

COLORADO GENERAL ASSEMBLY

JOINT BUDGET COMMITTEE



FY 2006-07 SUPPLEMENTAL: DEPARTMENT OF CORRECTIONS

PRIORITIZED AND NON-PRIORITIZED REQUESTS

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

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**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

TABLE OF CONTENTS

	Numbers Page	Narrative Page
Supplemental #1 - Parole – Population Changes	1	8
Supplemental #2 - Medical / Pharmacy POPM Changes	1	14
Supplemental #3 - Male Double Bunking	2	19
Supplemental #4 - External Capacity Changes	2	23
Supplemental #5 - Miscellaneous Adjustments	4	29
Supplemental #6 - Community Corrections – Pyschotropic Meds Not prioritized — Submitted on January 19th by Ritter Admin.	4	37
JBC Staff Initiated Supplemental #7— La Vista Correctional Facility	5	40
Supplemental #8 - 1331 Supplemental – Montez Lawsuit	5	44
Supplemental #9 - 1331 Supplemental – Out-of-State Inmates	5	50
Statewide Common Policy Supplemental Requests	6	52
Totals for All FY 2007-08 Supplementals	6	N.A.
1331 Supplemental – External Capacity FY 2005-06	7	53

FY 2006-07 Supplemental

	FY 2005-06 Actual	FY 2006-07 Appropriation	Requested Change	Recommended Change	New Total With Recommendation
DEPARTMENT OF CORRECTIONS					
Executive Director: Ari Zavaras					
Supplemental #1 -- Parole Population Changes					
Total -- Supplemental #1	21,126,999	25,036,813	679,210	979,168	26,015,981
FTE	<u>140.2</u>	<u>199.9</u>	<u>4.0</u>	<u>8.6</u>	<u>267,720.0</u>
General Fund	20,938,302	24,769,093	679,210	979,168	25,748,261
Cash Funds Exempt	188,697	267,720	0	0	267,720

This supplemental request affects 20 line items. For details, refer to the supplemental narrative.

Supplemental #2 -- Medical Pharmacy POPM Changes

(2) Institutions

(E) Medical Services Subprogram

Purchase of Pharmaceuticals - GF	9,664,000	9,986,694	204,048	1,672	9,988,366
Purchase of Medical Services from Other Medical Facilities - GF	18,747,746	20,627,970	228,477	(166,488)	20,461,482
Purchase of Medical Services from State Hospital - GF	1,012,482	1,609,671	(584,692)	(602,990)	1,006,681
Catastrophic Medical Expenses - GF	3,919,380	5,815,054	327,703	218,041	6,033,095

FY 2006-07 Supplemental

	FY 2005-06 Actual	FY 2006-07 Appropriation	Requested Change	Recommended Change	New Total With Recommendation
Total -- Supplemental #2 (General Fund)	33,343,608	38,039,389	175,536	(549,765)	37,489,624

Supplemental #3 -- Male Double Bunking

Total -- Supplemental #3	336,623,365	378,542,147	(374,327)	(349,073)	378,193,074
FTE	<u>3,991.5</u>	<u>4,306.7</u>	<u>(7.6)</u>	<u>(7.6)</u>	<u>4,299.1</u>
General Fund	324,004,705	360,635,110	(372,514)	(347,260)	360,287,850
Cash Funds	757,858	816,921	0	0	816,921
Cash Funds Exempt	11,860,802	17,010,116	(1,813)	(1,813)	17,008,303
Federal Funds	0	80,000	0	0	80,000

This supplemental request affects 43 line items. For details, refer to the supplemental narrative.

Supplemental #4 -- External Capacity Changes

- (1) Management**
- (B) External Capacity**
- (1) Payments to House State Prisoners**

Payments to Local Jails at a Rate of \$48.96 per Inmate per Day - GF	13,860,374	10,846,917 S/	(2,294,658)	(1,766,697)	9,080,220
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FY 2006-07 Supplemental

	FY 2005-06 Actual	FY 2006-07 Appropriation	Requested Change	Recommended Change	New Total With Recommendation
Payments to Private Prisons at a Rate of \$51.91 per Inmate per Day	<u>63,719,957</u>	<u>76,644,172</u>	<u>1,121,888</u>	<u>689,270</u>	<u>77,333,442</u>
General Fund	63,719,957	74,285,465 S/	1,121,888	689,270	74,974,735
Cash Funds Exempt	0	2,358,707	0	0	2,358,707
Federal Funds	0	0	0	0	0
Payments to Out-of-State Private Prisons at a Rate of \$54.00 per Inmate Per Day - GF	0	4,121,280 S/	570,240	570,240	4,691,520
Payments to Pre-release Parole Revocation Prisons at a Rate of \$51.91 per Inmate Per Day - General Fund	5,959,844	9,845,389 S/	(508,208)	(546,180)	9,299,209
Payments to Community Corrections Programs General Fund	3,045,564	4,609,531	(767,195)	(790,997)	3,818,534
Total -- Supplemental #4	<u>86,585,739</u>	<u>106,067,289</u>	<u>(1,877,933)</u>	<u>(1,844,364)</u>	<u>104,222,925</u>
General Fund	86,585,739	103,708,582	(1,877,933)	(1,844,364)	101,864,218
Cash Funds Exempt	0	2,358,707	0	0	2,358,707

* The FY 2006-07 appropriation includes adjustments approved on October 5, 2006, associated with the supplemental request to send inmates out of state that was submitted pursuant to the provision of H.B. 98-1331.

FY 2006-07 Supplemental

	FY 2005-06 Actual	FY 2006-07 Appropriation	Requested Change	Recommended Change	New Total With Recommendation
Supplemental #5 -- Miscellaneous Adjustments					
Total -- Supplemental #5	34,353,399	39,746,661	5,570,838	910,760	40,657,421
FTE	<u>175.7</u>	<u>202.3</u>	<u>1.3</u>	<u>1.3</u>	<u>203.6</u>
General Fund	1,661,207	1,457,840	0	0	1,457,840
Cash Funds	533,625	580,800	658,185	658,185	1,238,985
Cash Funds Exempt	30,382,757	36,658,686	3,713,011	(947,067)	35,711,619
Federal Funds	1,775,810	1,049,335	1,199,642	1,199,642	2,248,977
This supplemental request affects 17 line items. For details, refer to the supplemental narrative.					
Supplemental #6 -- Psychotropic Medication / Fugitive Returns (Not Prioritized by the Ritter Administration)					
(5) Community Services					
(D) Community Supervision Subprogram					
Operating Expenses - General Fund	131,306	150,641	552,000	0	150,641
Contract Services for Fugitive Returns - Total	<u>32,466</u>	<u>32,475</u>	<u>42,049</u>	<u>12,341</u>	<u>44,816</u>
General Fund	0	0	42,049	12,341	12,341
Cash Funds Exempt	32,466	32,475	0	0	32,475
Total -- Supplemental #6	<u>163,772</u>	<u>183,116</u>	<u>594,049</u>	<u>12,341</u>	<u>195,457</u>
General Fund	131,306	150,641	594,049	12,341	162,982
Cash Funds Exempt	32,466	32,475	0	0	32,475

FY 2006-07 Supplemental

	FY 2005-06 Actual	FY 2006-07 Appropriation	Requested Change	Recommended Change	New Total With Recommendation
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Supplemental #7 -- JBC Staff Initiated Supplemental -- La Vista Correctional Facility

Total -- Supplemental #7			0	(225,870)	(225,870)
FTE			<u>0.0</u>	<u>(2.6)</u>	<u>(2.6)</u>
General Fund			0	(225,448)	(225,448)
Cash Funds Exempt			0	(422)	(422)

Supplemental #8 -- 1331 Supplemental -- Montez Lawsuit (NO ACTION REQUIRED)

Total -- Supplemental #7	38,457,344	39,234,582	1,256,492	1,256,492	40,491,074
FTE	<u>505.5</u>	<u>521.8</u>	<u>8.0</u>	<u>8.0</u>	<u>529.8</u>
General Fund	38,232,665	39,009,903	1,256,492	1,256,492	40,266,395
Cash Funds	224,679	224,679	0	0	224,679

This supplemental request affects 17 line items. For details, refer to the supplemental narrative.
 This supplemental was approved by the JBC on September 20, 2006, pursuant to the provisions of H.B. 98-1331.

Supplemental #9 -- 1331 Supplemental -- Out-of-State Inmates (NO ACTION REQUIRED)

Total -- Supplemental #8	90,404,182	108,957,123	153,887	153,887	109,111,010
FTE	<u>40.8</u>	<u>43.8</u>	<u>2.0</u>	<u>2.0</u>	<u>45.8</u>
General Fund	90,400,757	106,598,416	153,887	153,887	106,752,303
Cash Funds	3,425	0	0	0	0
Cash Funds Exempt	0	2,358,707	0	0	2,358,707

This supplemental request affects 13 line items. For details, refer to the supplemental narrative.
 This supplemental was approved by the JBC on October 5, 2006, pursuant to the provisions of H.B. 98-1331.

FY 2006-07 Supplemental

	FY 2005-06 Actual	FY 2006-07 Appropriation	Requested Change	Recommended Change	New Total With Recommendation
<hr/>					
Common Policy -- Statewide Supplementals					
(see narrative for more detail)	N.A.	N.A.	<u>165,026</u>	<u>Pending</u>	N.A.
General Fund			205,382		
Cash Funds Exempt			(40,356)		
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DEPARTMENT OF CORRECTIONS (All Divisions)					
TOTAL FUNDS	539,356,982	580,869,524	6,342,778	343,576	581,213,100
FTE	<u>5,476.6</u>	<u>5,574.7</u>	<u>7.7</u>	<u>12.3</u>	<u>5,587.0</u>
General Fund	493,457,744	532,855,473	814,109	(564,949)	532,290,524
Cash Funds	2,076,653	1,892,192	658,185	658,185	2,550,377
Cash Funds Exempt	41,751,344	43,657,823	3,670,842	(949,302)	42,708,521
Federal Funds	2,071,241	2,464,036	1,199,642	1,199,642	3,663,678

FY 2005-06 Supplemental

	FY 2004-05 Actual	FY 2005-06 Appropriation	Requested Change	Recommended Change	New Total With Recommendation
FY 2005-06 1331 Supplemental -- External Capacity (NO ACTION REQUIRED)					
(2) Payments to House State Prisoners					
Payments to Local Jails at a Rate of \$47.42 per					
Inmate per Day - GF	12,265,585	11,729,242	2,000,000	2,000,000	13,729,242
Payments to Private Prisons at a Rate of \$50.28					
per Inmate per Day	<u>50,865,321</u>	<u>66,509,906</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>64,509,906</u>
General Fund	48,452,778	66,509,906	(2,000,000)	(2,000,000)	64,509,906
Cash Funds Exempt	2,412,543	0	0	0	0
Total -- FY 2005-06 Supplemental	<u>63,130,906</u>	<u>78,239,148</u>	<u>0</u>	<u>0</u>	<u>78,239,148</u>
General Fund	60,718,363	78,239,148	0	0	78,239,148
Cash Funds Exempt	2,412,543	0	0	0	0

This supplemental was approved by the JBC on June 20, 2006, pursuant to the provisions of H.B. 98-1331.

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Supplemental # 1 - Parole – Population Changes

	Request	Recommendation
Total	\$679,210	\$979,168
FTE	<u>4.0</u>	<u>8.6</u>
General Fund	679,210	979,168
Cash Funds	0	0
Cash Funds Exempt	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	YES
<p>This request was submitted as "New Data" based on the fact that the caseload has increased significantly since the FY 2006-07 budget was established. Staff concurs with this assessment and believes that this request meets the supplemental criteria.</p>	

Department Request: The Department has requested an appropriation of \$679,210 General Fund and 4.0 FTE for the Parole and Parole ISP Subprograms based on higher than anticipated caseload. Specifically, the Department has requested the following adjustments to the Long Bill.

