JOINT
BUDGET
COMMITTEE

SUPPLEMENTAL BUDGET REQUESTS
FY 2016-17

DEPARTMENT OF CORRECTIONS

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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DEPARTMENT OF CORRECTIONS

DEPARTMENT OVERVIEW

The Department is responsible for the following activities:

- Managing, supervising, and controlling the correctional facilities operated and supported by the State;
- Supervising the population of offenders placed in the custody of the Department, including offenders in prisons, offenders on parole, and transition inmates in community corrections programs;
- Planning for the long-range needs of the Department; and
- Developing educational programs, treatment programs, and correctional industries programs that have a rehabilitative or therapeutic value for inmates and supply necessary products for state institutions and other public purposes, as provided by law.

SUMMARY: FY 2016-17 APPROPRIATION AND RECOMMENDATION

Department Of Corrections: Recommended Changes For FY 2016-17	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2016-17 Appropriation						
HB 16-1405 (Long Bill)	$843,968,585	$756,408,506	$39,454,112	$46,748,326	$1,357,641	6,241.9
Other 2016 Session Legislation	(557,242)	(557,242)	0	0	0	0.8
Appropriations in sentencing bills passed in prior sessions	3,344,860	3,344,860	0	0	0	0.0
Current FY 2016-17 Appropriation	**$846,756,203**	**$759,196,124**	**$39,454,112**	**$46,748,326**	**$1,357,641**	**6,242.7**
Recommended Changes						
Current FY 2016-17 Appropriation	$846,756,203	759,196,124	$39,454,112	$46,748,326	$1,357,641	6,242.7
S1 Colorado Correctional Industries Utilities True-up	0	(79,512)	79,512	0	0	0.0
S2 Personal Services True-Up	(5,000,126)	(5,000,126)	0	0	0	0.0
S3 External Capacity Caseload	3,530,499	1,997,312	1,533,187	0	0	0.0
S4 Medical Caseload	(2,018,545)	(2,018,545)	0	0	0	0.0
SNP-1 Kit Carson Mitigation Plan	(3,000,000)	(3,000,000)	0	0	0	0.0
SNP-2 Department of Revenue License Plates	0	0	0	0	0	0.0
SNP-3 Risk Management/Property Funds	0	0	0	0	0	0.0
SNP-4 Annual Fleet Supplemental	0	0	0	0	0	0.0
Recommended FY 2016-17 Appropriation	**$840,268,031**	**$751,095,253**	**$41,066,811**	**$46,748,326**	**$1,357,641**	**6,242.7**
Recommended Increase/(Decrease)	**($6,488,172)**	**($8,100,871)**	**$1,612,699**	**$0**	**$0**	**0.0**
Percentage Change	(0.8%)	(1.1%)	4.1%	0.0%	0.0%	0.0%
FY 2016-17 Executive Request	**$842,597,064**	**$751,841,968**	**$40,198,557**	**$49,198,898**	**$1,357,641**	**6,242.7**
Request Above/(Below) Recommendation	$2,329,033	$746,715	($868,254)	$2,450,572	$0	0.0

Request/Recommendation Descriptions

S1 Colorado Correctional Industries Utilities True-up: The request reduces General Fund utilities appropriations by $79,512 and increases cash fund appropriations by an exactly offsetting amount, thus implementing recent state auditor recommendations. Staff recommends approval of the request.

S2 Personal Services True-Up: The request reduces General Fund personal services appropriations to 12 personal services line items by $5,000,000 in order to reduce accumulated turnover surplus. Staff recommends adjustment of 30 personal services line items, with most decreasing and a few increasing, resulting in a net $5,000,126 reduction of General Fund personal services appropriations.

S3 External Capacity Caseload: The request increases external capacity appropriations by $3,530,499, comprised of $2,819,296 General Fund and $711,203 cash funds. Staff recommends the same total funds increase but recommends that General Fund increase by $1,997,312 and cash funds by $1,533,187.

S1 MEDICAL CASELOAD: The request reduces General Fund appropriations for offender pharmaceuticals by $670,672, and reduces appropriations for external medical care by $1,347,873, resulting in a total reduction of $2,018,545. Staff recommends approval of the request.

SNP-1 KIT CARSON MITIGATION PLAN: The request eliminates the $3,000,000 General Fund appropriation for External Capacity Sustainability, which is not needed because Kit Carson County Correctional Facility closed. Staff recommends approval of the request.

SNP-2 DEPARTMENT OF REVENUE LICENSE PLATES: The request increases reappropriations to Colorado Correctional Industries by $2,435,572 so it can produce more license plates and year tabs for the Department of Revenue. In accord with Committee action on the related Department of Revenue request, Staff recommends no appropriation.

COMMON POLICY SUPPLEMENTALS: The request included adjustments for the annual fleet supplemental (a reduction of $15,300 total funds for this department) and a Property Fund adjustment (a decrease of $441,371 for this department). Committee action on January 12, 2017 resulted in no change to these line items.

PRIORITIZED SUPPLEMENTAL REQUESTS

S1 COLORADO CORRECTIONAL INDUSTRIES UTILITIES TRUE-UP

	REQUEST	RECOMMENDATION
TOTAL	**$79,512**	**$79,512**
FTE	0.0	0.0
General Fund	(79,512)	(79,512)
Cash Funds	79,512	79,512
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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.

DEPARTMENT REQUEST: The Department requests that $79,512 of FY 2016-17 General Fund utilities appropriations be refinanced with an equal cash fund appropriation of Colorado Correctional Industries (CCi) revenue. As a consequence, General Fund appropriations would fall by $79,512 and cash fund appropriations would rise by an exactly offsetting amount. The accompanying budget amendment, which will be considered during figure setting, would reduce FY 2017-18 General Fund appropriations by $238,537 and increase cash fund appropriations by an offsetting amount. The adjustment would continue in later years.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the Department's request.

STAFF ANALYSIS: In January 2015 the State Auditor released a CCi Performance Audit. The report recommended that CCi pay for or reimburse DOC for all expenses that CCi incurs, including utilities. To comply with the audit recommendations the DOC conducted a comprehensive analysis of CCi operations. The analysis, completed in December 2016, included a review of the gross square footage utilized by CCi operations and provided the information needed to properly calculate CCi's share of utility expenses.

The square footage analysis served as the starting point for determining the allocation of utility expenses to CCi. In the FY 2016-17 Long Bill, CCi pays $1,165,533 for utility costs. The revised square footage measures (and other measures) indicate that CCi should have paid $1,404,070 during FY 2016-17, an increase of $238,537. The FY 2016-17 request is based upon one third of a year of additional expenses (March through June 2017) which equals $79,512 (= $238,537/3). A March 2017 implementation date was chosen to give CCi sufficient time to modify business plans to accommodate the increased costs.

The calculations utilized a blended electrical rate (all electrical costs divided by kWh used); omitted costs associated with facility perimeter security; took into account agribusiness water use and wastewater production; and charged CCi the incremental utility cost of using space that would otherwise have been unoccupied.

S2 PERSONAL SERVICES TRUE-UP

	REQUEST	RECOMMENDATION
TOTAL	**($5,000,000)**	**($5,000,126)**
FTE	0.0	0.0
General Fund	($5,000,000)	($5,000,126)
Cash Funds	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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made. The supplemental request and the staff recommendation are both based on actual expenditures from FY 2015-16, which were not available during figure setting for FY 2016-17.

DEPARTMENT REQUEST: The Department requests that General Fund appropriations to the 12 line items indicated in the request column of the following table be reduced by a combined $5,000,000. The reductions continue into subsequent years.

Requested and Recommended General Fund Personal Services Adjustments		
Division and Line Item	Request	Recommendation
1. Management		
A. Executive Director's Office Subprogram		$1,474,745
B. 1. Private Prison Monitoring Unit		(72,522)
C. Inspector General Subprogram		62,323
2. Institutions		
A. Utilities Subprogram		(6,774)
B. Maintenance Subprogram		1,492,856
C. Housing and Security Subprogram	($1,495,266)	(3,049,291)
D. Food Service Subprogram		(465,414)
F. Laundry Subprogram	(100,000)	(56,121)
G. Superintendents Subprogram		187,594
H. Youthful Offender System Subprogram	(400,000)	(539,360)
I. Case Management Subprogram	(500,000)	(823,391)
J. Mental Health Subprogram	(471,116)	(399,111)
L. Legal Access Subprogram		(35,711)
3. Support Services		
A. Business Operations Subprogram		(73,683)
B. Personnel Subprogram		57,467
C. Offender Services Subprogram		(96,823)
E. Transportation Subprogram		49,491
F. Training Subprogram	(100,000)	(205,947)
H. Facility Services Subprogram		(9,550)

