MEMORANDUM

JOINT BUDGET COMMITTEE

TO	JBC Members
FROM	JBC Staff
DATE	March 14, 2024
SUBJECT	Figure Setting Comeback Packet 5

Included in this packet are staff comeback memos for the following items:

Department of Human Services, page 2 (Emily Hansen): Human Services Behavioral Health Annualizations

Department of Human Services, **page 5** (Tom Dermody): R3 Human Resources Staffing

Department of Human Services, **page 11** (Tom Dermody): R5 Home Care Allowance True-up Technical Correction

Department of Personnel, **page 12** (Tom Dermody): Discontinuation of DPA Request for Information Regarding Colorado Automotive Reporting System

Department of Public Safety, page 13 (Justin Brakke): Staff Comebacks for the Department of Public Safety-Division of Criminal Justice and Executive Director's Office

MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Members of the Joint Budget Committee
FROM	Emily Hansen, JBC Staff (303-866-4961)
DATE	March 13, 2024
SUBJECT	Human Services Behavioral Health Annualizations

During the staff figure setting for the Department of Human Services Behavioral Health Sections, the Committee requested two comebacks related to the annualization of prior year budget actions and legislation.

ANNUALIZATION OF H.B. 22-1283 (FAMILY AND YOUTH BEHAVIORAL HEALTH CARE)

The bill included a total appropriation of $54.7 million cash funds from the Behavioral and Mental Health Cash Fund, which originate as ARPA funds, to the Division of Child Welfare, Behavioral Health Administration, and the Office of Civil and Forensic Mental Health in the Department of Human Services. The fiscal note assumed that costs would be supported with ARPA funds through December 2024, but would mostly be supported with General Fund on an ongoing basis.

The bill established a Respite Program in the Division of Child Welfare, funding for youth SUD treatment beds and crisis services in the BHA, and a youth neuro-psych unit at the Fort Logan campus under the Office of Civil and Forensic Mental Health. All programs were expected to be ongoing other than the funding for youth SUD beds. The ongoing funding for these programs is reflected in the Department's base request through the annualization of prior year legislation, as well as the Statewide S1 ARPA roll-forward request and separate legislation for the 2024 Session.

SUD TREATMENT BEDS

The bill included a one-time appropriation of $5.0 million for youth residential substance use disorder (SUD) treatment beds. The BHA indicates that this funding has supported 3 beds at Denver Health, and is expected to support an additional 16 beds at Jefferson Hills beginning in Spring 2024. The Committee has approved roll-forward authority for this appropriation, but there is no ongoing funding for this program.

CRISIS SYSTEM

The bill included an ongoing annual appropriation of $1,250,000 to support crisis system services. Funding was expected to transition to General Fund in FY 2024-25. The Department did not request ongoing General Fund as an annualization in their base budget, but did request roll-forward authority for the original ARPA appropriation. The Committee denied the roll-forward request at the recommendation of staff because an ongoing General Fund appropriation of $2.5 million for this purpose is included in the fiscal note for H.B. 24-1019 (Crisis Resolution Team Program). The General Fund impact was included in the fiscal note because the BHA indicated that ARPA funds would be fully expended by the end of the FY 2023-24, and communicated the same information to the JBC during their ARPA hearing.

YOUTH NEURO-PSYCH UNIT

The bill included a capital appropriation of $35.0 million to construct a new unit at Fort Logan. The fiscal note assumed that the unit would be operational and ongoing staffing costs would be supported with General Fund beginning in FY 2024-25. The unit is still in the design phase and is currently not expected to be operational until January 2026.

The Department submitted an annualization of $12.1 million General Fund in their base budget for FY 2024-25 related to the ongoing staffing costs. Staff recommended and the Committee approved no annualization related to the bill as the unit is not expected to be operational until 2026. The Department agrees that the annualization was not properly accounted for in the budget submission and worked with staff to identify appropriate annualizations for ARPA bills.

RESPITE CARE

The bill included an ongoing appropriation of $1.6 million to support respite care beds for foster youth. The fiscal note assumed that the Department would contract for seven beds and would require 3.0 FTE to oversee contracts and coordinate bed placements. Respite care is intended to be a short-term placement to provide youth and families with respite, assuming that a brief out-of-home stay could reduce the risk of changing placements or longer term out-of-home stay.

The Department indicates that no provider responded after three rounds of RFPs. The Department then worked with providers proactively to provide guidance and establish contracts for FY 2023-24. The Department indicates that there were two barriers for providers to establish this new placement type. First, providers did not want to invest in a new placement that was communicated as term-limited. Second, respite beds may have a higher vacancy rate than other service types since the placement is short-term, often only over a weekend. Youth residential providers have indicated to staff that respite is an essential placement to reducing longer stay out-of-home care, but agree that it is a challenging placement to maintain.

Under the fiscal note, the Department could and should have requested a partial year General Fund annualization for ongoing funding of respite care. The Department included an annualization of $340,660 General Fund, which aligns with the ongoing FTE costs to manage the contracts. The Department also requested a reduction of existing ARPA funds that has been approved by the Committee. If the Committee maintains current action, no funding is included in the budget for respite care.

Staff recommends no appropriation for respite care since the Department has had challenges establishing the program and does not demonstrate an intention to continue the program. However, the Committee and stakeholders have indicated that respite is an important missing piece of the continuum of care.

If the Committee chooses to continue the program, the Committee could choose to approve an appropriation in the FY 2024-25 Long Bill, or reconsider the previous action to reduce the existing ARPA appropriation. Either way, staff expects that the appropriation would be supported with General Fund under the "ARPA swap" proposal. Staff would therefore recommend a straight General Fund appropriation rather than changing the ARPA decision as staff has been working closely with the Governor's Office to finalize ARPA numbers and would prefer not to disrupt numbers that have only recently been finalized.

If the Committee and General Assembly intend to continue the program as contemplated in the fiscal note, staff recommends a General Fund appropriation of $1,972,658 General Fund and 3.0 FTE in FY 2024-25.

ANNUALIZATION OF CRIMINAL JUSTICE DIVERSION FUNDING

During FY 2023-24 Long Bill debate, the House adopted an amendment to increase the appropriation for Criminal Justice Diversion Programs in the BHA by $5.0 million General Fund, along with a footnote specifying the General Assembly's intent that the increase support co-responder programs. The Committee retained the amendment, but reduced the increase to $2.0 million during Conference. Most of the motions made by the Committee during Conference specified if the request was expected to be one-time. The motion is provided below, and did not specify that the increase was one-time.