DOC Supplemental #1 – Parole and Parole ISP Increases					
Subprogram	Line Item	Request FY 2006-07		FY 2007-08*	
		General Fund	FTE	General Fund	FTE
Executive Director	Leased Space	22,000		24,200	
Communications	Operating Expenses	2,400		2,640	
Transportation	Vehicle Lease Payments	2,340		17,160	
Information Systems	Operating Expenses	800		880	
Drug and Alcohol	Contract Services	83,157		61,398	
Parole	Personal Services	145,213	3.0	108,377	2.8
	Operating Expenses	18,221		18,740	
	Contract Services	63,138		46,617	

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

DOC Supplemental #1 – Parole and Parole ISP Increases					
Subprogram	Line Item	Request FY 2006-07		FY 2007-08*	
		General Fund	FTE	General Fund	FTE
	Start Up	<u>37,579</u>		<u>37,338</u>	
	Subtotal Parole	264,151	3.0	211,072	2.8
Parole ISP	Personal Services	62,874	1.0	61,930	1.6
	Operating Expenses	4,835		10,709	
	Contract Services	127,477		94,118	
	Non-residential Services	98,267		72,552	
	Start Up	<u>10,909</u>		<u>21,336</u>	
	Subtotal Parole ISP	304,362	1.0	260,645	1.6
Grand Total		679,210	4.0	577,995	4.4

* The FY 2007-08 budget amendment includes annualization of the FY 2006-07 request plus additional funds for the increase in caseload for FY 2007-08.

Staff Analysis: Staff makes the following observations regarding this supplemental request.

1. *Supplemental Criteria Met.* Staff believes that the request meets supplemental criteria of "New Data". The estimated number of offenders on parole has increased by 10.9 percent since the budget was established using the LCS December 2005 parole population projections. The request for additional funding for additional parole supervision meets the supplemental criteria of "New Data".
2. *Parole Caseload Beyond DOC's Control.* The number of offenders placed on parole is beyond the Department's control. The number of offenders placed on parole population is driven, in large part, by state law that requires a period of mandatory parole following an offenders' period of incarceration. This period mandatory parole applies to all offenders sentenced to DOC for felonies committed on or after July 1, 1993 (Section 18-1.3-401, C.R.S.). The parole population is also controlled, to some extent, by the number of offenders granted discretionary parole by the Parole Board.
3. *Useful to Supervise Parolees.* It is staff's understanding that statutory requirements for mandatory parole were enacted for purposes of improving public safety. As the parole population grows, there is a public safety benefit to providing additional resources to

DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE

supervise the parolees. Parole officers are also in a position to assist offenders who are having difficulty reintegrating into society following their incarceration. Parole officers can assist offenders in obtaining identification, employment, housing, and treatment. Some offenders may have a better ability to succeed with parole supervision. Increased parole supervision may also result in some offenders being returned to prison if parole officers and the Parole Board determine that parolees have violated their terms and conditions of parole.

4. *Parole Funding Is Discretionary.* The Department of Corrections will manage to its appropriation, regardless of the amount of resources provided to supervise the parole population. As such, the JBC could reject this supplemental request, or it could approve an amount lower than the amount requested. In the long term, if the General Assembly prefers to reduce the costs associated with parole supervision, statutory changes could be considered. Given the current statutory requirements for mandatory parole, DOC is required to supervise the parole population. Reduced funding will reduce the level of supervision for the parole population.
5. *DOC Underestimated Its Need Based on Historical Funding Levels.* DOC's supplemental request did not include funds for support staff for the parole officers, nor did it include costs associated with Health, Life, and Dental, Short-term Disability, and Amortization Equalization Disbursement. The support functions are a daily requirement for parole programs. If administrative functions are not funded, the parole officers will spend more of their time doing paperwork instead of supervising parolees. The administrative staff assist with the following functions: (a) preparing pre-parole plans for inmates prior to meeting with the Parole Board; (b) contracting with and billing private providers for parole services; (c) processing referrals for treatment; (d) preparing paperwork associated with actions that may be taken by the Parole Board (e.g., revocations, changes to/from regular parole and parole ISP, changes in the terms and conditions of parole, pre-parole plans, etc.). Staff believes that there is value in providing administrative support for parole officers.

In recent years, the General Assembly approved reductions to parole programs and did not fully fund parole programs based on historical levels and the growing caseload. If the budget is not adjusted in FY 2006-07 for the growing caseload, it will be even more expensive in future years to restore the funding of these programs to historical levels.

6. *JBC Staff Calculations.* JBC staff used the following assumptions in developing the recommendation for this supplemental request:
 - a. Staff utilized the LCS December 2006 parole population projection;

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

DOC Supplemental #1 – Average Parole Population	
	Average Daily Parole Population
LCS Dec 2006 Estimated ADP	7,039
Minus Funded ADP in the Long Bill	<u>(6,350)</u>
Change in ADP	689
Percent Change in ADP	10.9%

Note: DOC estimated an average daily population of 7,057 parolees in FY 2006-07, and the Division of Criminal Justice estimated an average population of 7,009 offenders in FY 2006-07.

- b. Staff recommend funding the incremental growth to historical caseload levels for parole staff. Staff also recommends funding for 85 percent of the parole population to be placed on regular parole and 15 percent of the population to be placed on parole ISP.

Recommended Staffing Ratios for Incremental Growth – Parole / Parole ISP		
	Regular Parole	Parole ISP
Parole Officer per Supervisor	10	10
Team Leader per Parole Officer	6	6
Parolees per Team Leader	34	10
Parolees per Parole Officer	65	20
Parole Officer per Administrative Staff	4	4

- c. Staff recommended funding Health, Life, and Dental, Short-term Disability, and Amortization Equalization Disbursement;
- d. Staff recommended funding three months of costs for personal services, operating expenses, and associated line items. As such, an additional nine months of funding will be required to annualize the JBC staff recommendation.
- e. Staff recommended funding contract line items based on historical funding on a per offender basis (\$117.62 per ADP for drug and alcohol contract services, \$105.23 per ADP for parole contract services, \$1,191.37 per ADP for parole ISP contract services, and \$918.38 per ADP for "Non-residential Services").

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Using these assumptions, the JBC staff recommendation is reflected in the following table.

DOC Supplemental #1 – Parole and Parole ISP Increases JBC STAFF RECOMMENDATION					
Subprogram	Line Item	Recommendation FY 2006-07		FY 2007-08* annualization	
		General Fund	FTE	General Fund	FTE
Executive Director	Leased Space	47,172		141,516	
	Health, Life, Dental	54,026		162,078	
	Short-term Disability	425		1,275	
	Amort. Eq. Disbursement	3,923		11,769	
Communications	Operating Expenses	5,146		15,438	
Transportation	Vehicle Lease Payments	5,812		17,436	
Information Systems	Operating Expenses	1,715		5,145	
Drug and Alcohol	Contract Services	81,040		0	
Parole	Personal Services	232,183	5.8	696,549	17.4
	Operating Expenses	26,579		79,737	
	Contract Services	61,575		0	
	Start-Up Costs	<u>61,377</u>		<u>0</u>	
	Subtotal Parole	381,714	5.8	776,286	17.4
Parole ISP	Personal Services	132,626	2.8	397,878	8.4
	Operating Expenses	14,628		43,884	
	Contract Services	123,724		0	

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

DOC Supplemental #1 – Parole and Parole ISP Increases JBC STAFF RECOMMENDATION					
Subprogram	Line Item	Recommendation FY 2006-07		FY 2007-08* annualization	
		General Fund	FTE	General Fund	FTE
	Non-residential Services	95,374		0	
	Start-Up Costs	<u>31,843</u>		<u>0</u>	
	Subtotal Parole ISP	398,195	2.8	441,762	8.4
Grand Total		979,168	8.6	1,572,705	25.8

* The FY 2007-08 figure only reflects the costs associated with annualizing this supplemental recommendation. During figure setting, JBC staff will recommend annualizing any increase approved for this supplemental, PLUS any additional resources that may be justified based on the FY 2007-08 projected parole population.

Staff Recommendation: Staff recommends that the committee approve a supplemental appropriation of \$979,168 General Fund and 8.6 FTE. This recommendation is \$299,958 General Fund and 4.6 FTE *more* than the Department's request.

Comparison of JBC Staff Recommendation and DOC Request		
	General Fund	FTE
JBC Staff Recommendation	979,168	8.6
Minus DOC Request	<u>(679,210)</u>	<u>(4.0)</u>
Difference	299,958	4.6

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Supplemental # 2 - Medical/Pharmacy POPM Changes

	Request	Recommendation
Total	\$175,536	(\$549,765)
FTE	<u>0.0</u>	<u>0.0</u>
General Fund	175,536	(549,765)
Cash Funds	0	0
Cash Funds Exempt	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	YES
This request was submitted as "New Data" based on revised estimates of costs per offender for the provision of medical services to the inmate population. Changes in the bed plan have also occurred. Staff concurs with this assessment and believes that this request meets the supplemental criteria.	

Department Request: The Department has requested a supplemental appropriation of \$175,536 General Fund for various line items in the Medical Services Subprogram. These adjustments are requested to reflect two sources of new information:

1. Updated per offender per month (POPM) costs for the line items; and
2. Updated information regarding the number of eligible inmates covered by the respective line items:

See the following tables for a summary of requested adjustments.

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

DOC Supplemental Request #2 — Medical Services Subprogram			
Line Item	FY 2006-07 Long Bill	Supplemental Request	Amended Request
Purchase of Pharmaceuticals	9,986,694	204,048	10,190,742
Purchase of Medical Services from Other Medical Facilities	20,627,970	228,477	20,856,447
Purchase of Medical Services from State Hospital	1,609,671	(584,692)	1,024,979
Catastrophic Medical Expenses	<u>5,815,054</u>	<u>327,703</u>	<u>6,142,757</u>
Total Funds	38,039,389	175,536	38,214,925

DOC Supplemental #2 — Medical Services Subprogram — Summary of Requested Changes							
Line Item	Long Bill		Supplemental Request		Difference		Change Requested
	Per Offender Per Month	Eligible Inmates	Per Offender Per Month	Eligible Inmates	Per Offender Per Month	Eligible Inmates	
Pharmaceuticals	\$56.78	14,657	\$56.98	14,904	\$0.20	247	\$204,048
Other Medical Facilities							
Base Cost	\$76.84		\$76.31		(\$0.53)		
Administrative Fee*	\$7.15		\$7.44		\$0.29		
Security Fee	<u>\$2.18</u>		<u>\$2.68</u>	19,772	<u>\$0.50</u>		
Other Med. Subtotal	\$86.17	19,611	\$86.43	19,772	\$0.26	161	\$228,477
State Hospital	\$6.84	19,611	\$4.32	19,772	(\$2.52)	161	(\$584,692)
Catastrophic Expenses	\$24.71	19,611	\$25.89	19,772	\$1.18	161	\$327,703
Total General Fund Changes Requested							\$175,536

* The appropriation includes \$350,000 for a managed care incentive payment.

Staff Analysis: Staff makes the following observations regarding this supplemental request.

1. *Supplemental Criteria Met.* Four factors contribute to the estimated change in funding needs for the provision of medical services to the inmate population. Each of these factors meets the supplemental criteria.

**DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

- a. *POPM Changes.* The Department's requested supplemental appropriation reflects the per offender per month (POPM) costs as of October 2006. These POPM figures were used to calculate the staff recommended adjustments for the respective line items. Staff believes this portion of the request meets supplemental criteria of "New Data". **Staff recommends that the JBC utilize the adjusted POPM estimates provided by the Department.**
 - b. *Security Fee Changes.* The increase in the security fee is based on a new contract with a provider that went into effect in September 2006. This portion of the request meets the supplemental criteria of "New Data". **Staff recommends that the JBC use the new security fee provided by the Department.** *Note:* the JBC staff calculation prorated the old fee for 25 percent of the year and the new fee for 75 percent of the year.
 - c. *Administrative Fee Changes.* The original calculation of the administrative fee paid to the managed care provider for FY 2006-07 did not include a 4.0 percent inflation factor that is part of the contract. This component of the supplemental request meets the criteria of "Technical Error". **Staff recommends that the JBC use the new administrative fee provided by the Department.**
 - d. *Population Changes.* The original appropriation was based on the December 2005 LCS population projections and the Department's March 2006 bed plan. Based on the revised bed plan and the December 2006 LCS population changes, the number of inmates eligible to receive medical care from the Department has changed. As such, staff believes this portion of the request meets supplemental criteria of "New Data". **Staff recommends that the JBC use adjusted estimates for the eligible population** (see detailed calculations in Bullet Point #2).
2. *Eligible Population.* Based on the Department's revised bed plan and the LCS December 2006 population projections, staff estimates that the caseload of eligible offenders has changed. The change is reflected in the following table.