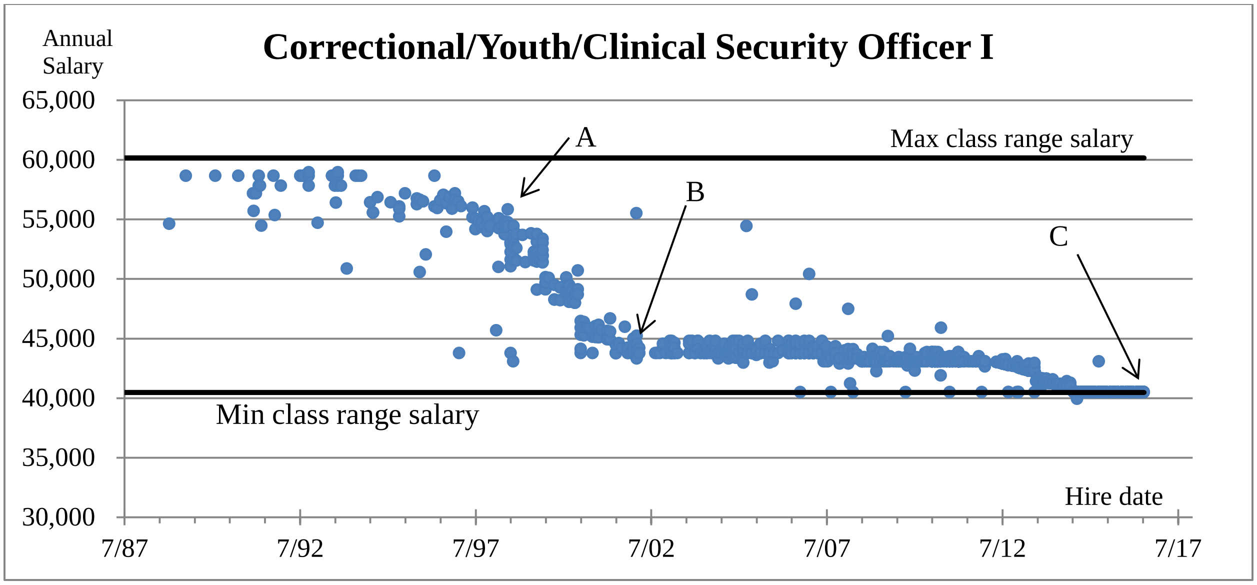
Requested and Recommended General Fund Personal Services Adjustments		
Division and Line Item	Request	Recommendation
4. Inmate Programs,		
A. Labor Subprogram	(200,000)	(389,836)
B. Education Subprogram		500,024
C. Recreation Subprogram		(132,366)
D. Drug and Alcohol Treatment Subprogram		31,621
E. Sex Offender Treatment Subprogram	(233,618)	(221,042)
F. Volunteers Subprogram	(100,000)	(199,286)
5. Community Services,		
A. Parole Subprogram	(1,200,000)	(1,436,323)
B. 1. Community Supervision		(219,011)
B. 2. Youthful Offender System Aftercare	(100,000)	(154,769)
C. Community Re-entry Subprogram		(61,289)
6. Parole Board	(100,000)	(208,627)
General Fund Total	**($5,000,000)**	**($5,000,126)**

STAFF RECOMMENDATION: Staff recommends the General Fund personal services adjustments indicated in the recommendation column of the preceding table, which total $5,000,126.

STAFF ANALYSIS:

Citing a buildup of turnover surplus (also called turnover savings), the DOC has requested a $5 million General Fund reduction to "true-up" its personal services appropriations. It emphasizes that the $5 million reduction will free unused resources; it is not intended to cut key programs or undermine critical services. The Department notes that it hired a large number of employees during the prison building boom of the 1990's and those individuals are now starting to retire. As they leave, these employees are usually replaced with lower paid workers who sometimes earn much less. The result has been increasing personal services reversions that have grown from $1.6 to $13.8 million over the last three years. The Department notes that while $13.8 million is a large number, it only amounts to 3.5% of total DOC personal services appropriations.

JBC staff has looked at DOC compensation data and has constructed graphs that vividly show how state compensation policies over the last 15 years have made large amounts of DOC turnover surplus inevitable. The following graph, which was also presented during common policy figure setting by the common policy analyst, shows what has occurred.

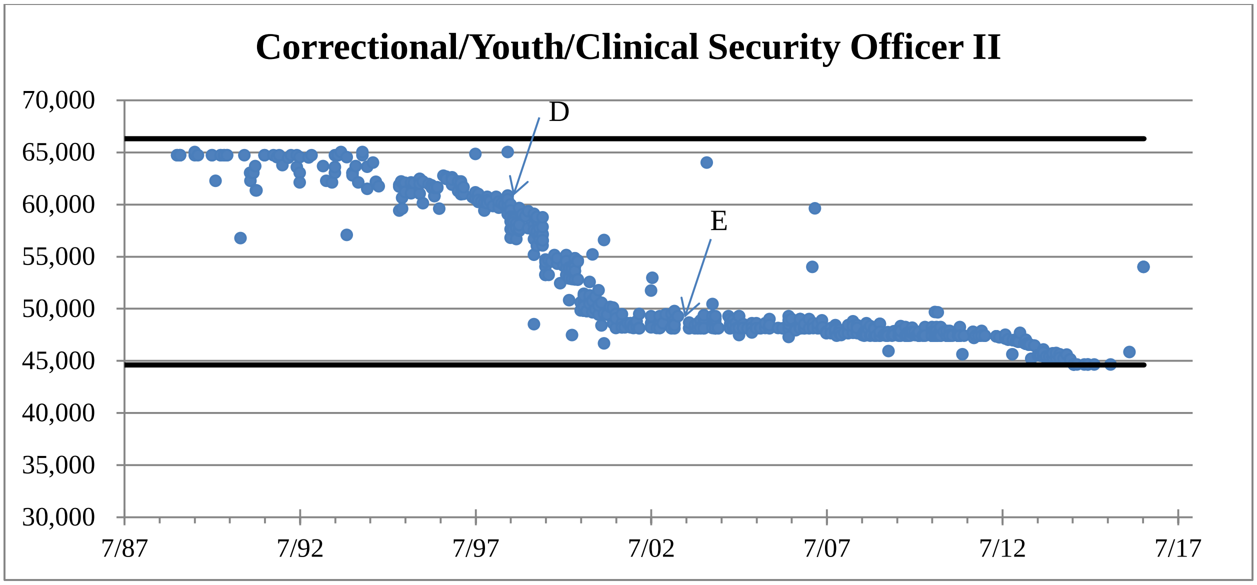


Each dot on this graph represents a "CO 1", a Corrections Officer I at the Department of Corrections. The horizontal axis shows the officer's hire date and the vertical axis shows the officer's annual salary during FY 2015-16. These officers are all in the state's correctional officer I job class, which has a minimum salary of $40,488 and a maximum salary of $60,156 as represented by the dark horizontal lines above and below the dots. The same job classification is used for corrections officers at the Division of Youth Corrections and Clinical Security Officers at the Department of Human Services. One date in the diagram stands out: July 1, 2002, the date when the state stopped its salary step increase system and replaced it with a less generous and less frequently funded alternative that is basically still in place today.

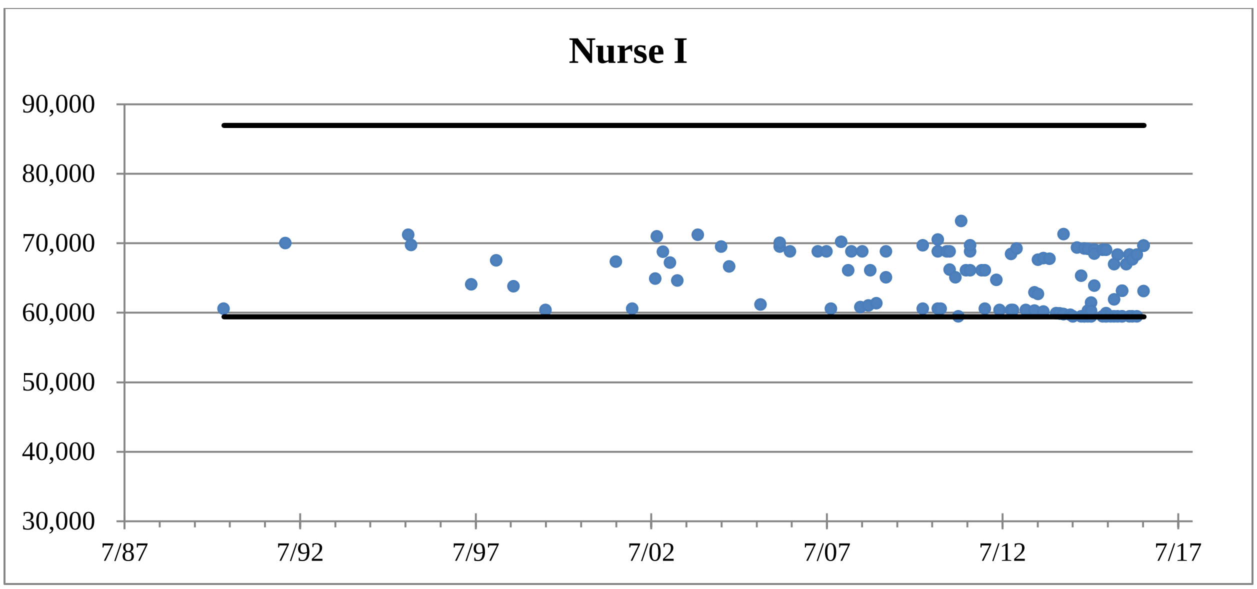
Take Officer A as an example. This individual was hired in 1998 and now made $55,836 in FY 2015-16. Like others hired in 1998 he would have initially moved up fairly quickly through the salary range. In 2002 when the new salary system went into effect, A's upward movement slowed substantially. He probably moved up more during the first three years of his career than he moved up during the next 15. Officer B, hired in 2002 was less fortunate; when time came for his first raise, a new salary system was in place and over the next 14 years he only moved one fourth of the way up through the CO I salary range. When A retires he will be replaced by a new CO like Officer C who was hired in 2016. C earns the minimum salary for the range, $40,488. Thus when A retires and is replaced by someone line C, about $15,000 of turnover surplus will be generated.