02:55:39 PM	Motion	Restore House Amendment #40 which added $5.0 million General Fund to the Criminal Justice Diversion Programs line item in the Behavioral Health Administration in the Department of Human Services to support the expansion of co-responder programs, but reduce the increase to $2.0 million.
	Moved	Bockenfeld
	Seconded	
	Bockenfeld	
	Bridges	
	Kirkmeyer	
	Sirota	
	Bird	
	Zenzinger	
		YES: 0 NO: 0 EXC: 0 ABS: 0 FINAL ACTION: Pass Without Objection

The BHA and staff retained the increase in the base budget assuming the increase was ongoing. Prior to the increase, the line item consisted of $1.6 million General Fund and $3.5 million cash funds from the Marijuana Tax Cash Fund. The increase therefore more than doubled the existing General Fund appropriation to $3.6 million. The only adjustments in FY 2024-25 is a $16,739 cash funds increase for prior year salary survey, an increase of $190,035 total funds for the common policy community provider rate, and a decrease of $100,000 cash funds related to the requested increase for the Tony Grampsas program.

Co-responder programs pair law enforcement with behavioral health specialists to respond to behavioral health related calls for police service. The BHA currently supports programs in Adams, Arapahoe, Boulder, Broomfield, Chaffee, Delta, Denver, Douglas, Eagle, El Paso, Fremont, Jefferson, Lake, Larimer, Mesa, Montrose, Pitkin, Pueblo, Summit, and Weld county, as well as a Southeast Health Group Program providing coverage to multiple law enforcement agencies in the Southeast region. Co-responder programs are also supported by grants in the Department of Public Safety and the Department of Local Affairs.

Staff recommends a reduction of $2.0 million General Fund to annualize out the increase, as well as removal of the associated footnote, assuming that the Committee and General Assembly's action were intended to be one-time.

MEMORANDUM

TO	Members of the Joint Budget Committee
FROM	Tom Dermody, JBC Staff (303-866-4963)
DATE	March 12, 2024
SUBJECT	Tabled – R3 Human Resources Staffing

During figure setting for the Department of Human Services (February 15, 2024), the Committee delayed action on the Department's R3 (Human resources staffing) request, pending additional information. Specifically, the Committee requested information on the impact on the Department of Human Service of the creation of the Department of Early Childhood, whether there were any vacancy savings identified by the Department to supplement the requested funding, and for additional detail on the training component of the request.

CREATION OF THE DEPARTMENT OF EARLY CHILDHOOD

During the 2022 legislative session, H.B. 22-1295 (Dept. of Early Childhood and Universal Preschool Program) created the Department of Early Childhood and transferred the Office of Early Childhood out of the Department of Human Services. This transfer resulted in a reduction of $427.1 million total funds, including $105.6 million General Fund, and 160.6 FTE. The majority of the transfer was for the offloading of the Office of Early Childhood, but there were additional reductions for central services in the Executive Director's Office and the Administration and Finance division ($4.6 million total funds, $1.0 million General Fund).

IMPACT OF H.B. 22-1295 ON DEPT. OF HUMAN SERVICES

Division	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Executive Director's Office	($2,476,490)	($735,558)	($778,284)	($471,650)	($490,998)	0.0
Administration and Finance	(2,185,174)	(290,143)	0	(1,895,031)	0	0.0
Office of Early Childhood	(422,456,908)	(104,577,005)	(55,662,347)	(8,127,382)	(254,090,174)	(160.6)
Total	($427,118,572)	($105,602,706)	($56,440,631)	($10,494,063)	($254,581,172)	(160.6)

The transfers associated with H.B. 22-1295 were followed in FY 2023-24 by additional transfers made through the annual budgeting process. The Executive Branch submitted a set prioritized requests through the Department of Early Childhood (R13/S3/BA3) to transfer additional resources from the Department of Human Services, to complete the transition. The Committee and General Assembly approved a reduction of $875,448 total funds, including $26,813 General Fund, and 15.7 FTE in FY 2023-24 to the Department of Human Services. This set of transfers is particularly relevant for this comeback, as the Administration and Finance division had its FY 2023-24 appropriation reduced by nearly $1.0 million total funds and 17.2 FTE.

IMPACT OF FY 2023-24 BUDGETARY TRANSFERS ON DEPT. OF HUMAN SERVICES

Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Executive Director's Office	($62,285)	$0	$40,305	($102,590)	$0	(1.0)
Administration and Finance	(977,984)	(26,813)	0	(951,171)	0	(17.2)
Office of Children, Youth, and Families	164,821	0	0	164,821	0	2.5
Total	($875,448)	($26,813)	$40,305	($888,940)	$0	(15.7)

VACANCY SAVINGS

In the Department's response to the FY 2024-25 JBC Hearing Common Question #6 about vacancy saving in the last five fiscal years, the Department reports no vacancy savings in time frame specified. Additionally, in their follow-up response to vacancy questions asked during their Hearing on December 15, 2023, the Department reports 4 vacancies out of 85 Human Resources positions (or 4.7 percent)

In the last three fiscal years for which we have actual data, this line item has not reverted any General Fund. The cash funds reverted in FY 2022-23 were appropriated from the Behavioral and Mental Health Cash Fund and is from money the state received from the federal Coronavirus State Fiscal Recovery Fund. This appropriation was provided roll-forward spending authority through December 30, 2024. The reappropriated funds in this line item are primarily from indirect cost recoveries. The reversion of reappropriated funds suggests spending authority unsupported by recoveries.

ADMINISTRATION AND FINANCE DIVISION, ADMINISTRATION - PERSONAL SERVICES LINE ITEM REVERSIONS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21	$1,030,120	$0	$3,291	$1,026,829	$0	6.5
FY 2021-22	(6,133,477)	0	3,291	0	(6,136,768)	0.0
FY 2022-23	2,965,572	0	372,264	2,692,599	(99,291)	(60.1)

* Numbers in parentheses represent expenditures in excess of appropriations. However, in the case of the federal funds, these are expenditures shown for informational purposes only and not subject to appropriation by the General Assembly.