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Summary of Inmate Population Estimates Used for Line Items in the Medical Services Subprogram			
	Long Bill	Revised Estimates	Difference
LCS June 2006 Projections	21,928	22,012	84
LCS June 2007 Projection	23,159	23,065	(94)
Avg. Daily Population (w/o YOS)	22,544	22,539	(5)
Plus Y.O.S. Population	<u>158</u>	<u>171</u>	<u>13</u>
DOC Jurisdictional Population	22,702	22,710	8
Jail Population	(257)	(508)	(251)
S.B. 03-252 Population	(298)	(247)	51
Community Corrections Population (11.25%)	<u>(2,536)</u>	<u>(2,536)</u>	<u>0</u>
Medical Services Population	19,611	19,419	(192)
In-State Private Prison Population	(4,276)	(4,082)	194
Out-of-State Private Prison Population	0	(238)	(238)
Pre-release Parole Revocation Population	<u>(678)</u>	<u>(491)</u>	<u>187</u>
Pharmaceutical Population	14,657	14,608	(49)

Staff Recommendation: Staff recommends that the committee approve a supplemental appropriation for a net *reduction* of \$549,765 General Fund (see the following table). The calculations for this recommendation are based on the Department's revised bed plan, the LCS December 2006 population projections, and the Department's revised cost estimates for the provision of medical services to the inmate population.

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

DOC Supplemental #2 — Medical Services Subprogram — Summary of Recommended Changes							
Line Item	Total Recommendation					Long Bill General Fund	Recommended Change
	POPM	Eligible Inmates	Base Need	Managed Care	Total		
Pharmaceuticals	\$56.98	14,608	\$9,988,366	\$0	\$9,988,366	\$9,986,694	\$1,672
Other Medical Facilities							
Base Cost	\$76.31						
Administrative Fee	\$7.44						
Security Fee*	<u>\$2.56</u>						
Other Med. Subtotal	\$86.31	19,419	\$20,111,482	\$350,000	\$20,461,482	\$20,627,970	(\$166,488)
State Hospital	\$4.32	19,419	\$1,006,681	\$0	\$1,006,681	\$1,609,671	(\$602,990)
Catastrophic Expenses	\$25.89	19,419	\$6,033,095	\$0	\$6,033,095	\$5,815,054	\$218,041
Total General Fund Changes Recommended							(\$549,765)

* The security fee reflects a prorated rate of \$2.18 per inmate per month for 3 months and \$2.68 per inmate per month for 9 months.

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Supplemental # 3 - Male Double Bunking

	Request	Recommendation
Total	(\$374,327)	(\$349,073)
FTE	<u>(7.6)</u>	<u>(7.6)</u>
General Fund	(372,514)	(347,260)
Cash Funds	0	0
Cash Funds Exempt	(1,813)	(1,813)
Federal Funds	0	0

* The recommendation does not include adjustments for medical expenses. The total adjustment to medical expenses for the Department are recommended in the analysis of Supplemental #2 (Medical). They are not included here to avoid "double counting" the adjustments.

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?	YES
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
This request was submitted as "New Data" based on the Department's revised bed plan. Staff concurs that the costs associated with double bunking have changed since the FY 2006-07 budget was set. Accordingly, staff believes that this request meets the supplemental criteria.	

Department Request: The Department has requested to *reduce* its an appropriation for double bunking inmates in FY 2006-07 by \$374,327 total funds and 7.6 FTE. Of the requested reduction, \$375,514 is General Fund and \$1,813 is cash funds exempt (Canteen Fund). The 2006 Long Bill (H.B. 06-1385) included \$3,495,860 total funds and 43.6 FTE to double bunk an average daily population of 100 inmates. Of the total funds appropriated for this purpose, \$1,416,274 were for one-time "Start-up Costs", and \$2,079,586 were for ongoing operating expenses associated with supervising the additional inmates. Based on the Department's revised bed plan, the Department anticipates housing an average daily population of 82 inmates in FY 2006-07, an 18.0 percent reduction from the original plan. The Department is not requesting any adjustments for the "Start-up Costs". However, the Department is requesting an 18.0 percent reduction in the line items that fund ongoing operating expenses associated with double bunking.

Supplemental Request #4 — Double Bunking (Total Funds and FTE)*		
Subprogram / Line Item	FY 2006-07 Base Appropriation	Requested Adjustment RECOMMENDED
Executive Dir. Office Health, Life, Dental	105,458	(18,982)
Short-term Disability	1,850	(333)
Amortization Equal. Disbursement	8,671	(1,561)

**DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Supplemental Request #4 — Double Bunking (Total Funds and FTE)*					
Subprogram / Line Item		FY 2006-07 Base Appropriation		Requested Adjustment RECOMMENDED	
Inspector General	Personal Services	10,654	0.3	(1,918)	0.0
	Operating Expenses	1,581		(285)	
	Start-up Costs	19,317		0	
Utilities	Utilities	21,014		(3,783)	
	Start-up Costs	518,571		0	
Maintenance	Personal Services	85,860	2.9	(15,455)	(0.5)
	Operating Expenses	31,825		(5,729)	
Housing and Security	Personal Services	876,339	30.1	(157,741)	(5.4)
	Operating Expenses	27,259		(4,907)	
Food Service	Personal Services	88,841	2.9	(15,991)	(0.5)
	Operating Expenses	108,044		(19,448)	
Medical Services	Personal Services	140,020	4.3	(25,204)	(0.8)
	Operating Expenses	21,906		(3,943)	
	Pharmaceuticals**	45,651		(8,217)	
	Purchase of Med. Services Other Facilities**	69,281		(12,471)	
	Purchase of Med. Services St. Hospital**	5,499		(990)	
	Purchase of Catastrophic Med. Expenses**	19,867		(3,576)	
	Contracts	18,833		(3,390)	
	Start-up Costs	55,008		0	
Laundry	Operating	13,283		(2,391)	
Superintendents	Operating	34,495		(6,209)	
	Start-up	753,500		0	
Case Management	Personal Services	47,324	1.4	(8,518)	(0.3)
	Operating Expenses	396		(71)	
	Start-up Costs	17,170		0	
Mental Health	Operating Expenses	694		(125)	
	Contract Services	9,714		(1,749)	

**DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Supplemental Request #4 — Double Bunking (Total Funds and FTE)*					
Subprogram / Line Item		FY 2006-07 Base Appropriation		Requested Adjustment RECOMMENDED	
Inmate Pay	Inmate Pay	15,463		(2,783)	
Legal Access	Personal Services	7,023	0.3	(1,264)	0.0
	Operating Expenses	6,443		(1,160)	
	Start-up Costs	3,438		0	
Offender Services	Personal Services	6,229	0.3	(1,121)	0.0
	Operating Expenses	92		(17)	
	Start-up Costs	3,438		0	
Communications	Operating Expenses	10,683		(1,923)	
Transportation	Personal Services	14,430	0.5	(2,597)	(0.1)
	Operating Expenses	3,284		(591)	
	Vehicle Lease Payments	18,140		0	
	Start-up Costs	20,816		0	
Training	Operating Expenses	300		(54)	
Information Systems	Personal Services	8,577	0.3	(1,544)	0.0
	Operating Expenses	6,066		(1,092)	
	Start-up Costs	3,438		0	
Labor	Operating Expenses	496		(89)	
Education	Operating Expenses (CFE)	2,280		(410)	
	Contract Services	148,685		(26,763)	
Recreation	Operating (CFE)	496		(89)	
Drug and Alcohol	Contract Services	47,381		(8,529)	
Canteen Operation	Personal Services (CFE)	7,207	0.3	(1,297)	0.0
	Operating Expenses (CFE)	92		(17)	
	Start-up Costs (CFE)	<u>3,438</u>	<u> </u>	<u>0</u>	<u> </u>
Total Funds		<u>3,495,860</u>	<u>43.6</u>	<u>(374,327)</u>	<u>(7.6)</u>
General Fund		3,482,347		(372,514)	
Cash Funds Exempt (Canteen Funds)		13,513		(1,813)	

* All funds shown are General Fund, with the exception of the Canteen Operation, which is cash funds exempt.

**DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

The figures for medical expenses reflect an 18.0 percent reduction of the existing appropriation. However, the recommendation does not include adjustments for medical expenses. The total adjustment to medical expenses for the Department are recommended in the analysis of Supplemental #2 (Medical). They are not included here to avoid "double counting" the adjustments.

Staff Analysis: Staff makes the following observations regarding this supplemental request.

1. *Supplemental Criteria Met.* Given that the JBC approved sending inmates out-of-state on October 5, 2006, staff believes that the supplemental criteria of "New Data" has been met.
2. *Useful to Save General Fund.* Given that the Department will not need its entire appropriation for additional double bunking in FY 2006-07, staff believes that it is appropriate to adjust the appropriation to reflect the anticipated need for resources for this purpose.
3. *JBC Letter Requesting Revised Bed Plan.* In October 2006, the JBC sent a letter to the Department requesting that funds appropriated for double bunking in FY 2006-07 not be spent or encumbered until a revised bed plan had been prepared. The letter indicated that the JBC would revisit whether or not an appropriation for double bunking would be necessary in FY 2006-07 based on the revised bed plan.
4. *Revised Bed Plan Submitted.* To justify the request for this supplemental, the Department has provided JBC staff with a revised bed plan to justify its need for resources to double bunk inmates in FY 2006-07. Although this plan is different from the one used to prepare the original budget for FY 2006-07, JBC staff believes that the revised plan is reasonable. Furthermore, JBC staff utilized this revised plan for purposes of calculating the estimated need for resources in the External Capacity subprogram (see the JBC staff analysis of the DOC Supplemental Request #4 – External Capacity).

Staff Recommendation: Staff recommends that the committee approve the request for a supplemental appropriation related to double bunking inmates. As such, staff recommends that the JBC approve *reducing* the appropriation for double bunking inmates in FY 2006-07 by \$349,073 total funds and 7.6 FTE. Of the recommended reduction, \$347,260 is General Fund and \$1,813 is cash funds exempt (Canteen Fund). This recommendation does not include medical expense adjustments that are discussed in the analysis for Supplemental #2.

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Supplemental # 4 - External Capacity – Population Changes

	Request	Recommendation
Total	(\$1,877,933)	(\$1,844,364)
FTE	<u>0.0</u>	<u>0.0</u>
General Fund	(1,877,933)	(1,844,364)
Cash Funds	0	0
Cash Funds Exempt	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?	YES
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
This request was submitted as "New Data" based on the Department's revised bed plan. Staff concurs with this assessment and believes that this request meets supplemental criteria.	

Background – External Capacity Subprogram Adjustments: Each year, the JBC typically adjusts the line items used to pay for inmates in external capacity, based on the most recent inmate population projection figures. As was discussed during the briefing for the Department of Corrections, the majority of state-owned and state-operated prison beds are full. Accordingly, fluctuations in the number of inmates directly affects the number of inmates (and the amount of resources) needed to reimburse local jails, private prisons, and community corrections placements for DOC inmates whose parole has been revoked pursuant to the provisions of S.B. 03-252. For FY 2006-07, the Department's bed plan has included some double bunking options for male offenders housed in DOC facilities.

Department Request: The Department has requested a net *reduction* of \$1,877,933 General Fund. The Department of Corrections has submitted a request to adjust each of the External Capacity line items based on the OSPB population projections, and based on the year-to-date expenditures for jails, private prisons, and community corrections placements. The request is summarized in the following table.