This graph shows that substantial turnover savings have surely arisen the the past and are likely to arise in the future as CO I's hired during the 1990's retire and are replaced. The graph is typical of those for the various correctional classes at the DOC.

The next graph shows CO II's, also known as sergeants. Sergeant D, was hired in 1998, now makes $60,828, and became a sergeant in 2007, while Sergeant E, hired in. 2003, became a sergeant four months before D but makes only $48,180. This suggests that the salary advantage an officer received by arriving before 2002 can persist for an entire career, even when one is promoted. This again produces potentially large turnover surplus.



Staff also notes that the "ski-slope" shape of the two salary charts above is much more distinct for the correctional job classes than it is for the non-correctional classes such as nurses, who are shown in the next graph. Thus it is possible that DOC is unique in terms of the amount of turnover savings that it is capable of producing as those with higher salaries from a prior compensation system slowly age out of the DOC workforce.



To compute this supplemental, staff used budget documents submitted by the Department last November to estimate turnover and vacancy surplus at the line item level. Using actual FY 2015-16 data from Schedules 3 and 14, staff compared the personal services appropriation to each personal services line item's "need" and the Department's Pots allocations to each line item's Pots "need". Personal services need was initially defined as the sum of non-pots expenditures from the line, which includes spending on salaries (excluding shift differential), Medicare, PERA (excluding AED and SAED), contract workers, temporary workers, overtime, sick and annual leave payments, and other things. Pots need was defined as actual spending from the line on Health, Life, and Dental Insurance, AED, SAED, Disability, and Shift Differential. The Department's allocation of Salary Survey and Merit Pay wase counted as part of the personal services appropriation.

These measures of need are imperfect because they do not take vacancies and other deviations into account. Suppose for example, that a given line item had two expensive hard-to-fill openings for a psychiatrist and a psychologist. If those positions remained vacant for a year or more, it would be very difficult to determine from the reported expenditures that there was vacancy surplus unless one had additional information about the line. Based on the "Schedule 14" measure of need, one might easily conclude that the line item was over funded. An FTE appropriation in excess of actual FTE might give a hint, but it's a tough hint to decipher. A line item's expenditure could also be temporarily higher than normal.

To deal with these problems, staff drew on knowledge of the difficulties the Department has had filling clinical positions and increased the computed need of the clinical line items accordingly. Staff also reduced computed need for the Superintendents program, which has experienced a temporary expenditure increase, and increased need for two line items that have experienced declining grant support.

Staff then computed a set of appropriation adjustments that reduced overall General Fund appropriations to the Department by an amount very close to $5,000,000 and aligned the remaining General Fund personal services very closely with adjusted personal services need. Staff believes that the resulting supplemental adjustments accurately "true-up" the Department's appropriations, which is the stated intend of the Department's request.

Comparing the resulting "adjusted need" with the personal services appropriation and the Pots allocation allowed staff to decompose the overall reversion for the line item into a personal services reversion and a pots reversion (Both are more accurately called "under-over amounts"). Comparison of the personal services "need" and the personal services appropriation revealed several instances in which personal services need substantially exceeded the line item's appropriation and the Department was using transfers (via Pots allocations) to keep the line afloat. These line items were personal services in the Executive Director's Office, Maintenance, and to a lesser extent Education. The analysis also revealed that the requested $100,000 reduction to the laundry program exceeded the Laundry program's $70,494 personal services reversion and thus was too large.

Further investigation and conversations with the Department showed that the personal-services need in the Executive Director's office has exceeded the personal services appropriation for years. The overage is probably the cumulative result of a number of changes that happened over the years, changes that the Department decided to absorb with Pots transfers to the Executive Director's Office from other line items rather than requesting additional appropriations. Many of these past decisions are now forgotten. The more recent changes include the growth of payments to district attorneys a decade ago, before the expenditure was split off from person services with no compensation to the personal services line item, the growth of unemployment insurance payments, which now total $351,000 and are paid from this line, $100,000 of legal expenses related to the Governor's office, and the creation of a Deputy Executive Director position, which occurred several years ago.

The increase of $1,424,745 for personal services in the Exective Director's Office makes explicit and permanent transfers of an equal amount that now happen every year and are only apparent to those few who understand the intricacies of the Colorado budgeting process. The change does not allow the Executive Director's Office to spend more than it can indirectly spend now or would be able to spend if the Department's request S2 was approved. By contrast, the overall $5,000,126 General Fund reduction in this recommendation is very real. It will take $5 million from the Department.

S3 EXTERNAL CAPACITY CASELOAD

	REQUEST	RECOMMENDATION
TOTAL	**$3,530,499**	**$3,530,499**
FTE	0.0	0.0
General Fund	2,819,296	1,997,312
Cash Funds	711,203	1,533,187
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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.

DEPARTMENT REQUEST: Based on the DCJ (Division of Criminal Justice) forecast of the Department's inmate population, the Department requests that FY 2016-17 General Fund appropriations for external capacity be increased by $3,530,499, distributed as follows:

REQUESTED SUPPLEMENTAL CHANGES	TOTAL FUNDS	GENERAL FUND	CASH FUNDS
TOTAL	**$3,530,499**	**$2,819,296**	**$711,203**
Payments to local jails	1,076,823	1,076,823	0
Payments to in-state private prisons	1,635,784	924,581	711,203
Payments to pre-release parole revocation facilities	817,892	817,892	0
Community Corrections Programs (More formally these are payments "Community Return to Custody Facilities" for revoked parolees	0	0	0

The cash funds come from the State Criminal Alien Assistance Program Cash Fund (the SCAAP Cash Fund).

STAFF RECOMMENDATION: Staff recommends the same total increase but recommends more funding come from the SCAAP cash fund.

REQUESTED SUPPLEMENTAL CHANGES	TOTAL FUNDS	GENERAL FUND	CASH FUNDS
TOTAL	**$3,530,499**	**$1,997,312**	**$1,533,187**
Payments to local jails	1,076,823	1,076,823	0
Payments to in-state private prisons	1,635,784	102,597	1,533,187
Payments to pre-release parole revocation facilities	817,892	817,892	0
Community Corrections Programs (More formally these are payments "Community Return to Custody Facilities"	0	0	0

for revoked parolees

STAFF ANALYSIS:

External capacity refers to beds for DOC offenders, both inmates and parolees, that are not operated by the DOC but are paid for by the Department. The appendix to this issue offers much more information about this surprisingly complex topic, including information on the extent to which the Department can influence its own population and information on bed vacancy rates. Staff does not plan to discuss this appendix unless questions arise during the supplemental presentation.

The DOC bed vacancy rate has exceeded 2 percent. Before recommending an external capacity appropriation, it's important to ask whether the Department has been managing its beds efficiently, as indicated by its offender bed vacancy rate. If the vacancy rate is higher than it should be, too many offenders will be in external beds.

The Department's monthly population reports include capacity information from which the vacancy rate can be computed. The year-to-date rate equals 2.7 percent, which is 0.7 percent (107 beds) above the two percent guideline rate recommended in the 2013 prison utilization study. Staff has discussed this excess with the Department, which attributes it to (1) the temporary loss for a year of an average of 58 beds at Arkansas Valley Correctional Facility due to a controlled maintenance electrical project that is closing entire pods on a rotating basis; and (2) the temporary loss for a year of an additional 53 beds at Limon Correctional Facility due to a capital construction project that is closing entire pods at Limon on a rotating basis as locks are replaced.

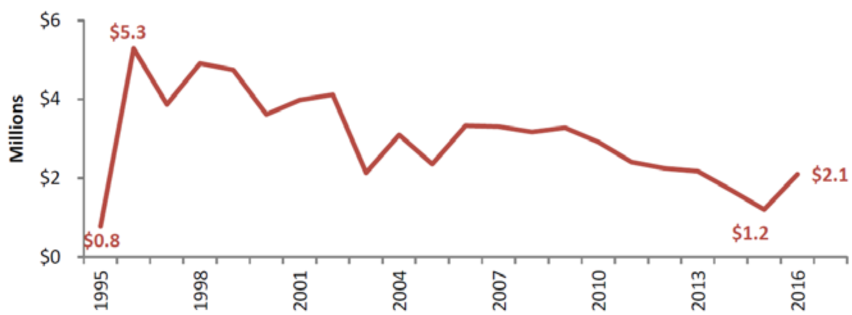
The temporary bed closures at Limon and Arkansas Valley explain why the year-to-date vacancy rate has been above two percent and are a key reason why this supplemental is being requested. The closures were not factored into the Long Bill external capacity appropriation during figure setting last March. Had they been, the predicted external capacity population would have been 111 higher and, at the current private prison per diem rate of $56.02, the appropriation would have been $2,269,650 (= $56.02 * 111 * 365) higher.