TRAINING AND EMPLOYEE ENGAGEMENT

Career development, training, and employee engagement are a part of the department's FY 2023-24 Performance Plan (Key 4: Making CDHS A Great Place to Work). In their performance plan the Department identifies a goal of 76.0 percent for employee engagement. Employee engagement improves work culture, reduces turnover, increases productivity, builds better work and customer relationships, and affects delivery of services. Employee engagement is measured through annual surveys, and the Department has noted improvement over the last two fiscal years: 62.0 percent in FY 2021-22 and 68.0 percent in FY 2022-23. The Department also identifies equitable career growth opportunities as an important measure of success for this performance metric. Equitable and accessible career development opportunities help the Department to retain employees and boost productivity. The Department's career development program currently provides:

- career pathing presentations to every facility once a year;
- career consultation and training on creating professional development objectives;
- supervisory tools to conduct proactive discussions with team members around their experience; and assistance with creating action plans to reduce turnover and increase retention.

The Department is moving towards a "people-centered" leadership approach, so it must develop leaders with the skills and competencies to grow and lead a culture that enables employees to be successful at their jobs and in their careers.

Below is staff's decision item write-up from figure setting. Staff's recommendation has not changed.

➔ R3 Human Resources Staffing

Request: The Department requests an increase of $1.0 million total funds, including $600,980 General Fund, and 8.3 FTE for FY 2024-25 to support the Department in hiring skilled and competent employees, and to bring staff levels closer to the benchmark for large, complex, unionized, government organizations. The request annualizes to $1.0 million total funds, including $590,291 General Fund, and 9.0 FTE in FY 2025-26 and ongoing.

Recommendation: **Staff recommends $672,161 total funds, including $400,504 General Fund** and $271,657 reappropriated funds, and 8.3 FTE in FY 2024-25. The recommendation annualizes to $802,500 total funds, including $465,348 General Fund and $337,152 reappropriated funds, and 9.0 FTE in FY 2025-26 and ongoing.

R3 Human Resources Staffing - JBC Staff Recommendation		
Cost component	FY 2024-25	FY 2025-26
Personal services	$563,782	$610,837
Operating expense	70,654	11,520
Leadership development	37,725	21,000
Centrally appropriated costs	0	159,143
Total	$672,161	$802,500
General Fund	*$400,504*	*$465,348*
Reappropriated Funds	*$271,657*	*$337,152*
FTE	*8.3*	*9.0*

Analysis: The Division of Human Resources (DHR, Division) within the Department of Human Services supports department staff through all aspects of personnel administration. The Department is the second largest department in the state with 5,351.8 FTE, including 3,071 direct care staff. The Division is charge with managing the recruitment and retention for more than 291 different job classifications across more than 80 lines of business. The Division is working to fill 1,185 vacancies that are in various stages of the recruitment and selection process for all divisions within the Department. Not having a sufficiently resourced Human Resources team is causing significant delays in the recruitment and retention of direct care and other staff, resulting in impactful reductions of support for the programs run by the Department.

Division of Human Resources (DHR) Staffing			
Functional Area	Current Staff	Requested Staff	Increase
Job evaluation	6.0	2.0	33.3%
Talent Acquisition	20.0	4.0	20.0%
Compensation	5.0	0.5	10.0%
Benefits	9.0	0.0	0.0%
Operations	18.0	0.5	2.8%
Employee and labor relations	6.0	1.0	16.7%
LEAD (Training)	9.0	0.0	0.0%
Leadership development	1.0	1.0	100.0%
Management	2.0	0.0	0.0%
Administrative Team	5.0	0.0	0.0%
Total DHR staff	81.0	9.0	11.1%

The Division consists of the following five units:

- Workforce Strategy, which manages talent acquisition and job evaluations;
- Total Rewards, which handles compensation and benefits;
- Human Resources Operations, which manages operations (e.g., processes Personnel Action Forms, conducts on-boarding and off-boarding, etc.) and includes the Background Investigation Unit;
- Learning, Engagement, and Development, which provides training and employee development services; and
- Employee and Labor Relations, which engages rank-and-file employees and management to investigate and address workplace issues and provides consulting services regarding compliance.

The Workforce Strategy unit has six staff conducting job evaluations. This staff reviews an average of 247 Position Descriptions (PDs) per month totaling 618 hours. Position Descriptions, which detail a job's responsibilities and qualifications, are an essential part of the hiring process and subject to frequent updates. The review process of Position Descriptions includes a paneling process with multiple certified analysts working to determine if all legal requirements of the documentation are being met. The Workforce Strategy unit spends an additional 156 hours per month reviewing an average of 1,414 Personnel Action Forms (PAFs). Personnel Action Forms are required to be submitted each time something changes on an employee record (e.g. change of position or supervisor, pay adjustment, location change, etc.).

Job Evaluations Group Workload Evaluation					
	Position Descriptions (PD)	Hours per PD	Total Hours	Hours per Employee (current)	Hours per Employee (requested)
Monthly	247	2.5	618	103	77
Annual	2,964	2.5	7,416	1,236	927
	Personnel Action Forms Reviews	Hours per PAF	Total Hours	Hours per Employee (current)	Hours per Employee (requested)
Monthly	1,414	0.1	156	26	20
Annual	16,968	0.1	1,872	312	234
	Meetings/Consulting /Paneling	Hours per M/C/P	Total Hours	Hours per Employee (current)	Hours per Employee (requested)
Monthly	n/a	n/a	330	55	41
Annual	n/a	n/a	3,960	660	495
		Total monthly	1,104	184	138
		Total annual	13,248	2,208	1,656

The Workforce Strategy's talent acquisition team has experienced an increase in workload in the last year. This team reviewed over 31,000 applications in FY 2022-23, for an average of 1,550 per specialist. The Department reports that as of Nov. 1, 2023, there were approximately 1,185 open vacancies and 439 job postings, a posting can be associated with multiple vacancies. An average recruitment takes 20 hours from start to finish. Each recruiter has approximately 80 vacancies (i.e. positions) they are actively recruiting for at a given time and 22 recruitments (i.e. job postings). The additional staffing resources would reduce the average number of recruitments per specialist to 18, alleviating round 80 hours of workload per specialist; the number of applications reviews would reduce to 1,292 per employee.

