



JOINT BUDGET COMMITTEE STAFF FY 2019-20 BUDGET BRIEFING SUMMARY

Colorado General Assembly
Joint Budget Committee

Department of Corrections

The Department of Corrections 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 inmates in prison, parolees, and transition inmates who are placed into community corrections programs and other community settings;
- Planning for the projected, long-range needs of the institutions under the Department's control; and
- Developing educational programs, treatment programs, and correctional industries within the facilities that have a rehabilitative or therapeutic value for inmates and supply necessary products for state institutions and other public purposes, as provided by law.

The Department's FY 2018-19 appropriation represents approximately 3.0 percent of statewide operating appropriations and 7.2 percent of statewide General Fund appropriations.

FY 2018-19 APPROPRIATION AND FY 2019-20 REQUEST

DEPARTMENT OF CORRECTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2018-19 APPROPRIATION:						
HB 18-1322 (Long Bill)	893,072,938	800,096,300	38,410,054	51,050,517	3,516,067	6,245.9
Other legislation	14,071,047	10,785,047	0	3,286,000	0	0.0
TOTAL	\$907,143,985	\$810,881,347	\$38,410,054	\$54,336,517	\$3,516,067	6,245.9
FY 2019-20 REQUESTED APPROPRIATION:						
FY 2018-19 Appropriation	\$907,143,985	810,881,347	\$38,410,054	\$54,336,517	\$3,516,067	6,245.9
R-01 Staff retention	17,543,420	17,090,765	43,586	409,069	0	0.0
R-02 Decorum operating	2,796,520	2,796,520	0	0	0	0.0
R-03A Prison capacity	27,895,074	27,866,945	28,129	0	0	222.2
R-03B La Vista staff increase	626,300	626,300	0	0	0	8.9
R-03C Dress out	270,847	270,847	0	0	0	0.0
R-04 Medical caseload	6,101,406	6,101,406	0	0	0	0.0
R-05 Parole caseload	1,538,131	1,538,131	0	0	0	0.0
R-06 Food service inflation	248,403	248,403	0	0	0	0.0
R-07 Re-entry grant for parolee support	3,194,425	3,194,425	0	0	0	0.0
R-08 Provider rate increase	1,195,076	1,159,561	0	35,515	0	0.0
Non-prioritized request items	2,469,020	2,460,345	8,675	0	0	0.0
Centrally appropriated line items	23,682,685	23,028,123	659,438	(4,876)	0	0.0
Leap year technical changes	230,142	230,142	0	0	0	0.0
Indirect cost assessment	41,623	(41,623)	(15,113)	39,114	59,245	0.0
Annualize prior year budget actions	(13,760,280)	(19,997,295)	6,237,015	0	0	0.0
Annualize prior year legislation	(2,068,808)	1,186,434	30,758	(3,286,000)	0	0.0
TOTAL	\$979,147,969	\$878,640,776	\$45,402,542	\$51,529,339	\$3,575,312	6,477.0

DEPARTMENT OF CORRECTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
INCREASE/(DECREASE)	\$72,003,984	\$67,759,429	\$6,992,488	(\$2,807,178)	\$59,245	231.1
Percentage Change	7.9%	8.4%	18.2%	(5.2%)	1.7%	3.7%

R-01 STAFF RETENTION: The Department requests an increase of \$17,543,420 total funds, of which \$17,090,765 is General Fund, for a staff salary plan to address issues of pay scale and pay compression. This request is discussed below in *Issue: Staff Retention*.

R-02 DECORUM MAINTENANCE AND SUPPORT: The Department requests an increase of \$2,796,520 General Fund for the maintenance costs associated with the Department of Corrections Offender Records Management System (DeCORuM). The Department noted in the FY 2017-18 capital construction request for the final phase of the DeCORuM construction that the maintenance costs would be included in the FY 2018-19 operating request, which was a partial funding. The FY 2019-20 request is the annual cost of the maintenance and licensing.

