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FISCAL NOTE

Drafting Number:	LLS 19-0674	Date:	March 11, 2019
Prime Sponsors:	Sen. Gonzales; Lee Rep. Herod	Bill Status:	Senate Judiciary
		Fiscal Analyst:	Chris Creighton 303-866-5834 Chris.Creighton@state.co.us

Bill Topic: PAROLE CHANGES

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill makes various changes to prison population management options, reentry services, parole, and facility security level designation. Overall, it increases state expenditures and decreases local government costs on an ongoing basis.

Appropriation Summary: For FY 2019-20, this bill requires a General Fund appropriation of \$3.2 million to the Department of Corrections.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 19-143

		FY 2019-20	FY 2020-21
Revenue		-	-
Expenditures	General Fund	\$3,148,997	\$3,078,918
	Centrally Appropriated	\$61,309	\$67,133
	Total	\$3,199,576	\$3,146,051
	Total FTE	3.4 FTE	4.5 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill makes the following changes to prison population management options, parole, and prison facility security level designations.

Prison population management. Under current law, if the Department of Corrections (DOC) vacancy rate falls below 2 percent for 30 consecutive days, the department may request that the State Parole Board review inmates within 90 days of mandatory release and inmates that have satisfied conditional release requirements. This bill changes the rate at which these efforts may be initiated to 3 percent.

When the prison vacancy rate is below the 3 percent threshold, this bill also authorizes the DOC to submit to the parole board a list of medium or lower risk inmates. With some exceptions, the parole board must conduct a review of each inmate on the list within 30 days and set a date of release no later than 30 days after the review. Conditions in which the inmate is eligible for release are specified in the bill. A parole hearing must be scheduled if victim notification is required and a victim wants to provide input.

Denied parole. Under current law, a single parole board member may review the file of a low risk inmate and deny parole. This bill requires a majority vote by the full parole board to deny parole for an inmate assessed as low or very low risk with an approved parole plan and a recommended release. Any such denial must be explained to the DOC in writing.

Parole revocation. This bill specifies that the parole board may revoke an inmate's parole and place them back in prison for the remainder of his or her sentence for parole violations that involve possession of a deadly weapon, refusing to comply with sex offender treatments, unlawful contact with a victim, or the tampering or removal of a electronic monitoring device.

Under current law, an offender may be revoked from parole for up to 30 or 90 days for parole violations that do not involve committing a crime (technical parole violations). This bill eliminates this revocation, but allows the parole board to order participation in programming at the Colorado Transition Center as a condition of parole for parole violations for offenders sentenced for certain drug and non-violent felony offenses.

Reentry support. Under current law, inmates released on parole are eligible for services through the Work and Gain Education and Employment Skills Grant Program (WAGEES) which provides reentry services through eight community partners. An inmate discharged from a correctional facility without supervision is not on parole and is not currently eligible for reentry support services. This bill makes inmates discharged without supervision eligible for such services for up to one year.

Prison security level. Under current law, DOC prison facilities receive a security level designation between one and five based on the use of the facility with a level five facility being the highest security level. This bill establishes a level zero security designation to be used for the reintegration of inmates into the community prior to their release from prison. The current Colorado Correctional Center in Jefferson County is changed to the Colorado Transition Center and the security level is changed from one to zero.

State Expenditures

This bill increases Department of Corrections costs by \$3.2 million and 3.4 FTE in FY 2019-20 and \$3.2 million and 4.5 FTE in FY 2020-21. These increases are potentially offset by future prison bed operating expense reductions. Workload also increases for the State Parole Board. These impacts are shown in Table 2 and discussed below.

**Table 2
 Expenditures Under SB 19-143**

	FY 2019-20	FY 2020-21
Department of Corrections		
Personal Services	\$213,546	\$284,727
Operating Expenses and Capital Outlay Costs	\$68,160	\$3,500
Reentry Services	\$2,790,691	\$2,790,691
Computer Programming	\$76,600	-
Centrally Appropriated Costs*	\$50,579	\$67,133
Total Cost	\$3,199,576	\$3,146,051
Total FTE	3.4 FTE	4.5 FTE

* Centrally appropriated costs are not included in the bill's appropriation.