Gaps in the appropriation process when capital requests increase operating costs. Capital requests go to the Capital Development Committee and to the JBC's capital analyst. They do not automatically go to the analyst who handles the operating budget for the department making the request. The capital requests themselves may or may not describe the operating implications of the capital project. As a consequence, operating cost increases related to a capital request are usually not considered by the JBC when it makes capital appropriation decisions.

Lack of attention to related operating costs also means that Departments may not keep operating costs in mind when choosing a contractor. In the case of the Limon project, the projected cost of the repairs was $1,547,348. The unstated cost of placing an average of 53 extra offenders on a rotating basis in private prisons for a year was another $1,226,838 (=$56.02 * 60 * 365). It might have been worth the extra cost to go with a more expensive contractor who could finish the job more quickly or pay a premium to the selected contractor for quicker completion.

What went wrong? The Limon Correctional Facility capital request did not mention the operating implications of the project. The JBC capital analyst lacked the expertise to recognize potential operational costs. This analyst, who was best able to recognize potential operating costs, did not examine the request with operating costs in mind and did not include the extra beds in his external capacity cost estimates.

Additional SCAAP funding. One more factor must be considered before examining the inmate population forecasts. The Department receives annual federal funding from the State Criminal Alien Assistance Program (the SCAAP). Federal funds received from the program are deposited into Colorado's SCAAP Cash Fund, which is created in Section 17-1-107.5 (1), C.R.S., for the purpose of defraying the costs of incarcerating undocumented criminal aliens sentenced to the DOC. The amount received from the federal government varies annually; the next chart depicts Colorado's recent and highly variable awards. The amount Colorado received rose 77 percent last year and was much higher than was expected at the time of figure setting in March.



Colorado's SCAAP award is based on a formula that allocates a pool of nationwide funding among the over 800 state and local jurisdictions that qualify. A given state or county award depends on the relative number of criminal aliens that the jurisdiction houses in its prisons or jails. In FY 2016-17, federal funding for the program was 14 percent higher than the previous year, the number of jurisdictions with qualifying aliens declined, and Colorado had 8 percent more qualifying criminal aliens than it had the previous year (2,039 compared to 1,893). It's possible that Colorado's SCAAP awards will rise more in the future; there has been speculation that SCAAP funding may be withheld from sanctuary cities.

How should SCAAP funding be appropriated? The General Assembly decided years ago to spend SCAAP appropriations on private prisons and to spend the money in the year received, even though the amount received is never known until months after the corresponding appropriation is placed in the Long Bill. For example, the current Long Bill SCAAP appropriation of $2,358,707 was established during figure setting in March 2016, but the amount of SCAAP funding was not known until October 2016. In years past, the federal government sometimes delayed SCAAP awards until May or June, which sometimes put the DOC in a difficult position; the Department might have a Long Bill SCAPP appropriation of $2 million for external capacity, which would be enough to pay projected external capacity bills through the end of the year, *if received in full.* If the award was unexpectedly low, however, the Department might learn of the shortfall at a late date when it was very difficult to request a supplemental.

Because of worries about this unpredictable funding source, the DOC has been conservative with its SCAAP funding requests and, as of the beginning of FY 2016-17, a $3,891,894 balance had accumulated in the cash fund. If the Department had spent more from the fund, it would have used $3.8 million less General Fund over the years.

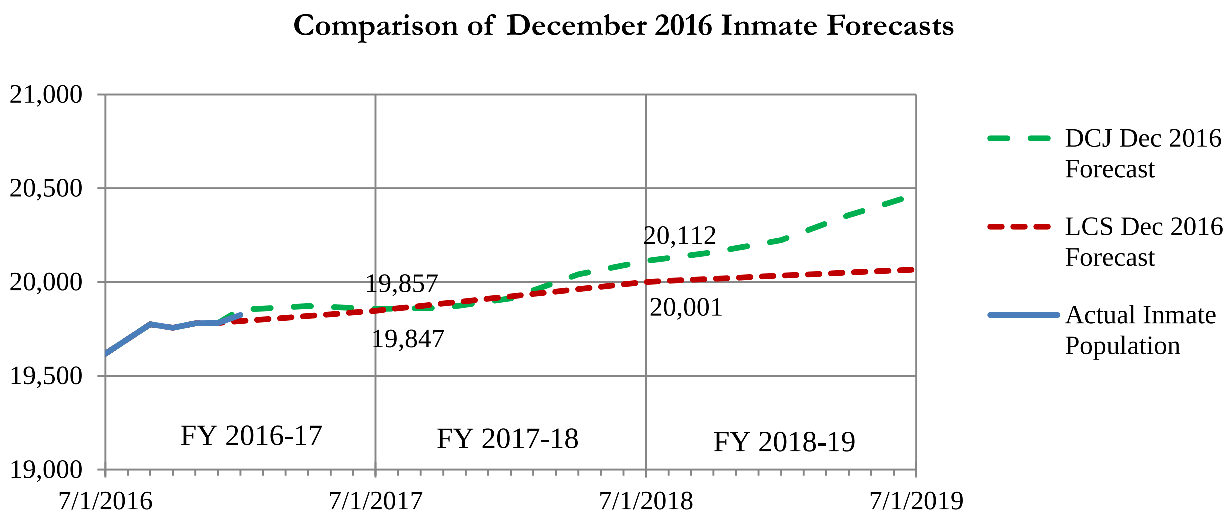
Staff SCAAP funding recommendation: Staff recommends that the Committee use this year's unexpected SCAAP funding to change the way that SCAAP funds are appropriated in future years. Staff recommends

1. Increasing SCAAP appropriations for FY 2016-17 by $1,533,187 from $2,358,707 to $3,891,894, which equals the fund balance at the beginning of FY 2016-17;
2. Appropriating this year's $2,077,720 SCAAP award in its entirety during March figure setting for FY 2017-18. If further awards arrive after March figure setting and before June 30, 2017, they should be appropriated for FY 2017-18 external capacity January 2018, during supplementals. These supplemental adjustments are unlikely and would not be fiscally difficult because they would increase the SCAAP appropriation and decrease General Fund appropriations;
3. At the time of figure setting in future years, setting SCAAP appropriations in the Long Bill equal to the current balance in the SCAAP Cash Fund. In most years no more will be received before the end of the fiscal year and there will be no subsequent change to this appropriation. If further SCAPP grants arrive after figure setting and before the end of the fiscal year, a supplemental adjustment will be made the following January to appropriate the additional money. This supplemental will not be fiscally difficult because it will increase SCAAP appropriations and reduce General Fund appropriations; and
4. Instructing the Department to spend SCAAP appropriations for external capacity before it spends General Fund appropriations.

These changes will remove the SCAAP funding uncertainty that the DOC has faced and reduce or eliminate the Department's current incentive to conservatively spend from the SCAAP and build the SCAAP fund balance.

Staff does not recommend that this procedure be formalized in statute by a JBC bill.

Appropriations implied by the DCJ and LCS forecasts. During briefing, JBC staff presented the combined male plus female forecasts from DCJ and LCS. The following chart from briefing, updated with an extra month of data, compares the two.



The forecasts are very similar for FY 2016-17 and yield similar appropriations, at least by external capacity standards, where supplementals implied by divergent forecasts sometimes differ by millions of dollars.

Turning the male and female inmate forecasts that underlie this chart into a prediction of the number of offenders who will be placed in external capacity beds of each type is an intricate and somewhat subjective undertaking that relies on a substantial amount of additional information from the DOC. Staff will not go into the details here.

The following table summarizes the external-capacity appropriation increases associated with the DCJ and LCS forecasts:

S3 External Capacity Appropriation Change

	with DCJ Forecast	with LCS Forecast
TOTAL	**$3,530,499**	**$3,449,980**
Payments to local jails	1,076,823	817,132
Payments to in-state private prisons	1,635,784	1,755,232
Payments to pre-release parole revocation facilities	817,892	877,616
Community Corrections Programs[1]	0	0

The DCJ and LCS population forecasts are also used in supplemental request S4 to project the cost of external medical care and the cost of inmate pharmaceuticals. Combining the medical forecasts in S4 with this external capacity request S3 yields the following:

S3 + S4 Appropriation Changes

	with DCJ Forecast	with LCS Forecast
TOTAL	**$1,511,954**	**$1,367,811**
External Capacity	3,530,499	3,512,406
External Medical Care	(1,347,873)	(1,352,890)
Pharmaceuticals	(670,672)	(729,278)

[1] Community corrections facilities operate "Community Return to Custody programs" for revoked parolees.

The Department, as always, bases its external capacity, external medical care, and pharmaceutical requests on the DCJ forecast, which is produced by the Executive Branch.

Staff recommendation: JBC staff recommends the DCJ forecast. Staff recommends this forecast because it requires modestly higher appropriations and is thus slightly less likely to require a June 1331 supplemental than the lower LCS forecast.