Talent Acquisition Group Workload Evaluation					
	Recruitments	Hours per Recruitment	Total hours	Recruitments per specialist	Hours per Employee
Current staffing	439	20	8,780	22	439
Requested staffing	439	20	8,780	18	360
			Difference	*4*	*79*
	Applications	Applications per Employee			
Current staffing	31,000	1,550			
Requested staffing	31,000	1,292			
	Difference	*258*			

Currently the ability to engage in strategic planning and process improvement is limited due to the large volume of job posting and applications. Previously, the number of applicants was capped to 50; however, the recent COWINS Partnership Agreement prohibits limiting the number of applicants to be reviewed during the comparative analysis phase of the recruitment process. Every posting must allow as many applicants that apply to the position, resulting in it taking longer to complete the minimum qualification review and comparative analysis. Another driver of the increase in work volume is the internal transfer process that previously required the job posting to be opened for three days, but the Partnership Agreement now requires seven days and consequently nets more applications to review.

The Employee and Labor Relations unit was created from current staff in 2021 to provide support to Department staff and managers with employee and labor relations matters, including personnel matters, unemployment, State Personnel Board rule guidance, and training and guidance regarding the Partnership Agreement between the State and Colorado WINS. With the signing of the State Partnership agreement in November 2021, the move to a hybrid workplace model, the changing mindset of employees interested in developing a career with a single organization, and high demands and stressors of the workplace, the unit has seen an increase in employee and labor relations cases (i.e., labor disputes, grievances, employee conflicts, misconduct or performance issues). On average, a unit specialist should handle between 9-10 cases at any given time. However, the specialists are handling between 15 -20 cases at any given time.

Employee and Labor Relations Workload Evaluation			
Calendar Year	Dispute Cases	Cases per Employee (current)	Cases per Employee (requested)
2021	654	109	93
2022	1,029	172	147
2023	1,596	266	228

The Department reports that their compensation analysts are responsible for duties that would typically fall to a Technician, such as pulling a candidate(s) information from their application in NEOGOV and entering this information into a document to prepare for analysis, periodic maintenance of reports and salary guidelines, and project work for salary studies and surveys. The use of compensation analysts to perform these responsibilities impedes their ability to complete their primary responsibilities in a timely manner, which is to evaluate and compare compensation data. This increases the amount of time a PAF remains in the automated eClearance system and the amount of time to extend a job offer. The additional 0.5 FTE will be used to establish a Technician position that would be responsible for pulling candidate information from their application in NEOGOV and aggregating the information for the compensation analysts to calculate a salary recommendation. The Department anticipates that the part-time Technician, by absorbing work activities currently conducted by compensation analysts, will enable a decrease in the amount of time a PAF remains in the automated eClearance system and reduce the amount of time to extend a job offer.

The Department does not have a dedicated staff member to research and troubleshoot human resources issues and serving as a liaison with Payroll to expedite and resolve these items in order to ensure staff are paid timely and to reduce the number of paper checks being issued. The addition of 0.5 FTE starting in FY 2024-25 will establish a Quality Assurance position for the 1,414 PAFs that are processed monthly and will be responsible for resolving any issues prior to moving the PAF on to Payroll. This position would be responsible for researching and troubleshooting human resources issues and serve as a liaison with Payroll to expedite and resolve these items in order to ensure staff are paid timely and to reduce the number of paper checks being issued.

The Department does not currently have a comprehensive leadership program to prepare its employees in leadership positions to deal with the challenges of the current workplace environment. The Department has about 840 leaders at different levels working in a variety of environments and many different shifts during the day and night. The Department's 2023 Employee Engagement Survey indicated that they have an overall engagement score of 68 with key drivers being open and honest communication and trust in senior leadership; the preferred engagement score is between 75-80 overall. The Department will use an additional 1.0 FTE and $21,975 of the appropriation to begin to train training staff in FY 2024-25, an additional $15,750 will be used to purchase training program licenses to provide 90 employees with leadership development training opportunities. In FY 2025-26 and ongoing, the Department anticipates using $21,000 every year to provide 120 employees with leadership development training opportunities.

Leadership Development Costs				
	Material/Activity	Quantity	Unit cost	Total Cost
FY 2024-25	Trainer training	5	$4,395	$21,975
	General training licenses	90	175	15,750
			Total	$37,725
FY 2025-26 and ongoing	General training licenses	120	$175	$21,000

MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Members of the Joint Budget Committee
FROM	Tom Dermody, JBC Staff (303-866-4963)
DATE	March 12, 2024
SUBJECT	R5 Home Care Allowance True-up Technical Correction

During figure setting for the Department of Human Services (February 15, 2024), the Committee approved staff's recommendation for the Department's R5 (Home Care Allowance True-up) request. Staff's recommended General Fund reduction was greater than the Department's request, but the cash funds reduction was the same. After reviewing staff's figure setting document, the Department noted two technical errors: 1) the cash fund reduction should have also been adjusted because the General Fund/Cash Fund split in for this program are proportionally related (cash funds make up 5.0 percent of the total) and 2) the cash fund source noted by JBC staff in their figure setting document was incorrect. To the latter, the correct source of cash funds is local funds, which are shown for informational purpose only in the Long Bill and are affixed with both (L) and (I) Notes. To the former, staff **recommends an additional $90,851 cash funds decrease over the Committee's figure setting action.** The net change is detailed below.

JBC Staff Revised Recommendation - R5 HCA True-up					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Figure setting	($6,612,415)	($6,368,103)	($244,312)	$0	$0
Revised recommendation	(6,703,266)	(6,368,103)	(335,163)	0	0
Difference	($90,851)	$0	($90,851)	$0	$0

MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Members of the Joint Budget Committee
FROM	Tom Dermody, JBC Staff (303-866-4963)
DATE	March 13, 2024
SUBJECT	Discontinuation of DPA Request for Information Regarding Colorado Automotive Reporting System

During figures setting for the Department of Personnel (March 1, 2024), JBC staff recommended and the Committee approved a Request for Information (RFI) regarding the implementation of the Colorado Automotive Reporting System (CARS). Staff's recommendation was in error. This RFI has been included since 2019 because the implementation of the commercial-off-the-shelf software solution had been delayed. In the Department's November 1, 2023 response to this RFI they indicated that they are no longer pursuing the implementation of this software solution. As such, JBC staff **recommends discontinuation of this RFI.**

Below, please find the FY 2023-24 RFI and Department response.

Department of Personnel, Executive Director's Office, Payments to OIT -- The Department is requested to provide by November 1, 2023, the amount of funds eliminated from the Payments to OIT line item as a result of reducing the number of service units obtained from the Governor's Office of Information Technology for operating the Colorado Automotive Reporting System (CARS) after full replacement is achieved.