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Department of Corrections – Supplemental Request #4 – External Capacity Adjustments					
(1) Management (B) External Capacity Subprogram (2) Payments to House State Prisoners	FY 2006-07 Long Bill (Total Funds)	1331 Supplemental Approved	FY 2006-07 Approp.	Sup. Request	Amended Total (w/Supp.)
Payments to local jails at rate of \$48.96 per inmate per day	7,587,919	3,258,998	10,846,917	(2,294,658)	8,552,259
Payments to private prisons at a rate of \$51.91 per inmate per day*	81,024,450	(4,380,278)	76,644,172	1,121,888	77,766,060
Payments to out-of-state private prisons at a rate of \$54.00 per inmate per day	0	4,121,280	4,121,280	570,240	4,691,520
Payments to pre-release parole revocation facility at a rate of \$51.91 per inmate per day	12,845,389	(3,000,000)	9,845,389	(508,208)	9,337,181
Community Corrections Programs	<u>4,609,531</u>	<u>0</u>	<u>4,609,531</u>	<u>(767,195)</u>	<u>3,842,336</u>
Total Funds	106,067,289	0	106,067,289	(1,877,933)	104,189,356

* The Long Bill appropriation for "Payments to private prisons at a rate of \$51.91 per inmate per day" includes \$78,665,743 General Fund and \$2,358,707 cash funds (federal funds credited to the State Criminal Alien Assistance Cash Fund. All other figures in this table reflect General Fund adjustments.

Staff Analysis: Staff makes the following observations regarding this supplemental request.

1. *Supplemental Criteria Met.* Given the changes in the Department's bed plan for FY 2006-07, staff believes that the supplemental criteria of "New Data" has been met. The JBC staff recommendation is based on two more months of actual inmate population figures. The Department only had actual data through October 2006 for its request. JBC staff used population figures through December 2005. Also, the JBC staff recommendation used the Legislative Council Staff December 2006 inmate population projections.
2. *Useful to Save General Fund.* The Department has identified potential savings in FY 2006-07, based on its revised bed plan. Staff believes that it is appropriate to adjust the appropriation to reflect the anticipated need for resources for the External Capacity Subprogram.
3. *Revised Bed Plan Submitted.* To justify the request for this supplemental, the Department has provided JBC staff with a revised bed plan to justify changes in the appropriation for the External Capacity Subprogram in FY 2006-07. Although this plan is different from the one used to prepare the original budget for FY 2006-07, JBC staff believes that the revised plan is reasonable. Furthermore, JBC staff utilized this revised plan for purposes of calculating the estimated need for medical expenses, double

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

bunking, and the La Vista Correctional Facility. These recommendations are discussed elsewhere in this document.

Staff Recommendation: Staff recommends that the committee approve a supplemental appropriation for a net *reduction* of \$1,844,364 General Fund (see the following table).

Department of Corrections – Supplemental Request #4 – External Capacity Adjustments			
(1) Management (B) External Capacity Subprogram (2) Payments to House State Prisoners	Sup. Request	JBC Staff Recommendation	Difference
Payments to local jails at rate of \$48.96 per inmate per day	(2,294,658)	(1,766,697)	527,961
Payments to private prisons at a rate of \$51.91 per inmate per day*	1,121,888	689,270	(432,618)
Payments to out-of-state private prisons at a rate of \$54.00 per inmate per day	570,240	570,240	0
Payments to pre-release parole revocation facility at a rate of \$51.91 per inmate per day	(508,208)	(546,180)	(37,972)
Community Corrections Programs	<u>(767,195)</u>	<u>(790,997)</u>	<u>(23,802)</u>
Total Funds	(1,877,933)	(1,844,364)	33,569

The JBC staff calculations are summarized on the following three pages.

FY 2006-07 JBC STAFF EXTERNAL CAPACITY RECOMMENDATION

Projected monthly growth -- based on LCS December 2006 Adult Prison Population Projections

	Males	Females	Total
June 2007 Total Population Projection	20,619	2,446	23,065
June 2006 Total Population Projection	(19,792)	(2,220)	(22,012)
Total Projected Growth	827	226	1,053
Minus Growth to Community Corrections (11.25% of total growth)	(93)	(25)	(118)
Growth to External Capacity (88.75% of total growth)	734	201	935
Total Growth	734	201	935
Divided by 12 months	÷ 12	÷ 12	÷ 12

TOTAL PROJECTED MONTHLY GROWTH - through June 07	61	17	78
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Male Bed Plan (grow @ 61 inmates per month)								
		Double Bunk	Jail Backlog	Community	Private Prisons	Pre-Release	Oklahoma	Projected
	June-06 (Beginning Population)	0	573	199	3,554	498	0	Net Growth
Monthly Change in Population	July-06	0	(50)	(22)	96	(20)	0	-
	August-06	0	(34)	(8)	60	22	0	-
	September-06	0	(1)	27	120	(29)	0	-
	October-06	0	(44)	0	85	25	0	-
	November-06	0	(6)	(7)	24	(20)	0	-
	December-06	0	(23)	(4)	(60)	9	240	-
	January-07	0	(199)	20	0	0	240	61
	February-07	100	(74)	20	0	15	0	61
	March-07	100	(63)	24	0	0	0	61
	April-07	50	(4)	15	0	0	0	61
	May-07	40	21	0	0	0	0	61
	June-07	0	61	0	0	0	0	61
	June-07 (Ending Population)	290	157	264	3,879	500	480	
	Capacity	540	n/a	265	3,835	750	720	
	Available Beds in FY 2007-08	250	n/a	1	(44)	250	240	

Female Bed Plan (grow @ 17 inmates per month)						
		La Vista	Jail Backlog	Community	Private Prisons	Projected
	June-06 (Beginning Population)	254	71	31	247	Net Growth
Monthly Change in Population	July-06	29	(29)	2	9	-
	August-06	13	(4)	(4)	3	-
	September-06	0	14	4	10	-
	October-06	52	(13)	(3)	(2)	-
	November-06	4	(9)	2	(12)	-
	December-06	52	(10)	5	(4)	-
	January-07	68	(15)	0	(36)	17
	February-07	0	2	0	15	17
	March-07	0	4	0	13	17
	April-07	47	(6)	0	(24)	17
	May-07	0	0	0	17	17
	June-07	0	0	0	17	17
	June-07 (Ending Population)	519	5	37	253	
	Capacity	519	n/a	35	270	
	Available Beds in FY 2007-08	0	n/a	(2)	17	

(1) Male Bed Days						
	Double Bunk	Jail Backlog	Community	Private Prisons	Pre-Release	Okalahoma
July-06	0	16,988	5,828	111,662	15,128	0
August-06	0	15,686	5,363	114,080	15,159	0
September-06	0	14,655	5,475	113,100	14,565	0
October-06	0	14,446	6,076	120,048	14,989	0
November-06	0	13,230	5,775	117,810	14,580	0
December-06	0	13,222	5,797	121,179	14,896	3,720
January-07	0	9,781	6,045	120,249	15,035	11,160
February-07	1,400	5,012	6,020	108,612	13,790	13,440
March-07	4,650	3,426	7,347	120,249	15,500	14,880
April-07	6,750	2,310	7,695	116,370	15,000	14,400
May-07	8,370	2,651	8,184	120,249	15,500	14,880
June-07	8,700	3,795	7,920	116,370	15,000	14,400
Total Bed Days	29,870	115,200	77,525	1,399,978	179,141	86,880
Average Daily Population (ADP)	82	316	212	3,836	491	238

(2) Female Bed Days				
	La Vista	Jail Backlog	Community	Private Prisons
July-06	8,324	1,752	992	7,797
August-06	8,975	1,240	961	7,983
September-06	8,880	1,350	930	7,920
October-06	9,982	1,411	977	8,308
November-06	10,500	1,035	930	7,830
December-06	11,718	775	1,070	7,843
January-07	13,578	388	1,147	7,223
February-07	13,216	168	1,036	6,230
March-07	14,632	279	1,147	7,332
April-07	14,865	240	1,110	6,930
May-07	16,089	155	1,147	7,053
June-07	15,570	150	1,110	7,335
Total Bed Days	146,328	8,942	12,556	89,782
La Vista Base Bed Days (256 beds)	<u>(93,440)</u>			
Incremental Bed Days	52,888			
Average Daily Population (ADP)	145	24	34	246

(1) Summary of Estimated Bed Days in External Capacity Subprogram (by Long Bill Line Item)						
	Bed Days			Plus Jail Regressions	Total Bed Days	ADP
	Male	Female	Total			
Local Jails	115,200	8,942	124,142	61,320	185,462	508
In-State Private Prisons	1,399,978	89,782	1,489,760	0	1,489,760	4,082
Out-of-State Private Prisons	86,880	0	86,880	0	86,880	238
Pre-release Parole Revocation Facilities	179,141	0	179,141	0	179,141	491
Community RTC (S.B. 03-252 Beds)	77,525	12,556	90,081	0	90,081	247

* Based on the assumption that an average of 168 inmates per day are in local jails awaiting a parole revocation hearing.

(2) Summary of External Capacity Funding Recommendations				
	Daily Rate	General Fund	Cash Funds Exempt	Total Funds
Payments to Local Jails	\$48.96	\$9,080,220	\$0	\$9,080,220
Payments to In-State Private Prisons	\$51.91	\$74,974,735	\$2,358,707	\$77,333,442
Payments to Out-of-State Private Prisons	\$54.00	\$4,691,520	\$0	\$4,691,520
Payments to Pre-release Parole Revocation Facilities	\$51.91	\$9,299,209	\$0	\$9,299,209
Payments to Community RTC (S.B. 03-252 Beds)	\$42.39	<u>\$3,818,534</u>	<u>\$0</u>	<u>\$3,818,534</u>
Total		\$101,864,218	\$2,358,707	\$104,222,925

* The source of cash funds exempt is federal funds credited to the the State Criminal Alien Assistance Program

(3) Recommended Supplemental Appropriation			
	Current Appropriation	Estimated Need	Difference (Gen. Fund)
Payments to Local Jails	\$10,846,917	\$9,080,220	(\$1,766,697)
Payments to Private Prisons	\$76,644,172	\$77,333,442	\$689,270
Payments to Out-of-State Private Prisons	\$4,121,280	\$4,691,520	\$570,240
Payments to Pre-release Parole Revocation Facilities	\$9,845,389	\$9,299,209	(\$546,180)
Payments to Community RTC (S.B. 03-252 Beds)	<u>\$4,609,531</u>	<u>\$3,818,534</u>	<u>(\$790,997)</u>
Total	\$106,067,289	\$104,222,925	(\$1,844,364)

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Supplemental # 5 - Miscellaneous Changes

	Request	Recommendation
Total	\$5,570,838	\$910,760
FTE	<u>1.3</u>	<u>0.0</u>
General Fund	0	0
Cash Funds	658,185	658,185
Cash Funds Exempt	3,713,011	(947,067)
Federal Funds	1,199,642	1,199,642

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?	PARTIALLY
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
<p>This request was submitted as "New Data" based on the fact that the Department has revised estimates of federal grants. Staff concurs that the changes in grant funds meets the supplemental criteria. The Department also submitted supplemental requests for Correctional Industries and the Canteen Operation. Staff does not believe that these requested changes meet any of the supplemental criteria. The Department did not document any significant workload increases for these programs. Also, Correctional Industries has reverted money in prior years.</p>	

Background – Miscellaneous Adjustments: Each year, the Department of Corrections submits a supplemental request to adjust dollar amounts and funding sources reflecting new data received during the course of the current fiscal year. Historically, this request has also been submitted to correct any technical errors that had been made with respect to the identification of fund sources.

The request seeks to make 12 adjustments, which are primarily technical adjustments for federal funds and exempt cash funds received by the Department. The Department is also requesting additional funds for Correctional Industries and the Canteen operation. This year, the Department submitted adjustments affecting a total of 17 line items. This request (by line item) is summarized in the following table.

