appendix E: Change Requests' Relationship to Performance Measures

This appendix will show how the Department of Corrections indicates each change request ranks in relation to the Department's top priorities and what performance measures the Department is using to measure success of the request.

Change Requests' Relationship to Performance Measures			
R	Change Request Description	Goals / Objectives	Performance Measures
<i>Prioritized Requests</i>			
R-1	Parole Caseload	Relationship to objective not provided.	Performance measures not provided.
R-2	Medical and Pharmaceutical Expenditures for Offenders	Relationship to objective not provided.	<ul style="list-style-type: none"> • The number of bed days in outside medical facilities per 1,000 offenders. • Pharmaceutical expenditures per offender.
R-3	Community Supervision Caseload	Relationship to objective not provided.	Performance measures not provided.
R-4	Food Service Inflation	Relationship to objective not provided.	Performance measures not provided.
R-5	Sex Offender Treatment Expansion	Relationship to objective not provided.	<ul style="list-style-type: none"> • The number of offenders released after successful completion of the Sex Offender Treatment and Management (SOTMP) program. • The recidivism rate of offenders released who have completed the Sex Offender Treatment and Management Program. • Savings resulting from offenders released for compliance with sex offender treatment.
R-6	Mental Health Expansion	Relationship to objective not provided.	Performance measures not provided.
R-7	Administrative Reductions	Relationship to objective not provided.	Performance measures not provided.
R-8	Common Provider Rate Change	Relationship to objective not provided.	Performance measures not provided.
<i>Non-prioritized Requests</i>			
NP	OIT Enterprise Asset Management	N/A	N/A
NP	Employee Engagement Survey	N/A	N/A
NP	Capital Complex Building Upgrade, Repair, and Replacement	N/A	N/A

Appendix F

**Department of Corrections Summary of Actual Average Bed Costs
11/1/2011 (Based on reports prepared by the DOC)**

	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
Annual Costs:										
Level 1 Facilities (Low)	22,531	20,644	21,217	21,747	22,579	24,028	26,225	25,930	24,878	23,681
Level 2 Facilities	24,729	22,867	22,685	22,995	23,397	24,532	26,875	26,703	26,101	24,743
Level 3 Facilities	25,988	24,721	25,203	26,076	27,302	28,463	30,324	30,631	29,934	29,299
Level 4 Facilities	28,835	27,109	28,707	28,419	28,576	31,394	32,197	32,788	27,488	27,514
Level 5 Facilities (High)	31,912	30,153	30,682	31,930	33,544	35,679	37,913	37,332	38,803	37,409
All Facilities	27,824	26,247	26,813	27,587	28,758	30,386	32,339	32,335	32,343	31,441
Daily Costs:										
Level 1 Facilities	61.73	56.56	58.13	59.58	61.86	65.83	71.85	71.04	68.16	64.88
Level 2 Facilities	67.75	62.65	62.15	63.00	64.10	67.21	73.63	73.16	71.51	67.79
Level 3 Facilities	71.20	67.73	69.05	71.44	74.80	77.98	83.08	83.92	82.01	80.27
Level 4 Facilities	79.00	74.27	78.65	77.86	78.29	86.01	88.21	89.83	75.31	75.38
Level 5 Facilities	87.43	82.61	84.06	87.48	91.90	97.75	103.87	102.28	106.31	102.49
All Facilities	76.23	71.91	73.46	75.58	78.79	83.25	88.60	88.59	88.61	86.14
Community Services (Annual Costs):										
Parole	3,311	3,343	3,154	3,318	3,402	3,562	3,975	4,314	4,566	5,639
Parole ISP (Intensive Supervision)	6,946	6,873	6,333	6,344	8,318	9,162	9,198	7,822	8,402	10,114
YOS (Youthful Offender System) Aftercare	58,123	66,985	55,097	63,568	66,456	70,741	67,098	69,292	60,320	36,128
Community Return-to-Custody (S.B. 03-252)	n/a	21,269	18,524	<i>Moved to Ext. Capacity</i>						
Community Corrections	3,442	3,449	3,770	4,077	4,114	4,581	4,628	4,088	4,033	5,325
Community Corr. ISP	9,946	10,333	9,877	9,910	9,600	10,180	10,716	11,446	12,406	13,056
External Capacity:										
Private Prisons										
Daily Rate	52.47	50.37	49.56	50.28	51.91	52.69	52.69	52.69	52.69	52.69
Annual Cost	19,152	18,385	18,089	18,352	18,999	19,232	19,232	19,232	19,232	19,232
Out-of-State Contract										
Daily Rate	n/a	n/a	51.00	n/a	54.00	54.00	n/a	n/a	n/a	n/a
Annual Cost	n/a	n/a	18,615	n/a	19,710	19,710	n/a	n/a	n/a	n/a
Jail Backlog										
Daily Rate	51.65	46.49	46.49	47.42	48.96	49.69	50.44	50.44	50.44	50.44
Annual Cost	18,852	16,969	16,969	17,308	17,919	18,137	18,411	18,411	18,411	18,411
Average Daily Cost (including DOC overhead) for all external capacity. (including DOC overhead) for all external capacity programs										
	n/a	54.37	55.25	56.44	57.82	59.28	61.19	59.10	59.96	55.75
	n/a	19,845	20,166	20,601	21,104	21,637	22,334	21,572	21,885	20,349