> **RESPONSE:** The Department submitted its response as requested by November 1, 2023. In FY 2019-20, the Department of Personnel & Administration (DPA) received $1,625,610 in IT Capital spending authority. This project utilizes existing State Fleet cash funds to replace the 21-year-old Colorado Automotive Reporting System (CARS), which is no longer supported by the Governor's Office of Information Technology (OIT).
>
> The Department of Personnel, State Fleet Management (SFM) budget for OIT services will not reflect a reduction in payments related to the support of Colorado Automotive Reporting System (CARS). This is a result of a failed implementation of the proposed replacement vendor provided Commercial-Off-The-Shelf (COTS) Fleet Information Management System (FIMS). As a result, the State will continue to use CARS and require the same OIT support services provided historically.
>
> Given recent upgrades in the Appeon PowerBuilder software (CARS is a PowerBuilder application), DPA and OIT will be able to migrate CARS to a stable cloud-based platform with minimal cost. The upgrade will not only address security and maintenance concerns but will also ensure the CARS platform is regularly updated to meet the growing requirements of an increasingly complex asset management model and allow SFM operations to continue to provide a high level of service.

MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Members of the Joint Budget Committee
FROM	Justin Brakke, JBC Staff (303-866-4958)
DATE	March 13, 2024
SUBJECT	JBC staff comebacks for the Department of Public Safety-Division of Criminal Justice and Executive Director's Office

This memo includes the following items:

Tabled

- Staff-initiated Remove Community Corrections Long Bill Footnote
  - This item was tabled to determine the feasibility of increasing reimbursement rates for intensive residential treatment and residential dual diagnosis treatment services within the existing appropriation.
  - The Division of Criminal Justice provided a memo about this issue, which is attached to the end of this comeback memo.
- Long Bill footnotes and Requests for Information
- R2 Ongoing Transfer for MCPCI Grant Program

New and Follow-up Items

- Line item detail and base appropriations for the Office of School Safety in the Executive Director's Office
- Transfer instead of appropriation to Colorado Crime Victim Services Fund

TABLED ITEMS

➔ INCREASE FOR CERTAIN SPECIALIZED SERVICE DIFFERENTIALS FOR COMMUNITY CORRECTIONS

The JBC asked JBC staff to assess the possibility of increasing reimbursement rates for intensive residential treatment and residential dual diagnosis treatment services within the existing appropriation. **JBC staff concludes that it is possible to increase reimbursement rates for those specialized services within approved appropriation for FY 2024-25 if the appropriation assumes lower caseload levels than projected by the DCJ.**

Rate type	FY24-25 Reimbursement Rates	FY 23-24 July-Feb. Actual Average Daily Placements	FY24-25 DCJ Estimated Average Daily Placements	FY24-25 JBC Estimated Average Daily Placements	FY24-25 Allocation
Standard residential base rate	$70.74	n/a	991	934	$24,182,045
Base Rate plus 1%	$71.45	n/a	783	783	$20,475,998
Base Rate plus 2%	$72.15	n/a	875	875	$23,106,038
Subtotal standard residential placements		**2,217**	**2,649**	**2,592**	**$67,764,081**
Specialized differentials					

Rate type	FY24-25 Reimbursement Rates	FY 23-24 July-Feb. Actual Average Daily Placements	FY24-25 DCJ Estimated Average Daily Placements	FY24-25 JBC Estimated Average Daily Placements	FY24-25 Allocation
Intensive residential treatment	$63.26	117	182	182	$4,213,875
Residential dual diagnosis treatment	$63.26	68	120	90	$2,083,784
Sex offender treatment	$34.85	100	116	116	$1,479,592
Standard non-residential	$10.19	701	792	792	$2,953,796
Outpatient therapeutic community	$28.36	25	25	25	$259,494
Total					**$78,762,853**

STAFF OPTION: Increase the differential for intensive residential treatment and residential dual diagnosis by $28.41. This brings the total reimbursement for those services to $134.00 per offender per day. This change obligates $2,445,619 more General Fund within the existing appropriation than would otherwise be the case without the rate increase.

Staff also notes that the JBC would have to increase the appropriation for the Correctional Treatment Cash Fund Residential Placements by $825,694 reappropriated funds to be consistent with an existing Long Bill footnote. This line item supports condition-of-probation placements that cannot be supported by General Fund pursuant to statute. The footnote says that providers should be compensated for condition-of-probation placements at the same per-diem rate as General Fund-supported felony placements.

→ LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

Staff recommends **CONTINUING AND MODIFYING** the following footnote:

N Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements -- This appropriation assumes the daily rates and average daily caseloads listed in the following table. The appropriation assumes that offenders will not be charged a daily subsistence fee. ~~The base rate for standard nonresidential services assumes a weighted average of the rates for four different levels of service.~~ This appropriation also assumes that the residential base per-diem rate in the table included in this footnote will be increased by 1.0 percent for programs meeting recidivism performance targets and 1.0 percent for programs meeting program completion performance targets.

Rate type	Rates	Average Daily Placements	FY25 Allocation
Residential base rate	$70.74	934	$24,182,045
Base Rate plus 1%	$71.45	783	$20,475,998
Base Rate plus 2%	$72.15	875	$23,106,038
Subtotal residential placements		**2,592**	**$67,764,081**
Specialized differentials			
Intensive residential treatment	$63.26	182	$4,213,875
Residential dual diagnosis treatment	$63.26	90	$2,083,784
Sex offender treatment	$34.85	116	$1,479,592

Rate type	Rates	Average Daily Placements	FY25 Allocation
Standard non-residential	$10.19	792	$2,953,796
Outpatient therapeutic community	$28.36	25	$259,494
Total			**$78,762,853**

COMMENT: Staff recommends retaining this footnote in accordance with the JBC's intent to keep it. Staff requests permission to adjust the footnote to reflect any decision that affects it.

N Department of Public Safety, Division of Criminal Justice, Community Corrections, Correctional Treatment Cash Fund Residential Placements -- This appropriation includes funding for condition-of-probation placements at rates corresponding to those in footnote XX.

COMMENT: This footnote indicates that the Division will pay reimbursements from the Correctional Treatment Cash Fund for condition-of-probation placements at the same rates listed in the table in the preceding footnote.

N Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Facility Payments -- The amount of the appropriation assumes that the Department will provide an equal payment to all programs, with the exception that facilities with an average of 32 or more security FTE will receive a second facility payment. It is the General Assembly's intent that programs use these funds to invest in performance-enhancing measures. These measures include, but are not limited to, employee recruitment and retention. The General Assembly further intends that programs will provide a plan for the use of these funds to their local boards and the Division of Criminal Justice and maintain records that show how these funds are used.

COMMENT: This sets the expectations for the facility payments line item.

REQUESTS FOR INFORMATION

Staff recommends **DISCONTINUING** the following requests for information:

N Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements, Correctional Treatment Cash Fund Residential Placements, and Community Corrections Facility Payments -- The Department is requested to provide a report with year-to-date community corrections placements shortly after January 1, ~~2023~~ 2024. The January report should also include an estimated placements table for FY ~~2023-24~~ 2024-25. If the Department estimates that the actual number of Community Corrections facility payments in either FY ~~2022-23~~ 2023-24 or FY ~~2023-24~~ 2024-25 will differ from the number on which the FY ~~2022-23~~ 2023-24 facility payments appropriation is based, the Department is requested to include that information in its January report. These estimates are not intended to be formal statistical forecasts, but informal estimates based upon year-to-date caseload, knowledge of facilities that are opening and closing or expanding and contracting, and upon other factors that influence the community corrections appropriations. The Department is requested to submit a brief narrative with the estimates. The Department is also requested to report performance measures and performance-related incentive payments for all community corrections boards and programs. The Department is also requested to ask providers if they are still charging offender subsistence fees and, if so, to identify those providers in the report.

COMMENT: This request for information has existed in various forms for many years. It provides the basis for staff-initiated caseload adjustments, as well as adjustments to other community corrections line items, also initiated by JBC staff. Staff recommends discontinuing it because it places the burden of adjusting the community corrections budget entirely on JBC staff. The Department sometimes submits requests for supplemental caseload adjustments. But they largely do not submit requests for caseload adjustments for the following fiscal year because JBC staff uses this request for information to initiate caseload adjustment decision items for the Committee's consideration.

Staff recommends **ADDING** the following request for information:

N Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements -- The Department is requested to provide a report with year-to-date community corrections placements by November 1, 2024 and again on February 15th. The Department is also requested to report performance measures and performance-related incentive payments for all community corrections boards and programs. Lastly, the Department is requested provide the contracted per-diem reimbursement rate for each judicial district and community corrections program by type of service, as well the number of beds for each type of service. This request for information is not a substitute for prioritized budget requests aimed at caseload or per-diem rate adjustments.

COMMENT: This request for information supplants the one above. It ensures that JBC staff has some of the information necessary to answer the JBC's questions, but it clarifies expectations regarding caseload and per-diem rate adjustments.

➔ R2 ONGOING TRANSFER FOR MCPCI GRANT PROGRAM (S.B. 22-145) [REQUIRES LEGISLATION]

REQUEST: The Department requests that the JBC sponsor legislation to transfer $7.5 million General Fund to the continuously appropriated Multidisciplinary Crime Prevention and Crisis Intervention (MCPCI) Grant Fund in FY 2024-25 and every fiscal year thereafter with the aim of "reducing crime, especially violent crime." Statute currently repeals the grant program on January 1, 2025, so the Department also requests the elimination of this repeal date.

The MCPCI Grant Program is one of three grant programs created through S.B. 22-145 (Resources to Increase Community Safety). Each program has its own continuously appropriated cash fund. A total of $30.0 million General Fund has been appropriated to these three cash funds, with $15.0 million going to the MCPCI Grant Program Fund.

Previous General Fund Appropriations for S.B. 22-145 Programs			
Program	FY 22-23	FY 23-24*	Total
Multidisciplinary Crime Prevention and Crisis Intervention Grant Program	**$7,500,000**	**$7,500,000**	**$15,000,000**
Law Enforcement Workforce Recruitment, Retention, and Tuition Grant Program	3,750,000	3,750,000	$7,500,000
State's Mission For Assistance In Recruiting & Training (SMART) Grant Program	3,750,000	3,750,000	$7,500,000
Total	**$15,000,000**	**$15,000,000**	**$30,000,000**

*Appropriations included in FY 2023-24 Long Bill

Staff Recommendation: Staff recommends abolishing the MCPCI Grant Fund and instead appropriating $500,000 General Fund directly to DCJ. Staff further recommends extending the repeal date until July 1, 2027, rather than eliminating the repeal date entirely. This date is consistent with the current statutory repeal date for the other two grant programs established by S.B. 22-145. Finally, staff recommends making the other annually appropriating the other two cash funds created in S.B. 22-145.

Staff alternative recommendation: This alternative recommendation aims to capture the JBC's preferences as interpreted by JBC staff during the original figure setting discussion on March 8, 2024. Staff recommends a one-time statutory transfer of $3.0 or $4.0 million General Fund to the Multidisciplinary Crime Prevention and Crisis Intervention (MCPCI) Grant Fund in FY 2024-25.

Staff also recommends that the bill to accomplish this transfer includes a provision to annually appropriate the MCPCI Grant Fund and the other two cash funds created by S.B. 22-145. The appropriations clause for this bill would include the following cash fund appropriations:

- **$3,868,229 cash funds from the Multidisciplinary Crime Prevention and Crisis Intervention (MCPCI) Grant Fund.** This provides spending authority for the $3.0 or $4.0 million General Fund transfer and the $868,229 expected fund balance at the start of the next fiscal year. The $868,229 is what remains from the original $15.0 million General Fund appropriations to the MCPCI Fund required by S.B. 22-145, as shown in cash fund reports provided by the Department.[1]

- **3,593,030 cash funds from the Law Enforcement Workforce Recruitment, Retention, & Tuition Fund in FY 2024-25.** This amount is what remains from the original $7.5 million General Fund appropriations to this cash fund required by S.B. 22-145, as shown in cash fund reports provided by the Department.[2]

- **$7,031,919 cash funds from the SMART Policing Grant Fund in FY 2024-25.** This amount is what remains from the original $7.5 million General Fund appropriations to this cash fund required by S.B. 22-145, as shown in cash fund reports provided by the Department.[3]

[1] The cash fund report for the MCPCI Grant Fund shows expenditures of $3,261,431 in FY 2022-23 and $10,870,340 in FY 2023-24. The $868,229 figure results from subtracting the combined expenditure of $14,131,771 from $15,000,000.
[2] $3,593,030 = $7,500,000 - $929,914 (FY22-23 expend.) - $2,977,056 (FY23-24 expend.)
[3] $7,031,919 = $7,500,000 - $56,885 (FY22-23 expend.) - $411,196 (FY23-24 expend.)