Use of the SCAAP. The appropriations in the previous external capacity table did not specify fund source. Earlier, staff recommended increasing the SCAAP appropriation for FY 2016-17 for private prisons by $1,533,187 to $3,891,894, the latter being the SCAAP fund balance at the beginning of FY 2016-17. This yields the following comparative appropriations:

S3 EXTERNAL CAPACITY APPROPRIATION CHANGES WITH AN ADDITIONAL $1,533,187 APPROPRIATED FROM THE SCAAP CASH FUND

	WITH DCJ FORECAST	WITH LCS FORECAST
TOTAL	**$3,530,499**	**$3,449,980**
Payments to local jails	1,076,823	817,132
Total payments to in-state private prisons	1,635,784	1,755,232
General Fund	102,597	222,045
Cash Funds	1,533,187	1,533,187
Payments to pre-release parole revocation facilities	817,892	877,616
Community Corrections Programs[2]	0	0

Appendix for Supplemental S2 External Capacity Caseload Background Information

The DOC's offenders are either inmates or they are parolees.[3] The vast majority of inmates are incarcerated; the vast majority of parolees are not. The external capacity appropriations in the Long Bill pay for beds for DOC offenders that are not operated by the DOC but are paid for by the Department. These beds are for DOC offenders who have "inmate" status and for parolees who have been jailed due to their behavior while on parole but have not had their parole revoked. Some jailed parolees will be revoked by the parole board; others will be released without revocation.

Once parolees are revoked, their status changes from parolee to inmate. A revoked parolee (now classified as an inmate) may remain in jail for a while before being transferred elsewhere, or may even serve the entire revocation period in a jail. When subsequently released the parolee loses his inmate status and either is discharged (if he has reached the end of his parole term) or goes back to being a parolee.

Jails also hold DOC inmates. Immediately after being sentenced to prison by a court, an offender becomes a DOC inmate but may not be delivered to the Department for a while. Three days after the offender is placed in jail following sentencing, the DOC must start paying the jail for holding the

[2] Community corrections facilities operate "Community Return to Custody programs" for revoked parolees.
[3] There is also a third offender category containing less than one percent of the DOC's offenders: the Youthful Offender System, which will not be discussed in this appendix.

inmate and the resulting bill is paid from the external capacity appropriation. After delivery to DOC, some offenders, while still on inmate status, are placed in jails on a contract basis. In recent years several counties (Washington, Fremont, and Park) have had contracts to hold DOC offenders with inmate status long term. DOC currently has no contracts with private prisons to hold female offenders; overflow female offenders are placed in the Park County Jail.

The Department pays the following per diem rates when its offenders are placed in external facilities. The first three rates are set each year in the Long Bill; they could be changed during supplementals but almost never are. The DOC sets the fourth rate.

	PAYMENT PER OFFENDER PER DAY
Payments to local jails	$53.64
Payments to in-state private prisons	56.02
Payments to the pre-release and parole revocation facility	56.02
Community Corrections Programs	50.04

Because the male and female populations cannot be mixed, the DCJ (Division of Criminal Justice) and LCS (Legislative Council Staff) produce separate forecasts for each. These competing forecasts predict the total number of males with inmate status and the total number of females with inmate status. Separate forecasts predict the combined number of male and female offenders with parole status but do not predict the number of jailed parolees. The inmates in the forecasts will be in a variety of settings with the percentage distribution changing regularly. The primary settings and the end-of-December-2016 percentages are as follows:

- 70.9 percent in DOC operated prisons,
- 14.9 percent in Colorado's two private prisons in Bent and Crowley counties,
- 3.1 percent in the privately run pre-release and parole revocation facility in Colorado Springs (Cheyenne Mountain Reentry Center),
- 2.6 percent in jails,
- 5.7 percent in transition programs at community corrections facilities for inmates who are approaching parole (These programs are operated by community corrections providers, not by DOC. Payments come from an appropriation to the DCJ and are not in the DOC budget.),
- 0.5 percent in Community Return to Custody programs (These programs are operated by some of the same community corrections providers who supply transition beds. Payment comes from one of the external capacity appropriations to DOC.),
- 1.5 percent in the Department's Intensive-supervision Inmate (ISP-I) program, where offenders live outside prison in approved residences and are intensively supervised by DOC Community Parole Officers (These are typically offenders who successfully completed transition community corrections but have not yet been paroled, often because they have not reached their parole eligibility date),
- 0.7 percent fugitives. About 150 offenders with inmate status have escaped, overwhelmingly from placements that are not operated by DOC. They of course do not need funded beds.

The DOC does not have to pay for all of the 509 inmates (2.6 percent) who were in jail at the end of December and it will have to pay for a substantial portion of the 1,196 parolees who were in jail at that time but were not part of the DCJ and LCS inmate forecasts. To make things more complicated, the DOC won't know for several months the portion of the 1,196 parolees in county jail that it will pay for; jails have 3 months to submit billings to the Department and the correct payment is determined at that time. The rules regarding who pays when a parolee is jailed are complex and largely unwritten. JBC staff has long believed that DOC owes it to the many jails where it places its parolees to publish an administrative regulation clearly describing when it will and will not pay for a jailed parolee.

Can the DOC influence its population? The DOC has limited ability to influence its inmate population. The Department must take everyone that the courts sentence to prison, leaving it with little if any control over about 65 percent of its admissions. It has more control over parolee technical returns, which account for about 25 percent of admissions. The parole revocation decision is made by the parole board, but the board will not revoke a parolee unless a community parole officer brings the parolee to the board's attention. The decision to refer to the board for revocation is a subjective call. How bad does behavior need to be before it warrants revocation? "If I work with this guy some more, will he straighten up." The Department's "sure and swift" program, which has been in effect for about two years and was heavily influenced by S.B. 15-124 requires parole officers to look at all alternatives before referring a parolee for revocation. The Department has vigorously implemented this program, subjecting every request for a technical revocation to close scrutiny, and it has dramatically cut technical revocations as a result. The impact on the prison population has been less dramatice, however, because revocation is typically for three to six months. Staff is less certain how much control that DOC has over revocation for new crimes, especially misdemeanors.

The DOC's control over releases is more indirect. Inmates must be released from prison on their mandatory parole date, but can be released any time after their earlier parole eligibility date by the parole board, an independent entity that does not take orders from the DOC. Both the mandatory release date and the eligibility date arrive earlier if an inmate accumulates "earned time" and "good time" because he is well behaved in prison. Good time and earned time are governed by statute, but the Department's policies can make it easier or harder to accumulate both. The Department may also be able to influence the likelihood that the parole board will grant early release. If the Department runs its facilities so as to reduce the amount of inmate misbehavior and increase successful in-prison program completion, inmates will accumulate more earned and good time and the parole board will find that offenders coming before it have better in-prison records, thus making early parole more likely. A similar analysis applies to transition from prison to community corrections and possible subsequent placement on Intensive-supervision Inmate (ISP-I) status. Statute permits transition to community corrections in the months prior to release; thus earned and good time can move the potential transition date forward and better in-prison behavior in better run prisons will increase the likelihood of acceptance or earlier acceptance in a community corrections program.

Once the inmate population is set, the DOC has substantial control over the distribution of the "in-prison" portion of the population, i.e. the distribution of the inmates who would be in a DOC prison if DOC had enough beds. DOC uses an overflow model to allocate these offenders; it fills its own beds first and places the overflow in private prisons and the pre-release and parole revocation facility. If there are still not enough beds, it contracts with jails to take the remainder. In years past, it also contracted with out-of-state prisons to take some of the overflow. Since there are no private prisons for female inmates and there are currently too many female inmates for DOC's two female prisons, the DOC currently has a contract with the Park County jail to take overflow female offenders on a long term basis.

The Department also influences the amount of overflow through its vacancy policy. If the Department maintains a low bed vacancy rate in its own facilities, fewer offenders will overflow to external capacity. A higher vacancy rate will result in greater overflow. The 2013 Colorado Prison Utilization Study recommended a two percent rate, stating:

> A realistic capacity management plan should exclude those beds explicitly reserved for critical functions, such as infirmary care, and factor in a "vacancy rate" in recognition of the fact that at any given time, a system will have a number of vacant beds in its facilities. It is also important to have some number of readily available beds to accommodate spikes in the population caused by surges in admissions or slowdowns in exits from the prison system. For these reasons, most correctional systems attempt to maintain a 5 percent vacancy rate to provide enough management flexibility to respond to these issues. Consistent with this practice, the capacity utilization plans presented in this report will assume that the CDOC will maintain a 2 percent vacancy rate to accommodate capacity management needs.

The Department's use of external capacity for overflow makes it easier for it to accommodate population spikes. Thus the 5 percent vacancy rate used by other correctional systems is probably too high for Colorado's DOC.

S4 MEDICAL CASELOAD

	REQUEST	RECOMMENDATION
TOTAL	**($2,018,545)**	**($2,018,545)**
FTE	0.0	0.0
General Fund	(2,018,545)	(2,018,545)
Cash Funds	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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.

DEPARTMENT REQUEST: The Department requests a net FY 2016-17 General Fund decrease of $2,018,545 for appropriations to its Medical Services Subprogram. This change would

a. Reduce appropriations for Purchase of Pharmaceuticals by $670,672, and
b. Reduce appropriations for Purchase of Medical Services from Other Medical Facilities (i.e. external medical appropriations) by $1,347,873.

STAFF RECOMMENDATION: Staff recommends that the Committee approve this request.