Department of Corrections — Supplemental Request #5 – Miscellaneous Adjustments					
Request # / Subprogram	Line Item	Cash Funds	Cash Funds Exempt	Federal Funds	Total Funds
#1 Executive Director's Office	Personal Services	\$0	\$5,126	\$0	\$5,126
	Operating	0	(7,376)	0	(7,376)
#2 Inspector General	Inspector General Grants	0	57,661	112,335	169,996
#3 Medical Services	Medical Services Grants	0	(114,228)	0	(114,228)

**DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Department of Corrections — Supplemental Request #5 – Miscellaneous Adjustments					
Request # / Subprogram	Line Item	Cash Funds	Cash Funds Exempt	Federal Funds	Total Funds
#4 Education	Operating Expenses	658,185	(82,263)	0	575,922
#5 Education	Education Grants	0	(91,138)	642,566	551,428
	Vocational Grants	0	(35,000)	(422,204)	(457,204)
#6 Drug & Alcohol Treatment	Treatment Grants	0	(474,418)	299,978	(174,440)
#7 Sex Offender Treatment	Sex Offender Treatment Grants	0	41,000	(53,206)	(12,206)
#8 Parole	PAROLE GRANTS (new line item)	0	64,755	0	64,755
#9 Community Supervision	Community Corrections Grants	0	(37,002)	0	(37,002)
#10 Community Re-entry	Community Reintegration Grants	0	(274,184)	620,173	345,989
#11 Correctional Industries	Personal Services*	0	57,746	0	57,746
	Operating Expenses	0	20,000	0	20,000
	Raw Materials	0	4,515,000	0	4,515,000
	Inmate Pay	0	22,000	0	22,000
#12 Canteen Operation	Personal Services	<u>0</u>	<u>45,332</u>	<u>0</u>	<u>45,332</u>
Total Request		\$658,185	\$3,713,011	\$1,199,642	\$5,570,838

* As a part of this request, the Department is requesting a supplemental appropriation of 1.3 FTE in Correctional Industries.

* Staff is not recommending the request for Adjustment #11 (Correctional Industries) or Adjustment #12 (Canteen Operation). However, staff is recommending approval of the other components of the request.

Staff Analysis: Staff makes the following observations regarding the requests.

1. *Supplemental Criteria Met for Some Components.* Each of the requests related to federal funds and transfers from the other agencies meets the supplemental criteria of "New Data". Adjustments were also requested based on increased sales from the Department's Vocational Programs. These adjustments also meet the supplemental criteria of "New Data".
2. *Supplemental Criteria Not Met for Correctional Industries and the Canteen Operation.* The Department did not document how the workload has increased for Correctional Industries or the Canteen Operation since the FY 2006-07 budget was originally approved. The Department also has had significant reversions in Correctional Industries in recent years. Staff believes that these components of the request do not meet the supplemental criteria of "New Data".

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

3. *Useful to Accurately Reflect Federal Funds.* Staff believes that there is value of having the Long Bill reflect the sources of federal funds used by the Department of Corrections.
4. *Useful to Allow Educational Increases for Vocational Sales.* A portion of the Department's operating expenses for the Educational Subprogram come from sales of products from the Department's vocational program. Based on increased sales, the Department requests an adjustment to this line item. JBC staff believes it is useful to authorize the Department increase its spending authority based on higher than expected sales. Furthermore, the increase in sales were not projected when the budget for FY 2006-07 was established. As such, staff believes that this component of the request meets the supplemental criteria of "New Data".

Staff Recommendation: For the reasons previously identified, **staff recommends that the JBC approve the requested adjustments except for Correctional Industries and the Canteen Operation. Staff recommends against the requests for Correctional Industries and the Canteen Operation.** These do not meet supplemental criteria. A more detailed summary of the requested and recommended adjustments follows:

Adjustment #1 — Change in VALE Grant Funds. The Department requested an adjustment to the "Personal Services" and "Operating Expense" line items in the Executive Director's Office based on

Adjustment #1 — Change in VALE Grant Funds			
Line Item	FY 2006-07 Long Bill	Supplemental Request RECOMMENDED	Amended Figure
Personal Services	<u>1,369,526</u>	<u>5,126</u>	<u>1,374,652</u>
General Fund	1,267,385	0	1,267,385
Cash Funds Exempt	102,141	5,126	107,267
Operating Expense	<u>292,596</u>	<u>(7,346)</u>	<u>285,250</u>
General Fund	190,455	0	190,455
Cash Funds Exempt	102,141	(7,346)	94,795
Total	<u>1,662,122</u>	<u>(2,220)</u>	<u>1,659,902</u>
General Fund	1,457,840	0	1,457,840
Cash Funds Exempt	204,282	(2,220)	202,062

**DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Adjustment #2 – Inspector General Grants. The Inspector General is expected to receive grants for FY 2006-07 amounting to \$662,775 (see the following table).

Adjustment #2 — Inspector General Grants			
Fund Source	FY 2006-07 Long Bill	Supplemental Request RECOMMENDED	Amended Figure
Cash Funds Exempt*	86,930	57,661	144,591
Federal Funds**	<u>405,849</u>	<u>112,335</u>	<u>518,184</u>
Total Funds	492,779	169,996	662,775

* The source of cash funds exempt is a transfer of federal funds from the Division of Criminal Justice.

** The federal funds are from the Protecting Inmates and Safeguarding Communities grant from the U.S. Department of Justice.

Adjustment #3 – Medical Services Grants. The Department is not expecting to receive any medical services grants (federal funds transferred from the Division of Criminal Justice) in FY 2006-07 (see the following table).

Adjustment #3 — Medical Services Grants			
Fund Source	FY 2006-07 Long Bill	Supplemental Request RECOMMENDED	Amended Figure
Cash Funds Exempt*	114,228	(114,228)	0

* The source of cash funds exempt reflected in the Long Bill is a transfer of federal funds from the Division of Criminal Justice.

Adjustment #4 – Education Subprogram – Operating Expenses. The Department receives an appropriation in the "Operating Expense" line item in the Education Subprogram to reflect sales from the Department's vocational programs. Based on anticipated increased sales from the vocational programs, the Department has requested to adjust the appropriation to this line item.

Adjustment #4 — Education Subprogram – Operating Expenses			
Fund Source	FY 2006-07 Long Bill	Supplemental Request RECOMMENDED	Amended Figure
Canteen Funds	449,273	0	449,273
Vocational Sales to Govt. Agencies	<u>276,000</u>	<u>(82,263)</u>	<u>193,737</u>
Subtotal – Cash Funds Exempt	725,273	(82,263)	643,010
Cash Funds*	<u>580,800</u>	<u>658,185</u>	<u>1,238,985</u>
Total Funds	1,306,073	575,922	1,881,995

* The source of cash funds is from sales revenue earned by vocational programs.

**DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Adjustment #5 – Education Subprogram – Education and Vocational Grants. The Department is expected to receive educational grants in FY 2006-07 amounting to \$837,462 (see the following table).

Adjustment #5a — Education Subprogram — Education Grants			
Source of Funds	FY 2006-07 Long Bill	Supplemental Request RECOMMENDED	Amended Figure
CDPHE	25,000	(8,858)	16,142
Colo. Dept. of Ed.	251,034	(82,280)	168,754
Gifts, Grants, Donations	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Subtotal CFE	286,034	(91,138)	194,896
Federal Funds	<u>0</u>	<u>642,566</u>	<u>642,566</u>
Total Funds	286,034	551,428	837,462

The Department is not expected to receive any vocational grants in FY 2006-07 (see the following table).

Adjustment #5b — Education Subprogram — Vocational Grants			
Source of Funds	FY 2006-07 Long Bill	Supplemental Request RECOMMENDED	Amended Figure
Colo. Dept. of Higher Ed. (CFE)	35,000	(35,000)	0
Federal Funds	<u>422,204</u>	<u>(422,204)</u>	<u>0</u>
Total	457,204	(457,204)	0

Adjustment #6 – Drug and Alcohol Subprogram – Treatment Grants. The Department is expected to receive treatment grants in FY 2006-07 amounting to \$512,704 (see the following table).

Adjustment #6 — Drug and Alcohol Treatment Grants			
Fund Source	FY 2006-07 Long Bill	Supplemental Request RECOMMENDED	Amended Figure
Cash Funds Exempt*	687,144	(474,418)	212,726
Federal Funds	<u>0</u>	<u>299,978</u>	<u>299,978</u>
Total Funds	687,144	(174,440)	512,704

* The source of cash funds exempt is a transfer of federal funds from the Division of Criminal Justice.

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Adjustment #7 – Sex Offender Treatment Subprogram – Sex Offender Treatment Grants. The Department is expected to receive treatment grants in FY 2006-07 amounting to \$209,076 (see the following table).

Adjustment #7 — Sex Offender Treatment Grants			
Fund Source	FY 2006-07 Long Bill	Supplemental Request RECOMMENDED	Amended Figure
Cash Funds Exempt*	0	41,000	41,000
Federal Funds	<u>221,282</u>	<u>(53,206)</u>	<u>168,076</u>
Total Funds	221,282	(12,206)	209,076

* The source of cash funds exempt is a transfer of federal funds from the Division of Criminal Justice.

Adjustment #8 – Parole Subprogram – Parole Grants. The Department is expected to receive parole grants in FY 2006-07 amounting to \$64,755 (see the following table).

Adjustment #8 — Parole Subprogram — Parole Grants			
Source of Funds	FY 2006-07 Long Bill	Supplemental Request RECOMMENDED	Amended Figure
Cash Funds Exempt*	0	64,755	64,755

* The source of cash funds exempt is a transfer of federal funds from the Division of Criminal Justice.

Adjustment #9 – Community Corrections Grant. The Department is not expecting to receive a community corrections grant in FY 2006-07 (see the following table). The source of cash funds exempt was a grant that had been expected to be received from the Division of Criminal Justice in the Department of Public Safety for a community sex offender program.

Adjustment #9 — Community Corrections Grant			
Fund Source	FY 2006-07 Long Bill	Supplemental Request RECOMMENDED	Amended Figure
Cash Funds Exempt*	37,002	(37,002)	0

* The source of cash funds exempt is a transfer of federal funds from the Division of Criminal Justice.

Adjustment #10 – Community Re-entry Subprogram – Community Reintegration Grants. The Department is expected to receive community reintegration grants in FY 2006-07 amounting to \$739,092 (see the following table).

**DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Adjustment #10 — Community Reintegration Grants			
Fund Source	FY 2006-07 Long Bill	Supplemental Request RECOMMENDED	Amended Figure
Cash Funds Exempt*	393,103	(274,184)	118,919
Federal Funds	<u>0</u>	<u>620,173</u>	<u>620,173</u>
Total Funds	393,103	345,989	739,092

* The source of cash funds exempt should be amended to reflect federal funds appropriated to the Colorado Department of Labor and Employment. The existing lettered note reflects that the fund source is from the federal Life Skills Grant appropriated to the Department of Education.

Adjustment #11 – Correctional Industries. The Department is requesting adjustments in FY 2006-07 for growth in two programs operated by Correctional Industries: (1) the goat dairy program; and (2) the metal fabrication program. Specifically, the Department is requesting 4.0 FTE (annualized request) for additional staff to supervise 90 to 100 inmates who are working in industry programs. The Department has advised staff that its dairy program has grown and it anticipates a significant increase in work in the metal fabrication program with the construction of CSP II. The following table summarizes the requested adjustments.

Adjustment #11 — Correctional Industries Adjustments						
Line Item	FY 2006-07 Long Bill		DOC Supplemental Request		JBC Staff Supplemental Recommendation	
	CFE	FTE	CFE	FTE	CFE	FTE
Personal Services	9,159,779	151.0	57,746	1.3	0	0.0
Operating Expenses	5,349,030		20,000		0	
Raw Materials	16,928,799		4,515,000		0	
Inmates Pay	<u>1,488,702</u>	_____	<u>22,000</u>	_____	<u>0</u>	_____
Total Funds	18,417,501	151.0	4,537,000	1.3	0	0.0

* The source of cash funds exempt is from Correctional Industries revenue. Pursuant to Section 17-24-104, C.R.S., Correctional Industries is an enterprise. As such, these revenues are classified as cash funds exempt.