NEW AND FOLLOW-UP ITEMS

➔ LINE ITEM DETAIL AND BASE APPROPRIATIONS FOR THE OFFICE OF SCHOOL SAFETY IN THE EXECUTIVE DIRECTOR'S OFFICE

EXECUTIVE DIRECTOR'S OFFICE-OFFICE OF SCHOOL SAFETY

The Office of School Safety was created through S.B. 23-241 (Creation of Office of School Safety). It oversees the School Safety Resource Center, a new crisis response unit, and provides funding for school safety related programs such as the school access for emergency response grant program.

OFFICE OF SCHOOL SAFETY	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
FY 2023-24 Appropriation	$26,141,604	$20,526,632	$5,614,972	$0	$0	17.4
TOTAL	**$26,141,604**	**$20,526,632**	**$5,614,972**	**$0**	**$0**	**17.4**
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	$26,141,604	$20,526,632	$5,614,972	$0	$0	17.4
Prior year salary increase	36,644	36,644	0	0	0	0.0
R17 Rename DCJ and relocate Office of School Safety	0	0	0	0	0	0.0
Annualize prior year legislation	(17,586,092)	(17,367,611)	(218,481)	0	0	0.4
TOTAL	**$8,592,156**	**$3,195,665**	**$5,396,491**	**$0**	**$0**	**17.8**
INCREASE/(DECREASE)	**($17,549,448)**	**($17,330,967)**	**($218,481)**	**$0**	**$0**	**0.4**
Percentage Change	(67.1%)	(84.4%)	(3.9%)	0.0%	0.0%	(1)
FY 2024-25 EXECUTIVE REQUEST	**$0**	**$0**	**$0**	**$0**	**$0**	**(0.0)**
Request Above/(Below) Recommendation	($8,592,156)	($3,195,665)	($5,396,491)	$0	$0	(17.8)

LINE ITEM DETAIL-OFFICE OF SCHOOL SAFETY

ADMINISTRATIVE SERVICES

REQUEST: The Department requests $0 for this line item as part of their request to relocate the Office to the Division of Criminal Justice. That part of the request was later retracted.

RECOMMENDATION: Staff recommends $5,539,655 total funds and 2.0 FTE as shown in the table below.

EXECUTIVE DIRECTOR'S OFFICE, OFFICE OF SCHOOL SAFETY, ADMINISTRATIVE SERVICES	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
FY 2023-24 Appropriation	$5,524,916	$274,916	$5,250,000	$0	$0	1.8
TOTAL	**$5,524,916**	**$274,916**	**$5,250,000**	**$0**	**$0**	**1.8**

Executive Director's Office, Office Of School Safety, Administrative Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2024-25 Recommended Appropriation						
FY 2023-24 Appropriation	$5,524,916	$274,916	$5,250,000	$0	$0	1.8
Annualize prior year legislation	14,739	14,739	0	0	0	0.2
R17 Rename DCJ and relocate Office of School Safety	0	0	0	0	0	0.0
TOTAL	**$5,539,655**	**$289,655**	**$5,250,000**	**$0**	**$0**	**2.0**
INCREASE/(DECREASE)	**$14,739**	**$14,739**	**$0**	**$0**	**$0**	**0.2**
Percentage Change	0.3%	5.4%	0.0%	0.0%	0.0%	11.1%
FY 2024-25 EXECUTIVE REQUEST	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0**
Request Above/(Below) Recommendation	($5,539,655)	($289,655)	($5,250,000)	$0	$0	(2.0)

School Safety Resource Center

Request: The Department requests $0 for this line item as part of their request to relocate the Office to the Division of Criminal Justice. That part of the request was later retracted.

Recommendation: Staff recommends $1,873,007 total funds and 11.3 FTE as shown in the table below.

Executive Director's Office, Office Of School Safety, School Safety Resource Center	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2023-24 Appropriation						
FY 2023-24 Appropriation	$1,950,776	$1,804,285	$146,491	$0	$0	11.4
TOTAL	**$1,950,776**	**$1,804,285**	**$146,491**	**$0**	**$0**	**11.4**
FY 2024-25 Recommended Appropriation						
FY 2023-24 Appropriation	$1,950,776	$1,804,285	$146,491	$0	$0	11.4
Prior year salary increase	36,644	36,644	0	0	0	0.0
R17 Rename DCJ and relocate Office of School Safety	0	0	0	0	0	0.0
Annualize prior year legislation	(114,413)	(114,413)	0	0	0	(0.1)
TOTAL	**$1,873,007**	**$1,726,516**	**$146,491**	**$0**	**$0**	**11.3**
INCREASE/(DECREASE)	**($77,769)**	**($77,769)**	**$0**	**$0**	**$0**	**(0.1)**
Percentage Change	(4.0%)	(4.3%)	0.0%	0.0%	0.0%	(0.9%)
FY 2024-25 EXECUTIVE REQUEST	**$0**	**$0**	**$0**	**$0**	**$0**	**(0.0)**
Request Above/(Below) Recommendation	($1,873,007)	($1,726,516)	($146,491)	$0	$0	(11.3)

Crisis Response Unit

Request: The Department requests $0 for this line item as part of their request to relocate the Office to the Division of Criminal Justice. That part of the request was later retracted.

Recommendation: Staff recommends $876,079 General Fund and 4.0 FTE as shown in the table below.

EXECUTIVE DIRECTOR'S OFFICE, OFFICE OF SCHOOL SAFETY, CRISIS RESPONSE UNIT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
FY 2023-24 Appropriation	$1,144,023	$1,144,023	$0	$0	$0	3.7
TOTAL	**$1,144,023**	**$1,144,023**	**$0**	**$0**	**$0**	**3.7**
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	$1,144,023	$1,144,023	$0	$0	$0	3.7
R17 Rename DCJ and relocate Office of School Safety	0	0	0	0	0	0.0
Annualize prior year legislation	(267,944)	(267,944)	0	0	0	0.3
TOTAL	**$876,079**	**$876,079**	**$0**	**$0**	**$0**	**4.0**
INCREASE/(DECREASE)	**($267,944)**	**($267,944)**	**$0**	**$0**	**$0**	**0.3**
Percentage Change	(23.4%)	(23.4%)	0.0%	0.0%	0.0%	8.1%
FY 2024-25 EXECUTIVE REQUEST	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0**
Request Above/(Below) Recommendation	($876,079)	($876,079)	$0	$0	$0	(4.0)

THREAT ASSESSMENT

REQUEST: The Department requests $0 for this line item as part of their request to relocate the Office to the Division of Criminal Justice. That part of the request was later retracted.