STAFF ANALYSIS:

Background on DOC Medical Expenditures: Medical care provided by the Department of Corrections to inmates can be divided into two categories: internal care and external care. Clinical staff who are employees of the Department and contract staff who work within the Department provide primary care in each state correctional facility as well as basic emergency care. External physicians, hospitals, and health care facilities outside of prison walls provide more specialized care, such as outpatient tests and procedures, extensive emergency services, and inpatient hospital treatment.

The DOC establishes rules that determine who qualifies for care as well as rules governing the procedures and medications that are covered and the circumstances under which they are covered. The rules take into account (1) standards of medical care from such sources as the Milliman Care Guidelines and American Correctional Association accreditation standards, (2) court rulings in Colorado and elsewhere regarding care that must be provided, and (3) budgetary considerations. Treatment for Hepatitis C provides an example of budgetary concerns. A large number of offenders have Hepatitis C, a potentially deadly blood borne illness that can be very effectively treated with a new class of exceedingly expensive drugs that have become available in recent years. The Department budgets a limited amount of money for these Hepatitis C drugs and establishes strict guidelines that provide them to the 30 or so offenders who are most seriously ill with the disease, with the decision to treat made by medical professionals. However, the rationing of Hepatitis C drugs is an unusual case; in most instances, decisions regarding medical, dental, and mental health care are made by health care professionals in conjunction with their patients, possibly subject to review by other medical professionals, and these decentralized decisions then determine the cost.

This supplemental involves pharmaceuticals and external medical care. The two line items involved are:

a. Purchase of Pharmaceuticals: The Department provides pharmaceuticals for offenders incarcerated in DOC-owned facilities. These pharmaceuticals, including psychotropics, are bought with the Purchase of Pharmaceuticals appropriation. The Department purchases these pharmaceuticals through the Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP), a free, voluntary group purchasing organization for government facilities that provide healthcare services.

Private prisons and jails that hold DOC offenders, must at their own expense provide pharmaceuticals for the offenders that they hold.

b. Purchase of Medical Services from Other Medical Facilities: When required medical care goes beyond that which can be provided within a DOC facility or within a private prison, the offender is taken to an outside medical provider and the cost of care is paid from the Purchase of Medical Services from Other Medical Facilities appropriation. When an offender receives external care, he must be accompanied by corrections officers, or by contractors who provide security. The Department contracts with Correctional Health Partners to manage external health care services for inmates.

The following table summarizes the populations that qualify for care under each appropriation.

Population	Used to compute appropriations for	Offenders in DOC facilities (including YOS*)	Offenders in private prisons	Offenders in community corrections, jails, on parole, ISP-I*
Pharmaceutical population	*Purchase of Pharmaceuticals*	Yes	No	No
Outside medical care population	*Purchase of Medical Services from Other Medical Facilities*	Yes	Yes	No

*YOS is the Youthful Offender System. ISP-I is Intensive Supervision-Inmate status.

Forecasting expenditures: To establish appropriations for the pharmaceuticals and external care, one must forecast the number of offenders who will quality for care and then multiply by a forecast of the corresponding cost per offender.

Costs per offender are typically stated on the following per offender per month (POPM) basis:

a. Cost of pharmaceuticals per offender per month (Pharmaceutical POPM)
b. Cost of medical services purchased from other medical facilities per month (External-care POPM)

For example, if the projected pharmaceutical population equals 10,000 and the projected pharmaceutical cost per offender per month (the pharmaceutical POPM) equals $50, the projected cost of pharmaceuticals for the year would equal

10,000 pharmaceutical population * $50 per offender per month * 12 months = $6,000,000.

The forecast of the pharmaceutical population and the outside medical care population derives from the DCJ population forecast or the Legislative Council forecast, whichever is selected by the Committee. The forecast of the pharmaceutical POPM comes from the Department and is based on recent actual expenditures supplemented with information from the Minnesota Multistate Contracting Alliance for Pharmacy and from other sources. For example, the expected introduction of a cheaper generic version of a widely prescribed drug might affect the POPM forecast. The POPM forecast for external medical expenditures comes from Correctional Health Partners.

Background on Medicaid: Senate Bill 13-200 expanded Medicaid eligibility in Colorado. Most inmates now qualify for Medicaid because they are childless adults who earn less than 133 percent of the Federal Poverty Level. Offenders age 65 or older often qualify for Medicare.

Medicaid now pays for a large share of the costs of external medical care. The relevant Medicaid rules for inmate care are:

a. Medicaid will not pay for internal medical care, i.e. for medical care delivered within a prison.

b. Medicaid will pay for external *inpatient* medical care for Medicaid-eligible inmates but not for outpatient external care. If the offender is in an external medical facility for 24 hours or more, it is considered inpatient care.

c. Medicare and Medicaid do not comfortably coexist when inmates are involved. Medicaid doesn't pay claims when someone qualifies for Medicare and Medicare generally doesn't pay for inmate care. The result is a coverage gap into which older inmates often fall.

Offenders in community corrections facilities and parolees are not incarcerated, so they can qualify for Medicaid without the inpatient rule.

The revised POPM forecasts. The next table summarizes the new POPM forecasts.

	Current (FY 16-17) appropriation is based on a projected FY 16-17 POPM of	Revised POPM for current year	% change
Pharmaceutical POPM (used for *Purchase of Pharmaceuticals* appropriation)	$92.82	$88.83	(4.3%)
External-care POPM (used for *Purchase of Medical Services from Other Medical Facilities* appropriation)	$119.14	$110.98	(6.9%)

The revised population forecasts. The following table summarizes the change of the projected number of offenders who will receive pharmaceuticals and external medical care during the current year.

	Population forecast that the current FY 16-17 approp was based upon (the LCS Dec 2015 forecast)	Revised population forecast if DCJ is selected	% population change with DCJ	Revised population forecast if LCS is selected	% population change with LCS
Average pharmaceutical population (used for *Purchase of Pharmaceuticals*)	17,608	17,702	0.5%	17,698	0.5%
Average external-care population (used for *Purchase of Medical Services from Other Medical Facilities*)	14,214	14,224	0.1%	14,169	(0.3%)

Since the percentage declines of the two POPM's exceed the percentage population increases, the result is negative supplementals for both forecasts. These negative supplementals for each forecast are as follows:

S4 MEDICAL GENERAL FUND APPROPRIATION CHANGES

	WITH DCJ FORECAST	WITH LCS FORECAST
TOTAL	**($2,018,545)**	**($2,082,168)**
Purchase of Pharmaceuticals	(670,672)	(729,278)
Purchase of Medical Services from Other Medical Facilities	(1,347,873)	(1,352,890)

The Department's request is based on the DCJ forecast.

Recommendation: Staff recommends that the Committee adopt the DCJ forecast which results in the appropriations in the middle column of the preceding table. The DCJ forecast results in slightly higher appropriations than the LCS forecast.

NON-PRIORITIZED SUPPLEMENTAL REQUESTS

SNP-1 KIT CARSON MITIGATION PLAN

	REQUEST	RECOMMENDATION
TOTAL	**($3,000,000)**	**($3,000,000)**
FTE	0.0	0.0
General Fund	(3,000,000)	(3,000,000)
Cash Funds	0	0
Federal Funds	0	0

DEPARTMENT REQUEST: The Department requests that its $3,000,000 General Fund appropriation for FY 2016-17 for External Capacity Sustainability be eliminated.

STAFF RECOMMENDATION: Staff recommends that the Committee approve this request. **Staff further recommends that the Committee vote on this matter now.** That way the $3 million appropriation will be eliminated from the Long Bill, no matter what action the Committee later takes on various Department of Local Affairs requests that are related to the closure of Kit Carson County Correctional Facility.

STAFF ANALYSIS: During FY 2015-16 the number of Colorado offenders in private prisons declined by 674. Last spring, CoreCivic, Inc., the owner of Kit Carson County Correctional Facility ("Kit") in Burlington, announced its intention to close the facility because of the declining number of inmates that DOC was placing there. (CoreCivic was then called Corrections Corporation of America but subsequently changed its name.) In response, the General Assembly included a $3 million General Fund appropriation in the FY 2016-17 Long Bill that was to be used as an incentive to keep Kit open. Negotiations to keep Kit in business failed and the facility closed during July. The offenders that Kit housed were moved to the three remaining private prisons in the state. In September, the Department of Local Affairs submitted an interim supplemental that was designed to backfill some of the lost revenue that the city of Burlington and its utility plant experienced when Kit closed. The JBC did not approve the request due to statutory and other concerns. In January, the Department of Local Affairs submitted an additional supplemental that would backfill local government revenue lost as a result of the Kit closure. Staff believes that the January supplemental documentation was also supposed to eliminate the $3 million sustainability appropriation, but the documentation is incomplete.

This appropriation is also connected to the Department of Local Affairs FY 2017-18 request R5, which would backfill local property tax revenue lost due to the Kit closure and would eliminate from the FY 2017-18 Long Bill the $3.0 million sustainability appropriation.

In other words, there have been or will be various opportunities to eliminate this appropriation. Staff recommends that the Committee do so now.