Staff believes that the request for Correctional Industries does not meet any of the supplemental criteria. Staff has not been provided information that would suggest the Department's workload is higher than anticipated when the original budget was set. Staff believes that it is useful for the inmates to be gainfully employed while incarcerated. Correctional Industries provides inmates with the opportunity to acquire skills. Furthermore, as an enterprise, the requested funds would not pose a burden on the General Fund. However, staff notes that the Department has had significant reversions from Correctional Industries in recent years. In FY 2005-06, the Department reverted the following appropriations from Correctional Industries: (1) \$705,737 and 38.0 FTE from "Personal Services"; (2) \$1,383,745 from "Operating Expenses";

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

(3) \$2,412,203 from "Raw Materials"; and (4) \$120,786 from "Inmate Pay". Based on the prior year reversions and the belief that this request does not meet any of the supplemental criteria, **staff recommends against the requested supplemental appropriation for Correctional Industries.**

Adjustment #12 – Canteen Operation. The Department is requesting \$45,332 cash funds exempt (Canteen Fund) for the "Personal Services" line item in the Canteen Operation. The Department received an appropriation of \$1,279,704 cash funds exempt (Canteen Fund) and 28.0 FTE. The Department contends that the existing spending authority is not sufficient to fill all of the positions appropriated to the program. Staff notes that the Canteen Operation received an increase of \$94,263 and 2.6 FTE in FY 2006-07 associated with the provision of canteen services to private prisons in Colorado. **Staff believes that the requested appropriation for the Canteen Operation does not meet supplemental criteria. As such, staff recommends against this requested adjustment.**

The Canteen Operation became an enterprise in the 2002 legislative session pursuant to the provisions of H.B. 02-1171 (Section 17-24-126, C.R.S.). As such, appropriations from the Canteen Fund are considered to be cash funds exempt.

Adjustment #12 — Canteen Operation			
Fund Source	FY 2006-07 Long Bill	DOC Supplemental Request	JBC Staff Supplemental Recommendation
Cash Funds Exempt*	1,279,704	45,332	0

* The source of cash funds exempt is the Canteen Fund.

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Supplemental # 6 — Community Corrections Psychotropic Medications and Fugitive Returns

Note: this request was submitted on January 18, 2007, by the Ritter administration. The request was not prioritized relative to the requests submitted on January 2nd. JBC staff included this as Supplemental Request #6 in this packet only to avoid confusion with the prioritized requests already received.

	Request	Recommendation
Total	\$594,049	\$12,341
FTE	<u>0.0</u>	<u>0.0</u>
General Fund	594,049	12,341
Cash Funds	0	0
Cash Funds Exempt	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **PARTIALLY**
 [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]

The Department did not indicate which supplemental criteria were met for this request. In examining the request, staff acknowledges that the number of mentally ill offenders has increased and that there may be a business case for providing medication for mentally ill offenders in the community. Despite these observations, JBC staff does not believe that any of the supplemental criteria have been met for psychotropic medication. The Department has advised staff that the cost of returning fugitives has increased by 38 percent relative to FY 2005-06. This portion of the request meets supplemental criteria.

Department Request: The Department of Corrections has requested a supplemental appropriation of \$594,049 General Fund for FY 2006-07. The request has two components: (1) \$552,000 General Fund for psychotropic medications for offenders in community corrections; and (2) \$42,049 General Fund for fugitive returns.

Staff Analysis: Staff makes the following observations with respect to this request.

1. *Psychotropic Medications.* The Department of Corrections has requested \$552,000 General Fund for psychotropic medications for offenders in community corrections. The Department estimates that this level of funding will provide medication to an average daily population of 368 offenders for the remainder of the state fiscal year (368 offenders x \$10 per day x 150 days — February through June)
 - a. *Supplemental Criteria Not Met.* The issue of mentally ill offenders is not new. The lack of funding for medication for mentally ill offenders is not a technical error, nor does it fund an unforeseen

**DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

contingency. As such, staff believes that this request does not meet any of the supplemental criteria. As such, **staff recommends *against* approval of the request for funding for psychotropic medications.**

- b. *No Budget Amendment.* The Department is not requesting these funds to continue in FY 2007-08.
 - c. *Potential Benefits — Benefits Cannot Easily Be Quantified.* The Department of Corrections has advised staff that approximately 18 percent of the inmates in its system are mentally ill. Recent testimony to the JBC from the County Sheriffs Association suggests that a similar percentage of offenders in county jails suffer from severe mental illness. The Department of Corrections has indicated that community corrections programs are reluctant to accept severely mentally ill offenders because of the Department cannot pay for medications for these offenders. Furthermore, there is anecdotal evidence that suggests severely mentally ill offenders who are released into the community are more likely to fail if they do not receive mental health treatment. If this supplemental appropriation is approved by the JBC, some offenders may succeed who would have failed without access to psychotropic medication. There could be monetary savings or cost avoidance to the Department of Corrections if more mentally ill offenders are placed in the community and if the success rates in the community are improved. These savings cannot be easily quantified.
2. *Fugitive Returns.* The Department received an appropriation of \$32,475 cash funds exempt (transfer of federal funds from the Division of Criminal Justice in the Department of Public Safety) in the "Contract Services for Fugitive Returns" line item. This line item is used to pay for transportation costs associated with returning fugitives who have escaped from a community corrections program or from parole, are apprehended in another state, and who are required to be returned to Colorado. Based on the first five months of FY 2006-07, the Department has spent \$6,627 per month for these costs. With the current funding, the Department estimates that the appropriation will only cover 5.6 months of anticipated expenses. The Department estimates that the requested increase of \$42,049 General Fund will cover the remaining 6.4 months of expenses.
- a. *No General Fund Appropriation for Fugitive Returns.* The Department has never received a General Fund appropriation for the express purposes of returning fugitive offenders to Colorado from other states.
 - b. *Appropriation Not Adjusted in Recent Years.* The appropriation to this line item has not been adjusted in since FY 1996-97, when the \$32,475 cash funds exempt appropriation was added through a supplemental appropriation to the Department. This appropriation is from federal funds transferred from the Division of Criminal Justice in the Department of Public Safety.
 - c. *Costs Exceed Appropriation.* The Department has stated that the costs of fugitive returns exceed the appropriation. Based on the monthly cost estimate of \$6,627 per month provided by the

**DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Department, staff estimates that the Department underestimated its total need for FY 2006-07 by \$5,000. As such, if the JBC intends to fund the entire need, a supplemental appropriation of \$47,049 General Fund would be needed. In response to questions from JBC staff regarding the need for funds, the Department estimated that it transports between 10 and 15 inmates per month to this line. The Department estimates that the cost of these transports has increased from FY 2005-06 to FY 2006-07 by 38 percent based upon the actual cost of the average transport.

- d. *Department Has Managed in Prior Years.* Based on prior year expenditures, staff believes that the Department of Corrections could have been in a position to anticipate the actual costs for FY 2006-07 when the budget was originally set. Furthermore, the Department has been able to pay for fugitive returns without the need for General Fund dollars in prior years. It is not clear, what if anything, has changed relative to prior years that would merit a General Fund appropriation. The Department has advised JBC staff that it has used funds from its base operating appropriation in prior years.

Summary of Staff Recommendations:

1. Staff believes that the fugitive returns request meets supplemental criteria. **Staff recommends a supplemental appropriation of \$12,341 General Fund for fugitive returns (38 percent of the current appropriation of \$32,475).** For FY 2007-08, the Department did not submit a budget amendment. As such, this recommendation is for a one-time appropriation for FY 2006-07.
2. Because it does not meet supplemental criteria, **staff recommends that the JBC reject the request for psychotropic medication.** In examining the request, staff acknowledges that the number of mentally ill offenders has increased and that there may be a business case for providing medication for mentally ill offenders in the community. Despite these observations, JBC staff does not believe that any of the supplemental criteria have been met. Accordingly, staff recommends against approval of the request.

Note: If the JBC were to approve the request, staff recommends that the appropriation be made to a separate line item. Furthermore, it may be appropriate for the JBC to approve only half of the request and require a report to compare the outcomes (recidivism) of offenders who receive medication with those who do not receive medication. Ultimately, this information may be useful in subsequent fiscal years.

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Supplemental # 7 - JBC Staff Initiated Supplemental – La Vista Correctional Facility

	Request	Recommendation
Total	\$0	(\$225,870)
FTE	<u>0.0</u>	<u>(2.6)</u>
General Fund	0	(225,448)
Cash Funds	0	0
Cash Funds Exempt	0	(422)
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?	YES
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
The Department did <u>not</u> request this supplemental request. However, the Department's revised bed plan reflects that the La Vista Correctional Facility has come online slower than anticipated. As such, staff believes that a reduction to the funding for this facility is warranted and meets the supplemental criteria of "New Data".	

Background: The current Long Bill includes an appropriation of \$5,220,642 total funds and 78.4 FTE for the La Vista Correctional Facility. When filled to capacity, the facility will accommodate 263 additional female inmates. The facility was funded to accommodate an average daily population of 160 inmates. However, based on the Department's revised bed plan, the facility will only have an average daily population of 145 inmates, 9.4 percent lower than the funded level.

Request: The Department did not request a supplemental appropriation for the La Vista Correctional Facility.

Staff Analysis: Staff makes the following observations with respect to this request.

1. *Supplemental Criteria Met.* To justify the request for other supplemental adjustments, the Department has provided JBC staff with a revised bed plan for FY 2006-07. Although this plan is different from the one used to prepare the original budget for FY 2006-07, JBC staff believes that the revised plan is reasonable. JBC staff utilized this revised plan for purposes of calculating the estimated need for double bunking male inmates and for External Capacity adjustments. Given the revised bed plan, staff believes that the supplemental criteria of "New Data" has been met for the La Vista Correctional Facility.
2. *Useful to Save General Fund.* Staff estimates that the Department will not need its entire appropriation for the La Vista Correctional Facility in FY 2006-07, staff believes that it is appropriate to adjust the appropriation to reflect the anticipated need for resources for this purpose.

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

3. *Department Concerns.* The Department did not request a supplemental reduction because it has already made hiring decisions and have begun staffing the facility. In particular, DOC was concerned about reducing the appropriation for staff in the Housing and Security Subprogram. This line funds correctional officers for the housing units. Based on the reduction in ADP, JBC staff estimates potential savings of \$184,150 General Fund and 4.7 FTE for this line item.

Staff Recommendation: Staff recommends a *reduction* of \$225,870 total funds and 2.6 FTE. This recommendation includes \$225,448 General Fund and \$422 cash funds exempt (Canteen Fund).

1. Staff recommends *against* adjusting line items with fixed costs.
2. Because of the Department's concerns for facility security and the staffing decisions that have already been made to date, staff also recommends *against* reducing the appropriation for the "Personal Services" line item for the Housing and Security Subprogram.
3. The recommendation does not include adjustments for medical expenses. The total adjustment to medical expenses for the Department are recommended in the analysis of Supplemental #2 (Medical). They are not included here to avoid "double counting" the adjustments.

The staff recommendation, by line item, is summarized in the following table.