Colorado Department of Corrections: Facility Locations

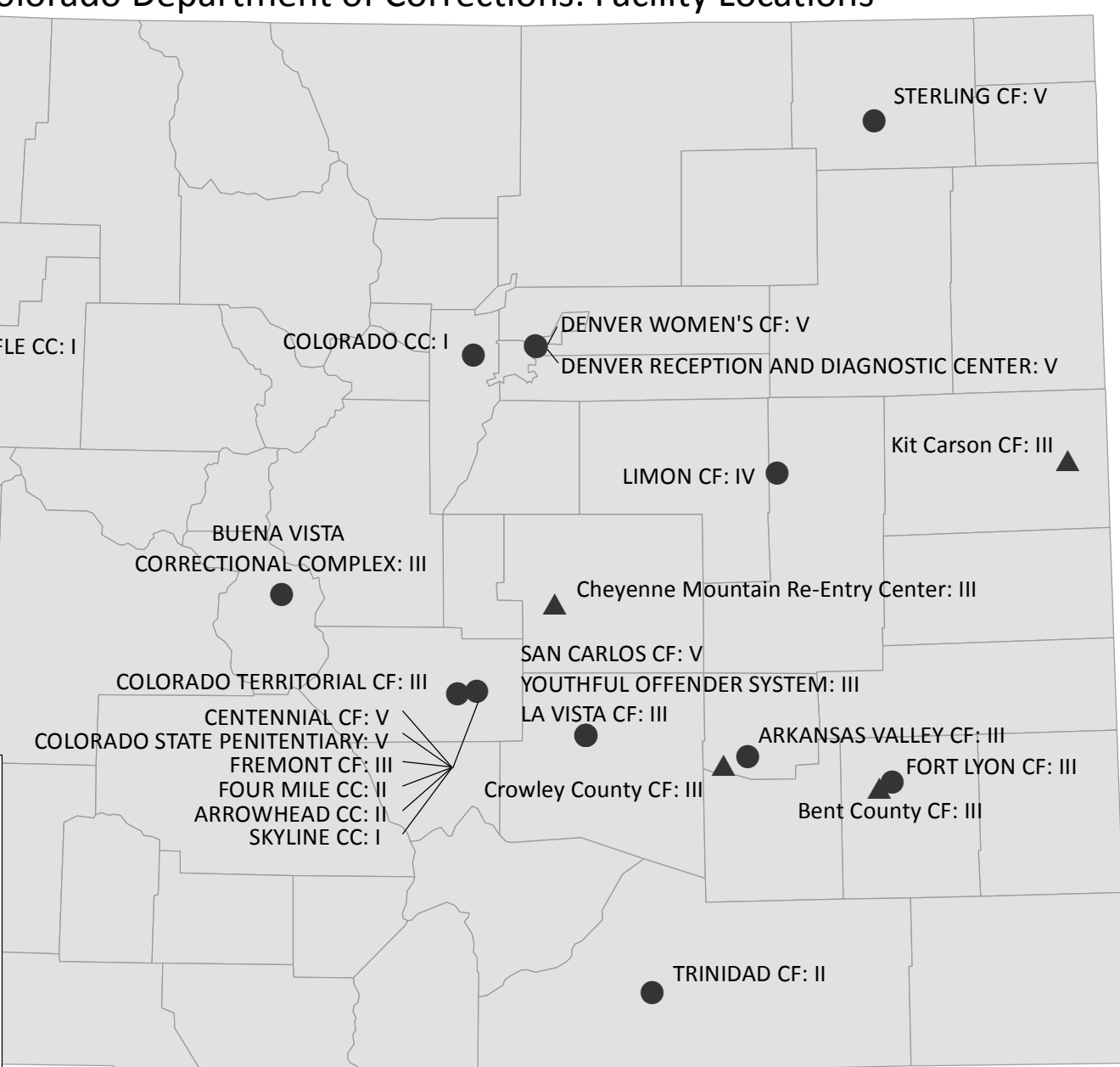


Facility Type:

- STATE
- ▲ Contract

CC: Correctional Center
 CF: Correctional Facility

Security: I Minimum
 II Minimum-Restrictive
 III Medium
 IV Close
 V Multi-Custody
 Administrative Segregation



Source: Ryan Hollamby, OPA. County Data: U.S. Census Bureau TIGER. December 15th, 2011