SNP-2 DEPARTMENT OF REVENUE LICENSE PLATES

	REQUEST	APPROVED
TOTAL	**$2,435,572**	**$0**
FTE	0.0	0.0
General Fund	0	0
Cash Funds	2,435,572	0
Federal Funds	0	0

DEPARTMENT REQUEST: The Department of Corrections requests a $2,435,572 increase of reappropriated funds for Colorado Correctional Industries so it can produce an increased number of license plates and year tabs for the Department of Revenue (DOR).

STAFF RECOMMENDATION: The Committee has already implicitly decided that there will be no Long Bill appropriation for this DOC request, but staff recommends a vote to make it clear. The related request from DOR for extra license plates and year tabs has been conceptually approved by the Committee, but it will be implemented in a special bill that will include the $2,435,572 appropriation to the DOC.

STAFF ANALYSIS: In September 2016, the JBC approved an interim supplemental request from the Department of Revenue for an additional $4,605,219 of FY 2016-17 spending authority to allow DOR to purchase additional license plates and year tabs from the DOC's Correctional Industries, which has supplied these items to DOR for many years. The interim supplemental also reappropriated this $4,605,219 to the Department of Corrections to allow it to receive and spend the revenue from the DOR as it manufactures the plates and tabs. In January, the DOR asked that the September supplemental be reversed and requested an alternative appropriation. The JBC agreed on January 18, 2016, and gave approval to draft a special bill for implementation of the alternative request. This bill will include the required appropriations to the Department of Revenue and the Department of Corrections.

STATEWIDE COMMON POLICY SUPPLEMENTAL REQUESTS

These requests are not prioritized and are not analyzed in this packet. The JBC acted on these items on January 12th when it made decisions regarding common policies.

DEPARTMENT'S PORTION OF STATEWIDE SUPPLEMENTAL REQUEST	TOTAL	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
SNP-3 Risk Management/Property Funds	$0	$0	$0	$0	$0	0.0
SNP-4 Annual Fleet Supplemental	0	0	0	0	0	0.0
DEPARTMENT'S TOTAL STATEWIDE	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0**

SUPPLEMENTAL REQUESTS

STAFF RECOMMENDATION: These request items were addressed during the JBC staff supplemental presentation for the Department of Personnel on January 12, 2016. Staff requests permission to incorporate the Committee's action into the supplemental bill. d

Appendix A: Number Pages

	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2016-17 Requested Change	FY 2016-17 Rec'd Change	FY 2016-17 Total w/Rec'd Change
DEPARTMENT OF CORRECTIONS					
Rick Raemisch, Executive Director					
S1 CCi Utilities True-up					
(2) INSTITUTIONS					
(A) Utilities Subprogram					
Utilities	21,012,799	21,936,444	0	0	21,936,444
General Fund	19,865,260	20,770,911	(79,512)	(79,512)	20,691,399
Cash Funds	1,147,539	1,165,533	79,512	79,512	1,245,045
Total for S1 CCi Utilities True-up	21,012,799	21,936,444	0	0	21,936,444
FTE	0 .0	0 .0	0 .0	0 .0	0 .0
General Fund	19,865,260	20,770,911	(79,512)	(79,512)	20,691,399
Cash Funds	1,147,539	1,165,533	79,512	79,512	1,245,045

	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2016-17 Requested Change	FY 2016-17 Rec'd Change	FY 2016-17 Total w/Rec'd Change
S2 Personal Services True-up					
(1) MANAGEMENT					
(A) Executive Director's Office, Subprogram					
Personal Services	1,820,825	1,991,783	0	1,474,745	3,466,528
FTE	29.0	26.8	0.0	0.0	26.8
General Fund	1,586,735	1,747,978	0	1,474,745	3,222,723
Reappropriated Funds	134,601	243,805	0	0	243,805
Federal Funds	99,489	0	0	0	0
(1) MANAGEMENT					
(B) External Capacity Subprogram					
(1) Private Prison Monitoring Unit					
Personal Services	1,075,564	1,169,978	0	(72,522)	1,097,456
FTE	14.1	15.7	0.0	0.0	15.7
General Fund	1,075,564	1,169,978	0	(72,522)	1,097,456
(1) MANAGEMENT					
(C) Inspector General Subprogram					
Personal Services	3,860,552	4,110,124	0	62,323	4,172,447
FTE	47.2	48.2	0.0	0.0	48.2
General Fund	3,860,552	4,003,891	0	62,323	4,066,214
Cash Funds	0	106,233	0	0	106,233
(2) INSTITUTIONS					

	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2016-17 Requested Change	FY 2016-17 Rec'd Change	FY 2016-17 Total w/Rec'd Change
(A) Utilities Subprogram					
Personal Services	242,719	318,254	0	(6,774)	311,480
FTE	2.7	2.6	0.0	0.0	2.6
General Fund	242,719	318,254	0	(6,774)	311,480
(2) INSTITUTIONS					
(B) Maintenance Subprogram					
Personal Services	17,983,087	18,302,550	0	1,492,856	19,795,406
FTE	286.2	276.8	0.0	0.0	276.8
General Fund	17,983,087	18,302,550	0	1,492,856	19,795,406
(2) INSTITUTIONS					
(C) Housing and Security Subprogram					
Personal Services	168,351,679	170,532,665	(1,495,266)	(3,049,291)	167,483,374
FTE	2,996.9	2,974.4	0.0	0.0	2,974.4
General Fund	168,351,679	170,529,718	(1,495,266)	(3,049,291)	167,480,427
Cash Funds	0	2,947	0	0	2,947
(2) INSTITUTIONS					
(D) Food Service Subprogram					
Personal Services	17,896,616	18,368,960	0	(465,414)	17,903,546
FTE	315.1	317.8	0.0	0.0	317.8
General Fund	17,896,616	18,368,960	0	(465,414)	17,903,546
(2) INSTITUTIONS					

	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2016-17 Requested Change	FY 2016-17 Rec'd Change	FY 2016-17 Total w/Rec'd Change
(F) Laundry Subprogram					
Personal Services	2,128,016	2,414,728	(100,000)	(56,121)	2,358,607
FTE	35.3	37.4	0.0	0.0	37.4
General Fund	2,128,016	2,414,728	(100,000)	(56,121)	2,358,607
(2) INSTITUTIONS					
(G) Superintendents Subprogram					
Personal Services	10,521,900	10,796,234	0	187,594	10,983,828
FTE	160.5	156.7	0.0	0.0	156.7
General Fund	10,521,900	10,796,234	0	187,594	10,983,828
(2) INSTITUTIONS					
(H) Youthful Offender System Subprogram					
Personal Services	10,399,799	10,716,122	(400,000)	(539,360)	10,176,762
FTE	164.1	160.7	0.0	0.0	160.7
General Fund	10,399,799	10,716,122	(400,000)	(539,360)	10,176,762
(2) INSTITUTIONS					
(I) Case Management Subprogram					
Personal Services	17,519,409	17,879,989	(500,000)	(823,391)	17,056,598
FTE	247.8	247.3	0.0	0.0	247.3
General Fund	17,519,409	17,879,989	(500,000)	(823,391)	17,056,598
(2) INSTITUTIONS					

	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2016-17 Requested Change	FY 2016-17 Rec'd Change	FY 2016-17 Total w/Rec'd Change
(J) Mental Health Subprogram					
Personal Services	6,087,174	12,601,517	(471,116)	(399,111)	12,202,406
FTE	121.8	152.1	0.0	0.0	152.1
General Fund	6,087,174	12,601,517	(471,116)	(399,111)	12,202,406
(2) INSTITUTIONS					
(L) Legal Access Subprogram					
Personal Services	1,378,570	1,426,036	0	(35,711)	1,390,325
FTE	21.4	21.5	0.0	0.0	21.5
General Fund	1,378,570	1,426,036	0	(35,711)	1,390,325
(3) SUPPORT SERVICES					
(A) Business Operations Subprogram					
Personal Services	6,043,719	6,306,714	0	(73,683)	6,233,031
FTE	102.4	99.8	0.0	0.0	99.8
General Fund	5,238,206	5,429,390	0	(73,683)	5,355,707
Cash Funds	38,991	40,297	0	0	40,297
Reappropriated Funds	766,522	837,027	0	0	837,027
(3) SUPPORT SERVICES					
(B) Personnel Subprogram					
Personal Services	1,255,169	1,319,664	0	57,467	1,377,131
FTE	18.3	18.7	0.0	0.0	18.7
General Fund	1,255,169	1,319,664	0	57,467	1,377,131
(3) SUPPORT SERVICES					

	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2016-17 Requested Change	FY 2016-17 Rec'd Change	FY 2016-17 Total w/Rec'd Change
(C) Offender Services Subprogram					
Personal Services	3,074,995	3,142,637	0	(96,823)	3,045,814
FTE	48.3	44.1	0.0	0.0	44.1
General Fund	3,074,995	3,142,637	0	(96,823)	3,045,814
(3) SUPPORT SERVICES					
(E) Transportation Subprogram					
Personal Services	2,052,663	2,088,737	0	49,491	2,138,228
FTE	35.6	35.9	0.0	0.0	35.9
General Fund	2,052,663	2,088,737	0	49,491	2,138,228
(3) SUPPORT SERVICES					
(F) Training Subprogram					
Personal Services	2,333,210	2,498,825	(100,000)	(205,947)	2,292,878
FTE	32.8	33.0	0.0	0.0	33.0
General Fund	2,333,210	2,498,825	(100,000)	(205,947)	2,292,878
(3) SUPPORT SERVICES					
(H) Facility Services Subprogram					
Personal Services	918,858	976,289	0	(9,550)	966,739
FTE	10.0	9.7	0.0	0.0	9.7
General Fund	918,858	976,289	0	(9,550)	966,739