R-03A PRISON CAPACITY: The Department requests an increase of \$27.9 million total funds, including \$27.9 million General Fund and 222.2 FTE, to address prison capacity. This request is discussed below in *Issue: Prison Capacity*.

R-03B LA VISTA STAFF INCREASE: The Department requests an increase of \$626,300 General Fund and 8.9 FTE, for staff increases at La Vista Correctional Facility (LVCF). The recent increase in the female inmate population created the need to expand LVCF by 147 beds. The increase staffed will bring the facility into a more manageable staff to inmate ratio. The annualized cost of adding the new beds (due to efficiency savings though capacity in existing systems) is \$12.46 per bed per day.

R-03C OFFENDER DRESS OUT: The Department requests an increase of \$270,847 General Fund to cover costs for clothing, transportation, and initial funds given to individuals released from correctional facilities. This increase in costs for this request is due to the increase in prison population and the associated increase in releases.

R-04 MEDICAL CASELOAD: The Department requests an increase of \$6.1 million General Fund for medical and pharmaceutical costs. The Department projects an offender eligible population of 18,856 for medical services purchases and an offender eligible population of 15,058 for pharmaceuticals.

The projected per offender per month (POPM) rate for medical services will increase from \$118.61 to \$131.98 (an increase of \$13.37 per month). This increase is due to inpatient admissions (19.4 percent increase); average length of stay (11.7 percent increase); and approved outpatient authorizations. The pharmaceutical POPM rate is projected to increase from \$86.45 to \$89.22 (an increase of \$2.77 per month). The pharmaceutical POPM rate is based on actual and projected expenses plus an inflation adjustment of 3.2 percent (from the Consumer Price Index for all Urban Consumers for prescription drugs).

R-05 PAROLE CASELOAD: The Department requests an increase of \$1.5 million General Fund for the increase in parole caseload. The Department is currently funded for 8,280 parolees. The projected population increase places the number of paroles at 9,503, which is a difference of 1,223. This request covers the costs for those additional 1,223 parolees.

R-06 FOOD SERVICE INFLATION: The Department requests an increase of \$248,403 General Fund for FY 2019-20, which is base building and annualized at \$248,403 General Fund. The increase is driven by food service inflationary costs and will be applied to the food service subprogram and the Youth Offender Service (YOS) subprogram. This

has an associated request in the Department of Human Services, as the Colorado Mental Health Institute Pueblo (CMHIP), provides food service for the YOS subprogram.

R-07 RE-ENTRY GRANT FOR PAROLEE SUPPORT: The Department requests an increase of \$3.2 million General Fund for re-entry grant for parolee support. H.B. 18-1176 (SUNSET OFFENDER REENTRY GRANT PROGRAM) contained a clause expressing the intent of the legislature that the Department of Corrections submit a request for full funding of the program. This request item is in response to that legislation.

R-08 PROVIDER RATE INCREASE: The Department requests an increase of \$1.2 million total funds, of which \$1.2 million is General Fund, for a 1.0 percent community provider rate increase. This amount is base building and annualizes to \$1.2 million total funds. This issue will be discussed during the common policy discussion on provider rate increases.

NON-PRIORITIZED REQUEST ITEMS: The Department requests an increase of \$2.5 million total funds, including \$2.5 million General Fund and \$8,675 cash funds, for the following non-prioritized items:

NON-PRIORITIZED REQUEST ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	Federal Funds	FTE
OIT Securing IT operations	\$2,471,322	\$2,456,954	\$14,368	\$0	\$0	0.0
OIT Optimize self-service capabilities	69,492	69,088	404	0	0	0.0
OIT Essential database support	9,483	9,428	55	0	0	0.0
OIT Application refresh and consolidation	8,799	8,748	51	0	0	0.0
DPA Annual fleet vehicle request	(90,076)	(83,873)	(6,203)	0	0	0.0
TOTAL	\$2,469,020	\$2,460,345	\$8,675	\$0	\$0	0.0