Summary of JBC Staff Initiated Supplemental #7 – La Vista Correctional Facility					
Subprogram / Line Item		FY 2006-07 Long Bill Total Funds		JBC Staff Recommendation Adjustment (Not Requested by DOC)	
				FY 2006-07 Supplemental	
Executive Dir. Office	Health, Life, Dental	242,654		(22,749)	
	Short-term Disability	4,459		(418)	
	Amort. Eq. Disbursements	20,901		(1,959)	
Maintenance	Personal Services	223,907	5.5	(20,991)	(0.5)
	Operating Expenses	40,171		(3,766)	
	Purchase of Services	863,171		0	
Housing and Security*	Personal Services	1,964,269	50.6	0	0.0
	Operating Expenses	44,188		(4,143)	
Food Service	Personal Services	100,181	2.3	(9,392)	(0.2)
	Operating Expenses	4,178		(392)	
	Purchase of Services	212,968		(19,966)	

**DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Summary of JBC Staff Initiated Supplemental #7 – La Vista Correctional Facility					
Subprogram / Line Item		FY 2006-07 Long Bill Total Funds		JBC Staff Recommendation Adjustment (Not Requested by DOC)	
				FY 2006-07 Supplemental	
	Start-up	33,000		0	
Medical Services	Personal Services	305,355	6.9	(28,627)	(0.6)
	Operating Expenses	35,511		(3,329)	
	Pharmaceuticals	106,829		0	
	Purchase of Med. Services Other Fac.	162,216		0	
	Purchase of Med. Services St. Hospital	13,132		0	
	Purchase of Catastrophic Med. Exp.	47,443		0	
	Contracts	30,530		(2,862)	
Laundry	Personal Services	26,722	0.7	(2,505)	(0.1)
	Operating	21,531		(2,019)	
Superintendents	Personal Services	137,138	4.2	(12,857)	(0.4)
	Operating	55,917		(5,242)	
	Start-up	264,000		0	
Y.O.S.	Purchase of Services	(706,799)		0	
Case Management	Personal Services	72,848	1.6	(6,830)	(0.2)
	Operating Expenses	643		(60)	
Mental Health	Personal Services	104,837	1.7	(9,828)	(0.2)
	Operating Expenses	1,125		(105)	
	Contract Services	15,747		(1,476)	
Inmate Pay	Inmate Pay	25,066		(2,350)	
Legal Access	Operating Expenses	10,444		(979)	
Offender Services	Personal Services	41,875	1.4	(3,926)	(0.1)
Communications	Operating Expenses	16,068		(1,506)	
Transportation	Vehicle Lease Payments	64,100		0	
Training	Operating Expenses	691		(65)	
Information Systems	Operating Expenses	13,820		(1,296)	

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Summary of JBC Staff Initiated Supplemental #7 – La Vista Correctional Facility					
Subprogram / Line Item		FY 2006-07 Long Bill Total Funds		JBC Staff Recommendation Adjustment (Not Requested by DOC)	
				FY 2006-07 Supplemental	
Labor	Operating Expenses	803		(75)	
Education	Personal Services	80,756	2.1	(7,571)	(0.2)
	Operating Expenses*	3,696		(347)	
	Contract Services	384,802		(36,075)	
Recreation	Personal Services	52,140	1.4	(4,888)	(0.1)
	Operating*	803		(75)	
Drug and Alcohol	Contract Services	<u>76,806</u>		<u>(7,201)</u>	
Total		<u>5,220,642</u>	78.4	<u>(225,870)</u>	(2.6)
General Fund		5,216,143		(225,448)	
Cash Funds Exempt (Canteen Funds)		4,499		(422)	

* All funds are General Fund except the "Operating Expense" line items for the Education Subprogram and the Recreation Subprogram, which are funded with cash funds exempt (Canteen Funds).

**DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Supplemental # 8 - 1331 Supplemental – Montez Lawsuit

	Request	Recommendation
Total	\$1,256,492	\$1,256,492
FTE	<u>8.0</u>	<u>8.0</u>
General Fund	1,256,492	1,256,492
Cash Funds	0	0
Cash Funds Exempt	0	0
Federal Funds	0	0

Note: This supplemental was approved by the JBC on September 20, 2006. It is included in this packet for informational purposes only. **NO ACTION IS REQUIRED.**

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	YES
This request was submitted as "New Data" based on the fact that the Department entered into the stipulation agreement after the fiscal year had begun. Staff concurs with this assessment. The request was considered by the JBC pursuant to the provisions of H.B. 98-1331. The request was approved on September 20, 2006. No action is required at this time.	

Summary of Request: On September 20, 2006, the JBC approved the DOC supplemental request pursuant to the provisions of H.B. 98-1331 for \$1,256,492 General Fund and 8.0 FTE for various line items in FY 2006-07 (see the following table). The request was submitted based on higher than anticipated costs associated with implementing the settlement agreement in the Montez lawsuit.

Summary of Department of Corrections – 1331 Supplemental Request for Montez Lawsuit PREVIOUSLY APPROVED BY THE JBC — NO ACTION REQUIRED						
Subprogram	Line Item	Appropriation		Request		% Increase
		Gen. Fund	FTE	Gen. Fund	FTE	
Medical Services	Personal Services	24,320,993	424.0	54,479	1.5	0.2%
	Operating Expenses	2,622,332		2,500		0.1%
	Start-up	55,008		15,775		28.7%
	Service Contracts	1,649,216		455,430		27.6%
Legal Access	Personal Services	955,546	18.3	82,059	1.9	8.6%
	Operating Expenses	262,794		2,000		0.8%

**DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Summary of Department of Corrections – 1331 Supplemental Request for Montez Lawsuit PREVIOUSLY APPROVED BY THE JBC — NO ACTION REQUIRED						
Subprogram	Line Item	Appropriation		Request		% Increase
		Gen. Fund	FTE	Gen. Fund	FTE	
	Contract Services	50,425		63,210		125.4%
	Start-up	6,876		12,620		183.5%
Communications	Operating Expenses	1,354,898		6,600		0.5%
Transportation	Personal Services	1,534,020	28.6	135,956	3.0	8.9%
	Operating Expenses	195,036		16,913		8.7%
	Start-up	87,119		59,556		68.4%
	Vehicle Lease	1,696,513		2,480		0.1%
Information Systems	Personal Services	3,307,998	50.9	89,904	1.6	2.7%
	Operating Expenses	907,691		3,200		0.4%
Info. Systems (cont.)	Start-up	3,438		6,310		183.5%
	Contract Services	0		247,500		n/a
Total Request		39,009,903	521.8	1,256,492	8.0	3.2%

* The supplemental request includes a budget amendment for \$1,153,740 General Fund and 10.5 FTE in FY 2007-08, with estimated out-year costs of \$1,133,260 General Fund and 10.5 FTE in FY 2008-09.

Montez Lawsuit — Background: In August 2003, the Department settled a class action lawsuit on behalf of disabled inmates who claimed the Department was not complying with the Americans with Disabilities Act (ADA), the Rehabilitation Act of 1973, and the Eighth Amendment by failing to provide them with equal access to services, programs, and benefits offered by the DOC because of their disabilities.¹ The Remedial Plan agreed upon through this settlement included physical plant improvements (ramps, hand rails, etc.), plus ongoing operational changes in staffing patterns by the Department of Corrections (resources to screen, identify, track, monitor, and provide services to inmates who qualify based on their disability pursuant to the provisions of the ADA). The mandated court-ordered substantial compliance date was August 27, 2005.

Prior Funding Provided to Comply with Montez Settlement: To comply with the provisions of the settlement, the Department requested, and the JBC approved, funding for the Department in FY 2003-04 and in FY 2004-05. Some of the funds approved were one-time appropriations; others were ongoing and are still included in the budget (see the following table).

¹ Montez et al. V. Romer et al., - United States District Court case number 92-N-870.

**DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Prior and Existing Funding for Montez Settlement (General Fund)							
Subprogram	Line Item	Approved for FY 2003-04		Approved FY 2004-05		Ongoing in Budget*	
Maintenance	Montez Project	311,209		348,707		0	
Medical	Montez Project	0		195,000		0	
Inmate Pay	Inmate Pay	0		3,744		3,744	
Legal Access	Personal Services	14,254	0.3 FTE	79,723	2.0 FTE	79,723	2.0 FTE
	Operating Exp.	12,695		13,676		13,676	
Legal Access	Contract Services	0		50,425		50,425	
	Start-up	0		2,400		0	
Transportation	Vehicle Lease	0		6,000		6,000	
Training	Personal Services	14,254	0.3 FTE	42,761	1.0 FTE	42,761	1.0 FTE
	Operating Exp.	1,464		21,080		21,080	
	Contract Services	73,167		3,000		0	
	Start-up	5,000		24,500		0	
Info. Systems	Personal Services	21,164	0.3 FTE	63,492	1.0 FTE	63,492	1.0 FTE
	Operating Exp.	150		500		500	
	Contract Services	<u>0</u>		<u>100,000</u>		<u>0</u>	
Total		453,357	0.9 FTE	955,008	4.0 FTE	281,401	4.0 FTE

* Figures shown for "Personal Services" line items do not reflect any adjustments for performance-based pay increases or salary survey increases, nor do they include costs associated with centrally appropriated line items such as "Health, Life, and Dental" and "Short-term Disability".

Compliance Hearing and Stipulation Agreement: In April 2006, compliance hearings began. In July 2006, the plaintiffs and the Department of Corrections (represented by Department of Law) agreed to suspend the compliance hearings and entered into a stipulation agreement. This agreement contained the following major provisions:

1. The parties agreed that the substantial compliance has been achieved for the architectural-physical plant. As such, the compliance period has ended and the monitoring period for that component of the settlement has begun.

**DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

2. The parties agreed that the Department of Corrections was not in substantial compliance with the Remedial Plan by August, 27, 2005, as required. The date to attain substantial compliance has been extended to July 27, 2007.
3. As a remedy for not achieving substantial compliance by the required date of August 27, 2005, the parties agreed to the following:
 - a. The parties will agree to the amount of funding needed for DOC to meet the requirements of the settlement agreement by July 24, 2006. The agreed upon amount is reflected in this 1331 supplemental request.

Note: If the General Assembly fails to approve the funding within 90 days of the stipulation agreement (dated July 11, 2006), the plaintiffs have the right to void the stipulation and proceed with the pending compliance hearings.
 - b. The Department will waive medical co-pays for treatment or visits related to diabetic care until Judge Kane rules on the issue of copays. Copays are required by the Department pursuant to Section 17-1-113, C.R.S.
 - c. DOC will provide copies of the Remedial Plan to inmates at no charge. DOC will also provide notice that the compliance period has been extended.
 - d. Without eliminating any job opportunities for inmates with disabilities, DOC agrees to eliminate any "ADA" or "handicapped" jobs that pay less than the regular inmate wage scale.
 - e. The DOC agreed to reimburse the plaintiff's attorneys for out-of-pocket costs incurred since August 2005 in preparation for the compliance hearing.

Purpose of Requested Funds: The Department requested the fund to comply with the following provisions contained in the Remedial Plan:

1. *Medical Services Subprogram.* Pursuant to the Remedial Plan, the Department is required to screen all inmates upon intake at the Denver Reception and Diagnostic Center (DRDC) to determine whether they have any qualifying disabilities that require special accommodation under the settlement agreement. Furthermore, the Department is required to screen all existing inmates. Finally, the Department is required to screen inmates who may become disabled during their incarceration. Currently, no medical resources have been made available to coordinate or conduct these medical screenings.

The Department is requesting funding for 2.0 FTE administrative positions to coordinate policy and procedures developed by the Chief Medical Officer the ADA inmate coordinator. They will schedule

**DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

physician screening, process necessary documentation, and will coordinate any follow-up testing that may be required of inmates.

Also, the Department is requesting \$455,430 for contract with physicians to perform the medical screenings. One of these positions will be located at DRDC and two will be located at other locations. Of the amount requested, \$102,000 is for expert witnesses to testify at hearings for inmates. The Department is estimated to conduct 200 hearings that require eight hours of an expert witness' time per hearing.

2. *Legal Access Subprogram.* The Department requests funding to support 2.5 FTE to be located at DOC headquarters. These positions will perform the following duties: (a) process new offender requests for accommodation. The Department receives, on average, 462 requests per month; (b) monitor a caseload of 2,285 offenders who require specialized case management services as a result of the lawsuit — with existing staff this correlates to a caseload of 500 offenders per case manager; (c) assist the Attorney General in preparing defenses to cases in which offenders have filed a damage claim (1,154 damage claims have been filed); (d) coordinate with medical staff to identify special accommodations that may be required; (e) document all special accommodations that are provided to ensure compliance; (f) respond to questions from family members; and (g) respond to complaints and grievances by inmates.

Note: The Department has already been funded for two positions: (1) one at DOC headquarters to develop policies to ensure compliance with the provisions of the lawsuit; monitor compliance with the settlement agreement; respond to all ADA grievances; conduct investigations and interviews; and (2) another to be located at the Denver Reception and Diagnostic Center to assist in the intake process. The Department justifies the request for additional Legal Access staff based on the caseload of offenders who are requesting accommodations under the Remedial Plan.

The request for this subprogram also includes contract dollars to assist in the development of procedures to implement policy changes necessary to achieve substantial compliance with the Remedial Plan. The existing contract dollars have been provided to fund a sign language interpreter for inmates who are hearing impaired.