(4) INMATE PROGRAMS

	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2016-17 Requested Change	FY 2016-17 Rec'd Change	FY 2016-17 Total w/Rec'd Change
(A) Labor Subprogram					
Personal Services	5,452,497	5,667,661	(200,000)	(389,836)	5,277,825
FTE	85.6	88.7	0.0	0.0	88.7
General Fund	5,452,497	5,667,661	(200,000)	(389,836)	5,277,825
(4) INMATE PROGRAMS					
(B) Education Subprogram					
Personal Services	12,368,274	12,671,728	0	500,024	13,171,752
FTE	195.6	189.1	0.0	0.0	189.1
General Fund	12,368,274	12,671,728	0	500,024	13,171,752
(4) INMATE PROGRAMS					
(C) Recreation Subprogram					
Personal Services	6,619,731	6,899,127	0	(132,366)	6,766,761
FTE	124.2	116.7	0.0	0.0	116.7
General Fund	6,619,731	6,899,127	0	(132,366)	6,766,761
(4) INMATE PROGRAMS					
(D) Drug and Alcohol Treatment Subprogram					
Personal Services	4,691,872	5,301,250	0	31,621	5,332,871
FTE	83.6	85.4	0.0	0.0	85.4
General Fund	4,691,872	5,301,250	0	31,621	5,332,871
(4) INMATE PROGRAMS					

	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2016-17 Requested Change	FY 2016-17 Rec'd Change	FY 2016-17 Total w/Rec'd Change
(E) Sex Offender Treatment Subprogram					
Personal Services	2,461,570	4,057,564	(233,618)	(221,042)	3,836,522
FTE	40.2	55.8	0.0	0.0	55.8
General Fund	2,432,759	4,027,523	(233,618)	(221,042)	3,806,481
Cash Funds	28,811	30,041	0	0	30,041
(4) INMATE PROGRAMS					
(F) Volunteers Subprogram					
Personal Services	497,967	626,219	(100,000)	(199,286)	426,933
FTE	7.0	8.0	0.0	0.0	8.0
General Fund	497,967	626,219	(100,000)	(199,286)	426,933
Cash Funds	0	0	0	0	0
(5) COMMUNITY SERVICES					
(A) Parole Subprogram					
Personal Services	14,881,685	18,990,679	(1,200,000)	(1,436,323)	17,554,356
FTE	248.7	293.2	0.0	0.0	293.2
General Fund	14,881,685	18,990,679	(1,200,000)	(1,436,323)	17,554,356
(5) COMMUNITY SERVICES					
(B) Community Supervision Subprogram					
(1) Community Supervision					
Personal Services	5,789,583	6,177,477	0	(219,011)	5,958,466
FTE	81.4	83.8	0.0	0.0	83.8
General Fund	5,789,583	6,177,477	0	(219,011)	5,958,466

	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2016-17 Requested Change	FY 2016-17 Rec'd Change	FY 2016-17 Total w/Rec'd Change
Personal Services	508,414	672,402	(100,000)	(154,769)	517,633
FTE	7.0	8.0	0.0	0.0	8.0
General Fund	508,414	672,402	(100,000)	(154,769)	517,633
(5) COMMUNITY SERVICES					
(C) Community Re-entry Subprogram					
Personal Services	1,814,204	2,458,024	0	(61,289)	2,396,735
FTE	36.7	41.6	0.0	0.0	41.6
General Fund	1,814,204	2,458,024	0	(61,289)	2,396,735
(6) PAROLE BOARD					
Personal Services	1,305,431	1,517,875	(100,000)	(208,627)	1,309,248
FTE	17.3	17.5	0.0	0.0	17.5
General Fund	1,305,431	1,517,875	(100,000)	(208,627)	1,309,248
Total for S2 Personal Services True-up	331,335,752	352,001,812	(5,000,000)	(5,000,126)	347,001,686
FTE	5,616.8	5,667 .0	0 .0	0 .0	5,667 .0
General Fund	330,267,338	350,741,462	(5,000,000)	(5,000,126)	345,741,336
Cash Funds	67,802	179,518	0	0	179,518
Reappropriated Funds	901,123	1,080,832	0	0	1,080,832
Federal Funds	99,489	0	0	0	0

	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2016-17 Requested Change	FY 2016-17 Rec'd Change	FY 2016-17 Total w/Rec'd Change
S3 External Capacity Caseload					
(1) MANAGEMENT					
(B) External Capacity Subprogram					
(2) Payments to House State Prisoners					
Payments to local jails	11,120,578	11,708,003	1,076,823	1,076,823	12,784,826
General Fund	11,120,578	11,708,003	1,076,823	1,076,823	12,784,826
Payments to in-state private prisons	65,036,792	58,180,616	1,635,784	1,635,784	59,816,400
General Fund	65,036,746	55,821,909	924,581	102,597	55,924,506
Cash Funds	46	2,358,707	711,203	1,533,187	3,891,894
Payments to pre-release parole revocation facilities	11,150,004	10,496,025	817,892	817,892	11,313,917
General Fund	11,150,004	10,496,025	817,892	817,892	11,313,917
Total for S3 External Capacity Caseload	87,307,374	80,384,644	3,530,499	3,530,499	83,915,143
FTE	0 .0	0 .0	0 .0	0 .0	0 .0
General Fund	87,307,328	78,025,937	2,819,296	1,997,312	80,023,249
Cash Funds	46	2,358,707	711,203	1,533,187	3,891,894

	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2016-17 Requested Change	FY 2016-17 Rec'd Change	FY 2016-17 Total w/Rec'd Change
S4 Medical Caseload					
(2) INSTITUTIONS					
(E) Medical Services Subprogram					
Purchase of Pharmaceuticals	14,681,545	15,832,887	(670,672)	(670,672)	15,162,215
General Fund	14,681,545	15,832,887	(670,672)	(670,672)	15,162,215
Purchase of Medical Services from Other Medical Facilities	22,140,857	25,574,780	(1,347,873)	(1,347,873)	24,226,907
General Fund	22,140,857	25,574,780	(1,347,873)	(1,347,873)	24,226,907
Total for S4 Medical Caseload	36,822,402	41,407,667	(2,018,545)	(2,018,545)	39,389,122
FTE	0 .0	0 .0	0 .0	0 .0	0 .0
General Fund	36,822,402	41,407,667	(2,018,545)	(2,018,545)	39,389,122

	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2016-17 Requested Change	FY 2016-17 Rec'd Change	FY 2016-17 Total w/Rec'd Change
SNP1 Kit Carson Mitigation Plan					
(1) MANAGEMENT					
(B) External Capacity Subprogram					
(2) Payments to House State Prisoners					
External Capacity Sustainability	0	3,000,000	(3,000,000)	(3,000,000)	0
General Fund	0	3,000,000	(3,000,000)	(3,000,000)	0
Total for SNP1 Kit Carson Mitigation Plan	0	3,000,000	(3,000,000)	(3,000,000)	0
FTE	0 .0	0 .0	0 .0	0 .0	0 .0
General Fund	0	3,000,000	(3,000,000)	(3,000,000)	0

	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2016-17 Requested Change	FY 2016-17 Rec'd Change	FY 2016-17 Total w/Rec'd Change
SNP2 DOR License Plates					
(7) CORRECTIONAL INDUSTRIES					
Operating Expenses	5,875,636	5,928,190	460,000	0	5,928,190
Cash Funds	1,816,591	1,817,327	0	0	1,817,327
Reappropriated Funds	4,059,045	4,110,863	460,000	0	4,110,863
Raw Materials	28,052,347	35,823,826	1,835,572	0	35,823,826
Cash Funds	8,326,464	8,441,080	0	0	8,441,080
Reappropriated Funds	19,725,883	27,382,746	1,835,572	0	27,382,746
Inmate Pay	2,161,033	2,258,992	140,000	0	2,258,992
Cash Funds	823,367	861,343	0	0	861,343
Reappropriated Funds	1,337,666	1,397,649	140,000	0	1,397,649
Total for SNP2 DOR License Plates	36,089,016	44,011,008	2,435,572	0	44,011,008
FTE	0 .0	0 .0	0 .0	0 .0	0 .0
Cash Funds	10,966,422	11,119,750	0	0	11,119,750
Reappropriated Funds	25,122,594	32,891,258	2,435,572	0	32,891,258
Totals Excluding Pending Items					
CORRECTIONS					
TOTALS for ALL Departmental line items	818,409,700	846,756,203	(4,052,474)	(6,488,172)	840,268,031
FTE	6,148.8	6,242.7	0 .0	0 .0	6,242.7
General Fund	740,491,437	759,196,124	(7,278,761)	(8,100,871)	751,095,253
Cash Funds	37,553,615	39,454,112	790,715	1,612,699	41,066,811
Reappropriated Funds	36,673,293	46,748,326	2,435,572	0	46,748,326
Federal Funds	3,691,355	1,357,641	0	0	1,357,641