CENTRALLY APPROPRIATED LINE ITEMS: The Department request includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; salary survey; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	Federal Funds	FTE
Merit pay adjustment	\$11,144,898	\$10,825,627	\$319,271	\$0	\$0	0.0
PERA Direct Distribution	9,854,160	9,569,276	284,884	0	0	0.0
Health, life, and dental adjustment	3,021,076	2,924,464	96,612	0	0	0.0
AED adjustment	434,335	422,436	11,899	0	0	0.0
SAED adjustment	434,335	422,436	11,899	0	0	0.0
Shift differential adjustment	347,028	353,979	(6,951)	0	0	0.0
Legal services adjustment	322,096	311,154	10,942	0	0	0.0
Payments to OIT adjustment	236,278	234,904	1,374	0	0	0.0
Leased space adjustment	202,466	191,417	11,049	0	0	0.0
Short-term disability adjustment	15,099	14,661	438	0	0	0.0
Salary survey adjustment	3,261	3,261	0	0	0	0.0
Workers' compensation adjustment	(1,473,474)	(1,426,912)	(46,562)	0	0	0.0
Payment to risk management / property funds adjustment	(778,246)	(747,583)	(30,663)	0	0	0.0
CORE adjustment	(79,933)	(70,501)	(4,556)	(4,876)	0	0.0
Capitol Complex leased space adjustment	(694)	(496)	(198)	0	0	0.0
TOTAL	\$23,682,685	23,028,123	\$659,438	(\$4,876)	\$0	0.0

LEAP YEAR TECHNICAL CHANGES: The Department request includes an increase of \$230,142 General Fund for technical changes due to the additional day caused by the leap year.

INDIRECT COST ASSESSMENT: The Department request includes a net decrease in the Department’s indirect cost assessment.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The Department request includes appropriation includes adjustments for the future year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	Reappropriated Funds	Federal Funds	FTE
Canteen operating	\$6,078,054	\$0	\$6,078,054	\$0	\$0	0.0
Annual depreciation-lease equivalent payments	235,033	235,033	0	0	0	0.0
CI minimum wage increase for PIE program	159,247	0	159,247	0	0	0.0
Annualize prior year salary survey	23,054	23,340	(286)	0	0	0.0
Centennial South payment annualization	(20,255,668)	(20,255,668)	0	0	0	0.0
TOTAL	(\$13,760,280)	(19,997,295)	\$6,237,015	\$0	\$0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION: The Department request includes adjustments for future year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	Federal Funds	FTE
SB 18-200 (Modifications To Pera To Eliminate Unfunded Liability)	\$1,217,192	\$1,186,434	\$30,758	\$0	\$0	0.0
H.B. 18-1176 (Sunset Offender Reentry Grant Program)	(3,286,000)	0	0	(3,286,000)	0	0.0
TOTAL	(\$2,068,808)	1,186,434	\$30,758	(\$3,286,000)	\$0	0.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

OVERVIEW OF THE COLORADO CORRECTIONAL SYSTEM: This issue describes the Colorado correctional system programs within the Department of Corrections, a portion of the Judicial Branch, and Department of Public Safety.

PRISON AND PAROLE POPULATION FORECAST: This issue discusses the forecast for both the prison and parole population in the state of Colorado.

STAFF RETENTION (R-01): This issue is a request from the Department of Corrections for an increase in staff salary for the Correctional Officer (CO) class department wide, to included CSTS officers to deal with retention issues. The request includes an increase of \$17.5 million total funds, of which \$17.1 million is General Fund in FY 2019-20 to address the compression of staff pay and to move Correctional Officer staff pay from the bottom quartile to the medium pay range.

PRISON CAPACITY (R-03A): This issue discusses the prison capacity in the state. The Department of Corrections is requesting an increase of \$27.9 million General Fund and 222.2 FTE to address prison population trends that show a growing population over the next several years.

PAROLE BOARD GENERAL DISCUSSIONS: Each year the Committee sets aside time in the schedule for a hearing with the Parole Board. This issue provides a summary of topics the Committee may wish to discuss with the Parole Board during their hearing.

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: http://leg.colorado.gov/sites/default/files/fy2019-20_corbrf.pdf