3. *Communications Subprogram.* This request is to provide communications services to the staff requested for other subprograms.
4. *Transportation Subprogram.* The Department is required to transport inmates to one of the Department's central hubs for medical screening to comply with the Remedial Plan. The Department has requested 4.0 FTE, and associated funding, to operate two passenger vans to transport 18 inmates per day for medical screenings. The requested transportation staff will provide security to medical staff, while the medical screenings are being conducted.

**DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

5. *Information Systems Subprogram.* To comply with the Remedial Plan, the Department must modify its existing database that is used to track inmates who may qualify for special accommodations based on their disability. To this end, the Department has requested two additional staff positions: (1) an Information Technology Professional IV position that will serve as the project manager. This position will work with contract staff in the design, programming, interface with existing DOC programs that are used to schedule programming and movements. This position will have knowledge of the system and will be able to maintain and modify any future changes; and (2) a project administrator position that will assist in system development, testing, and training of staff who will be required to use the system.

Additionally, the Department is requesting a one-time appropriation for contract programming dollars. Additional programming is necessary for the following: (a) to expand the existing system to include pre-screening forms used by DRDC; (b) to modify the master program scheduling; (c) to create reports for the ADA inmate coordinator to monitor compliance; (d) to interface with programs used for inmate programming and job assignments; (e) to interface with the program used by medical staff to assess statutorily required inmate co-pays; and (f) to interface with programs used for inmate moves.

Note: The Department has already been funded for one information technology position. DOC contends that the workload of modifying its databases exceeds the resources that have already been provided for this purpose.

JBC Action. On September 20, 2006, the JBC approved the Department of Corrections' request, in its entirety, for an appropriation of \$1,256,492 General Fund and 8.0 FTE. Based on the prior action by the JBC, this appropriation will be included in the supplemental bill for the Department of Corrections.

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Supplemental # 9 - 1331 Supplemental – Out-of-State Inmates

	Request	Recommendation
Total	\$153,887	\$153,887
FTE	<u>2.0</u>	<u>2.0</u>
General Fund	153,887	153,887
Cash Funds	0	0
Cash Funds Exempt	0	0
Federal Funds	0	0

Note: This supplemental was approved by the JBC on October 5, 2006. It is included in this packet for informational purposes only. **NO ACTION IS REQUIRED.** Staff notes that adjustments to the approved appropriation for out-of-state inmates were requested, and recommended, through Supplemental Request #4.

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	YES
This request was submitted as "New Data" based on the Department's new bed plan. On October 5, 2006, staff recommend against the request on the basis that it did not meet the supplemental criteria for H.B. 98-1331 supplemental appropriations. The JBC approved the Department's request. No further action is required.	

Department Request: On October 5, 2006, the JBC approved the DOC's supplemental request for \$153,887 General Fund and 2.0 FTE pursuant to the provisions of H.B. 98-1331. This request was based on a revised DOC bed plan that includes contracting with a private prison provider in Oklahoma for up to 720 male beds. The request also included adjustments based on year-to-date expenditures for male inmates housed in local jails and in-state private prisons. Finally, DOC requested funding for monitoring the private prison in Oklahoma and funding for transporting small groups of inmates to and from Oklahoma. The following table reflects the requested adjustments for its FY 2006-07 budget.

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Summary of H.B. 98-1331 Supplemental Request for Revised Bed Plan and Private Prison Monitoring Staff PREVIOUSLY APPROVED — NO ACTION REQUIRED					
Subprogram / Line Item		FY 2006-07 Request / Approved		FY 2007-08 Annualize	
Pvt. Prison Monitoring Unit	Personal Services	\$62,842	1.3	\$94,263	2.0
	Operating Expenses	40,996		61,150	
	START-UP (NEW LINE)	6,310		0	
External Capacity	Payments to Local Jails	3,258,998		0	
	Payments to Private Prisons	(4,380,278)		0	
	Payments to Pre-release Parole Revocation	(3,000,000)		0	
	PAYMENTS TO OUT-OF-STATE PRIVATE PRISONS (NEW LINE)	4,121,280		0	
Communications	Operating Expenses	1,800		1,800	
Transportation	Personal Services	27,418	0.7	41,127	1.0
	Operating Expenses	6,990		10,234	
	Vehicle Lease Payments	3,840		5,760	
	Start-up	3,091		0	
Information Systems	Operating Expenses	<u>600</u>	—	<u>600</u>	—
Total Funds		\$153,887	2.0	\$214,934	3.0

JBC Action: The JBC approved this request in its entirety on October 5, 2006. Based on this prior decision, the supplemental bill will include the approve adjustments. However, staff notes that the Department requested further adjustments to the External Capacity Subprogram through the regular supplemental process (Supplemental #4). The supplemental bill will reflect this supplemental, plus any other adjustments to these lines that are approved by the JBC.

**DEPARTMENT OF CORRECTIONS
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Statewide Common Policy Supplemental Requests

These requests are not prioritized and are not analyzed in this packet . These items will be acted on separately by the JBC when it makes a decision regarding common policies.

Department of Corrections' Portion of Statewide Supplemental Request	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Total	FTE
1. Administrative Law Judges	(\$2,928)	\$0	\$0	\$0	(\$2,928)	0.0
2. Capitol Complex Lease	32,321	0	(42,203)	0	(9,882)	0.0
3. Communication Services	101,934	0	0	0	101,934	0.0
4. Multiuse Network Payments (MNT)	(82,549)	0	(4,684)	0	(87,233)	0.0
5. Purchase of Services from Computer Center (GGCC)	(33,262)	0	0	0	(33,262)	0.0
6. Payments to Risk Management	1,824,537	0	62,460	0	1,886,997	0.0
7. Vehicle Lease Payment Line Reconciliation	(94,067)	0	(3,189)	0	(97,256)	0.0
8. Workers' Compensation	(1,540,604)	0	(52,740)	0	(1,593,344)	0.0
Total Statewide Supplemental Requests for Department of Corrections	205,382	0	(40,356)	0	165,026	0.0

Staff Recommendation: The specific staff recommendation for these requests is pending committee approval of common policy supplementals. Staff asks permission to include the corresponding appropriations in the Department's supplemental bill when the committee approves this common policy supplemental. If staff believes there is reason to deviate from the common policy, staff will appear before the committee later to present the relevant analysis.

**DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

1331 Supplemental – External Capacity FY 2005-06

	Request	Recommendation
Total	\$0	\$0
FTE	<u>0.0</u>	<u>0.0</u>
General Fund	0	0
Cash Funds	0	0
Cash Funds Exempt	0	0
Federal Funds	0	0

Note: This supplemental was approved by the JBC on June 20, 2006. It is included in this packet for informational purposes only. **NO ACTION IS REQUIRED.** Staff notes that this supplemental was approved pursuant to the provisions of H.B. 98-1331 for FY 2005-06. The approved changes will be included as an "add-on" to the FY 2006-07 supplemental appropriation to the Department of Corrections.

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	YES
This request was submitted as "New Data" based on the FY 2005-06 year end population figures. The request was considered by the JBC pursuant to the provisions of H.B. 98-1331. The request was approved on June 20, 2006. No further action is required at this time.	

Department Request / JBC Action: On June 20, 2006, the JBC approved the Department's request for a H.B. 98-1331 supplemental appropriation for FY 2005-06 (see the following table). The request was for a transfer of \$2.0 million General Fund between two line items in the Department's External Capacity Subprogram: (1) an increase of \$2.0 million General Fund for local jail beds; and (2) a reduction of \$2.0 million General Fund for private prison beds.

Summary of H.B. 98-1331 Supplemental for the Department of Corrections in FY 2005-06 PREVIOUSLY APPROVED BY THE JBC — NO ACTION REQUIRED					
Line Item	Existing Appropriations			Request – APPROVED	
	Long Bill S.B. 05-209	Supplemental H.B. 06-1214	Total Appropriation	1331 Request	Total as Approved
Local Jails	5,227,107	6,502,135	11,729,242	2,000,000	13,729,242
Private Prisons	<u>71,623,377</u>	<u>(5,113,471)</u>	66,509,906	<u>(2,000,000)</u>	64,509,906
Total	76,850,484	1,388,664	78,239,148	0	78,239,148

**DEPARTMENT OF CORRECTIONS
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

DOC Justification for the Request: The request was submitted based on projected expenditures for FY 2005-06 for two of the external capacity programs in the Department of Corrections. The Department used more jail beds than were funded. Furthermore, the Department used fewer private prison beds than were funded.

JBC Action: On June 20, 2006, the JBC approved the requested supplemental appropriation to the Department of Corrections related to external capacity beds in FY 2005-06. Based on the prior action by the JBC, this FY 2005-06 adjustment will be included as an "add-on" to the FY 2006-07 supplemental bill for the Department of Corrections.

M E M O R A N D U M

TO: Members of the Joint Budget Committee

FROM: Karl Spiecker, JBC Staff (303-866-3481)

SUBJECT: Supplemental Recommendation — External Capacity Footnote

DATE: January 24, 2007

Background. The Long Bill contains five line items that are used to reimburse local jails, private prisons, and community corrections programs for housing state inmates. The General Assembly establishes reimbursement rates for external capacity through the Long Bill (see Section 17-1-105.5, C.R.S.). In recent years, the Long Bill line item names have included the reimbursement rates to clearly delineate legislative intent. As such, there is a benefit to keeping separate line items for external capacity.

Given the shortage of state prison beds, the appropriations to these line items have increased significantly in recent years.

Department of Corrections – External Capacity Appropriation – Total Funds					
(1) Management (B) External Capacity Subprogram (2) Payments to House State Prisoners	FY 2001-02 Long Bill	FY 2006-07 Appropriation*	Change		
Payments to local jails at rate of \$48.96 per inmate per day	4,411,426	10,846,917	6,435,491	145.9%	
Payments to private prisons at a rate of \$51.91 per inmate per day	59,969,536	76,644,172			
Payments to out-of-state private prisons at a rate of \$54.00 per inmate per day	0	4,121,280			
Payments to pre-release parole revocation facility at a rate of \$51.91 per inmate per day	<u>0</u>	<u>9,845,389</u>			
Subtotal Private Prisons	59,969,536	90,610,841	30,641,305	51.1%	
Community Corrections Programs	<u>0</u>	<u>4,609,531</u>	<u>4,609,531</u>		n/a
Total Funds	64,380,962	106,067,289	41,686,327	64.7%	

* Includes H.B. 98-1331 supplementals approved to for FY 2006-07.

Summary of Recent 1331 Supplementals for External Capacity. In recent years, the Department of Corrections has requested year end supplemental requests pursuant to the provision of H.B. 98-1331. These requests were justified based on the need to transfer spending authority between line items in the External Capacity Subprogram.

Department of Corrections – External Capacity Appropriation – 1331 Supplementals General Fund			
(1) Management (B) External Capacity Subprogram (2) Payments to House State Prisoners	FY 2003-04	FY 2004-05	FY 2005-06
Payments to local jails	896,944	2,470,827	2,000,000
Payments to private prisons	(1,725,737)	(2,470,827)	(2,000,000)
Community Corrections Programs	<u>107,844</u>	<u>0</u>	<u>0</u>
Total Funds	(720,949)	0	0

Recommendation. Staff recommends that the JBC approve adding a footnote to the Long Bill that will increase the flexibility of the Department to move funds between Long Bill line items in the External Capacity Subprogram. This footnote may reduce the need for year end 1331 supplementals to transfer funds between line items. In the event that actual inmate population growth significantly exceeds anticipated growth, DOC may submit a 1331 supplemental request to prevent an overexpenditure even if this footnote is approved.

Specifically, staff recommends the addition of the following footnote.

5A DEPARTMENT OF CORRECTIONS, EXECUTIVE DIRECTOR'S OFFICE, EXTERNAL CAPACITY SUBPROGRAM, PAYMENTS TO HOUSE STATE PRISONERS -- IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE DEPARTMENT OF CORRECTIONS BE AUTHORIZED TO TRANSFER 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. IT IS FURTHER THE INTENT OF THE GENERAL ASSEMBLY THAT THE DEPARTMENT PROVIDE A REPORT TO THE JOINT BUDGET COMMITTEE ON NOVEMBER 1, 2007, SUMMARIZING TRANSFERS THAT WERE MADE PURSUANT TO THE PROVISIONS OF THIS FOOTNOTE.