Reentry support services. In order to provide reentry services for inmates discharged without supervision, \$2.8 million is needed. This cost estimate is based on a three year average of 1,149 offenders being released without supervision, a two-thirds utilization rate based on current program participation, and average amount of \$3,680 for work, education, and employment skills reentry services currently provided to supervised parolees. These funds will be provided to the Latino Coalition for Community Leadership which manages the WAGEES grant program.

Technical Parole Violations. This bill impacts prison bed operating costs from parole violations as described below.

Treatment services. Offenders may receive in-custody or out-of-custody treatment at the Colorado Transition Center and 4.5 FTE are needed to ensure adequate treatment service provider staff are available to handle up to 530 offenders needing some level of treatment 7 days per week. This includes 3.5 FTE for substance use treatment and 1.0 FTE for mental health treatment and supervision. Standard operating and capital outlay costs are included with these positions as well as costs for drug testing, equipment, and training. This assumes a September 1, 2019, start date and personal services costs are prorated for the General Fund paydate shift in FY 2019-20.

Parole revocations. Prison bed operating costs are impacted by an indeterminate amount by the elimination of 30 and 90 day revocations for technical parole violations. In 2018 a total of 530 offenders received such a revocation. Instead, these offenders may remain on parole, could be required to serve the remainder of their parole in DOC, or could be ordered to participate in programming at the newly created Colorado Transition Center as a condition of parole. These impacts cannot be estimated because they rely on future parole board decisions and it is assumed that any adjustment in appropriations, if needed, will be requested through the annual budget process.

DOC bed impacts. To the extent that more inmates are released on parole by increasing the population management threshold to 3 percent or requiring a full parole board hearing to deny low to parole for low risk inmates, prison bed operating costs will be reduced. For context, it costs an average of \$108.77 per offender, per day in a state-operated prison or \$61.27 per offender, per day in a private contract prison. If an offender is paroled, the cost per offender, per day is \$12.63. Thus, for each offender that is placed on parole, the savings to the DOC ranges between \$48.64 and \$96.14 per offender, per day. Savings may be offset by additional costs for parole officers and reentry services which can range from a per offender annual cost of \$3,680 for reentry services to \$10,000 for reentry housing provided Department of Local Affairs. Because the variables outlined in the bill depend on a number of factors and the discretion exercised by the DOC and the parole board, the precise fiscal impact to the DOC cannot be determined at this time. Any reductions in appropriations will be addressed through the annual budget process.

Computer programming. An estimated 500 hours of computer programming at a blended rate of \$126 per hour is needed to update existing systems to generate various eligible offender lists to forward to the parole board and to track offenders discharged without supervision that receive reentry services.

Parole Board workload. Workload increases for the State Parole Board by requiring a full parole board hearing for the denial of low risk inmates. Under current law, the number of parole board members can only be increased through legislation; therefore, this workload must be accomplished within existing resources, which could increase the parole board review backlog.

Jail reimbursements. Currently, the state reimburses county jails for holding technical parole violators until their parole is revoked. By eliminating the 30 and 90 day parole revocations, this bill decreases state county jail reimbursements. Because it is not known if these offenders will be revoked to DOC, ordered to participate in programming at the Colorado Transition Center, or allowed to remain on parole, this exact impact cannot be estimated.

Facility designation change. By allowing DOC to change the security level designation of a level II facility to a level III facility, future costs may be incurred for facility and operational changes if such a change is made.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$50,579 in FY 2019-20 and \$67,133 in FY 2020-21.

Local Government

Beginning in FY 2019-20, by eliminating the 30 and 90 day sentences for technical parole violations, this bill will reduce county revenue and jail operating and offender transportation costs. Under current law, these violators are held in county jail until their parole is revoked. This impact has not been estimated. Based on a 2018 Joint Budget Committee Staff county jail survey, the average cost to house an offender in a county jail is \$98.83 per day, but varies significantly from \$43.65 to \$350.21 per day depending on the county. For the current fiscal year, the state reimburses county jails at a daily rate of \$54.93.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, except that Section 1 of the bill, which creates the level zero facility designation, takes effect September 1, 2019.

State Appropriations

For FY 2019, this bill requires a General Fund appropriation of \$3,148,997 and an allocation of 3.4 FTE to the Department of Corrections. Of this, \$76,600 is reappropriated to the Office of Information Technology.

State and Local Government Contacts

Corrections
Public Safety

Counties
Sheriffs

Local Affairs