RECOMMENDATION: Staff recommends $303,415 General Fund and 0.5 FTE as shown in the table below.

EXECUTIVE DIRECTOR'S OFFICE, OFFICE OF SCHOOL SAFETY, THREAT ASSESSMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
FY 2023-24 Appropriation	$303,408	$303,408	$0	$0	$0	0.5
TOTAL	**$303,408**	**$303,408**	**$0**	**$0**	**$0**	**0.5**
FY 2024-25 RECOMMENDED APPROPRIATION						
FY 2023-24 Appropriation	$303,408	$303,408	$0	$0	$0	0.5
Annualize prior year legislation	7	7	0	0	0	0.0
R17 Rename DCJ and relocate Office of School Safety	0	0	0	0	0	0.0
TOTAL	**$303,415**	**$303,415**	**$0**	**$0**	**$0**	**0.5**
INCREASE/(DECREASE)	**$7**	**$7**	**$0**	**$0**	**$0**	**0.0**
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2024-25 EXECUTIVE REQUEST	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0**
Request Above/(Below) Recommendation	($303,415)	($303,415)	$0	$0	$0	(0.5)

→ TRANSFER INSTEAD OF APPROPRIATION TO COLORADO CRIME VICTIM SERVICES FUND

The Department requested a $3.0 million General Fund appropriation to the continuously-appropriated Colorado Crime Victim Services Fund (R6 Crime Victim Services Funding). The JBC approved a $4.0 million General Fund appropriation to the Colorado Crime Victim Services Fund.

Based on the JBC's discussions of other decision items, staff recommends that the JBC sponsor legislation to transfer $4.0 million General Fund to the Colorado Crime Victim Services Fund. This avoids a $600,000 General Fund (15.0 percent) reserve requirement that would be necessary for a $4.0 million Long Bill appropriation.

To: Teresa Anderle, Budget Director
Colorado Department of Public Safety

From: Katie Ruske, Manager
Office of Community Corrections

CC: Matthew M. Lunn, Director
Division of Criminal Justice
Susan Wilson-Madsen, Budget Manager
Colorado Department of Public Safety

Date: March 9, 2024

RE: JBC Discussion on Staff Initiated Recommendation to Remove Footnote and Request for Information #1

Allocations

Pursuant to 17-27-108, C.R.S. stipulates that, "The division of criminal justice shall allocate appropriations for community corrections to local community corrections boards and community corrections programs in a manner which considers the distribution of offender populations and supports program availability proportionate to such distribution and projected need."

The Division of Criminal Justice (DCJ) allocates based on caseload projections as outlined in RFI #1 presented to the JBC and is the basis for the existing footnote. In addition, the DCJ considers any new information and data since the writing of the RFI. Caseload projections in the RFI are based on trend caseload data, overall criminal justice population projections, and local and state-level issues that impact caseload. The DCJ allocates all funding and encumbers it in contracts. Over the last several years, projections were complicated by COVID-19 leading to reversions. In two of those years, the Department submitted negative supplementals to the JBC which were voted down. At that time, JBC discussion included arguments for the budget to remain intact due to potential increased capacity. As expected, capacity has started to trend upwards.

Reversions

As of January 2024, the community corrections placement line is projected to be 91% spent, representing an estimated return of $6.5 million for FY 24. The current fiscal year's estimated reversion is lower than COVID-impacted years, as predicted, representing facilities' increased capacity due to improved staffing, and new programming in Denver. If capacity continues to trend upward, the estimated amount of reversion will continue to reduce.

Consideration of Increased Per Diem Rate

The JBC discussed the request from the Coalition of Community Corrections Providers to increase the per diem rates for the specialized services of Intensive Residential Treatment (IRT) and Residential Dual Diagnosis Treatment (RDDT) programs. In RFI #1, the DCJ projected 182 General Fund IRT placements for FY25. Based on this projection, an increase of $30 across 365 days would be $1,992,900. For RDDT, caseload is projected at 120 making the increase of $30 across 365 days cost $1,314,000.

It should be noted the use of reversions to calculate increased per diem rates results in a reduction of allowable capacity. However, in the RFI #1, the division discusses local level factors impacting capacity, including plans to increase utilization. The division's current work at both the state and local level is critical as it provides the criminal justice system with a more cost-effective approach.

Local Level Implications

- Local changes in the 2nd Judicial District, Denver: While the ARTS therapeutic community program closed in Denver, the Denver Department of Public Safety continues to work to rebuilding capacity. In fact, it is anticipated an additional program will open in FY 2024-25.
- Larimer County Community Corrections Updates: Larimer County Community Corrections built and opened a new female facility in 2023. The previous building is now undergoing renovations. However, due to the new facility, total capacity for the county will remain similar. Once all renovations are completed and both buildings are fully operational, Larimer County will have an increased overall physical capacity of around 100 beds. Since the completion of RFI#1, all renovations have been completed. County staff report that it will take some time to see the full increased capacity realized, however intakes have already been increased significantly. The Department will continue to monitor the effects on capacity to determine if an increase in allocation will be needed.

For reference, an increase of 100 beds represents $2,659,390 across a fiscal year when the 2.5% increase is applied to the FY24 base per diem rate.

While a return of $6.5 million is projected for the current fiscal year, it is likely that some of this capacity may be needed or utilized in FY25, as discussed in RFI#1. However, due to recent reversions, and the uncertainty of capital construction timelines, additional caseload was not requested at the time of the RFI. In addition, there are several other factors that could result in increased capacity in coming fiscal years. These factors include:

- Boulder County recently broke ground on a new facility.
- Work by the Division to increase acceptance rates.
- Potential for an increased number of referrals from both the courts and the Department of Corrections (DOC).

This information is not provided to deter the JBC from a per diem increase, but to provide context for the decision and transparency about potential future capacity needs that could impact the budget. The footnote allows the JBC to have a level of control over capacity across systems to ensure effective, efficient use of tax dollars.