

# JOINT BUDGET COMMITTEE



## STAFF FIGURE SETTING FY 2022-23

### DEPARTMENT OF PUBLIC SAFETY

#### Division of Criminal Justice

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

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## HOW TO USE THIS DOCUMENT

The Division Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. A similar overview table is provided for each division, but the description of incremental changes is not repeated, since it is available under the Division Overview. More details about the incremental changes are provided in the sections following the Division Overview and the division summary tables.

Decision items, both division-requested items and staff-initiated items, are discussed either in the Decision Items Affecting Multiple Divisions or at the beginning of the most relevant division. Within a section, decision items are listed in the requested priority order, if applicable.

## DIVISION OVERVIEW

This document covers figure setting for the Division of Criminal Justice ONLY. The Department of Public Safety's Division of Criminal Justice (DCJ):

- Provides funding and oversight for the state's community corrections (OCC) programs and for the local boards that oversee and control those facilities;
- Administers state and federally funded grant programs that help state and local agencies assist crime victims, operates the state's Victim's Rights Act Compliance Program, and assists in implementing Colorado's Victim's Rights Amendment;
- Administers federally funded grant programs that help local and state law enforcement agencies improve the services they deliver and administers state and federally funded grant programs that target juvenile delinquency;
- Assists the Domestic Violence Offender Management Board and the Sex Offender Management Board in developing and implementing standards and policies for the evaluation, treatment, monitoring, and management of convicted adult domestic violence and sex offenders;
- Analyzes criminal justice data, evaluates criminal justice programs, conducts recidivism studies, provides research support to the Colorado Commission on Criminal and Juvenile Justice, and distributes information through publications, training programs, and its web site; and

## SUMMARY OF STAFF RECOMMENDATIONS

DIVISION OF CRIMINAL JUSTICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 Appropriation</b>						
SB 21-205 (Long Bill)	\$131,399,088	\$86,636,385	\$4,478,858	\$5,854,766	\$34,429,079	78.0
HB 21-1180 supplemental	0	0	0	0	0	0.0
Other legislation	9,519,500	2,019,500	6,000,000	1,500,000	0	0.0
<b>TOTAL</b>	<b>\$140,918,588</b>	<b>\$88,655,885</b>	<b>\$10,478,858</b>	<b>\$7,354,766</b>	<b>\$34,429,079</b>	<b>78.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$140,918,588	\$88,655,885	\$10,478,858	\$7,354,766	\$34,429,079	78.0
Staff-initiated double facility payment	4,024,686	4,024,686	0	0	0	0.0
Provider rate common policy	1,380,295	1,273,058	0	107,237	0	0.0
Staff-initiated performance-based incentive payments	631,513	631,513	0	0	0	0.0
R12 Community corrections info and billing system	425,922	425,922	0	0	0	0.0
Indirect cost assessment	224,252	0	(19,478)	0	243,730	0.0
Technical adjustments	0	0	0	0	0	0.0
Annualize prior year legislation	(9,854,538)	(2,369,157)	(5,995,857)	(1,498,433)	8,909	0.2
Staff-initiated community corrections caseload adjustment	(7,697,517)	(7,697,517)	0	0	0	0.0
Annualize prior year budget actions	(5,438,616)	(5,542,658)	28,118	21,100	54,824	0.0
<b>TOTAL</b>	<b>\$124,614,585</b>	<b>\$79,401,732</b>	<b>\$4,491,641</b>	<b>\$5,984,670</b>	<b>\$34,736,542</b>	<b>78.2</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$16,304,003)</b>	<b>(\$9,254,153)</b>	<b>(\$5,987,217)</b>	<b>(\$1,370,096)</b>	<b>\$307,463</b>	<b>0.2</b>
Percentage Change	(11.6%)	(10.4%)	(57.1%)	(18.6%)	0.9%	0.3%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	\$9,946,753	\$2,500,371	\$0	\$1,446,382	\$6,000,000	0.0

DESCRIPTION OF INCREMENTAL CHANGES

**STAFF-INITIATED DOUBLE FACILITY PAYMENT:** The recommendation includes a one-time increase of \$4,024,686 General Fund for FY 2022-23. The purpose of this double payment is to help providers invest in performance-enhancing measures in light of pandemic-related revenue losses.

**PROVIDER RATE COMMON POLICY:** The recommendation includes an increase of \$1,273,639 General Fund and \$107,237 reappropriated funds to reflect the impact of the Committee’s 2.0 percent common policy provider rate adjustment.

**STAFF-INITIATED PERFORMANCE-BASED INCENTIVE PAYMENTS:** The recommendation includes a an increase of \$631,513 General Fund in FY 2022-23 to pay providers who are meeting performance targets related to recidivism and program completion.

**R12 COMMUNITY CORRECTIONS INFO AND BILLING SYSTEM:** Staff recommends delaying action on this decision item until the Joint Technology Committee provides their input.

**INDIRECT COST ASSESSMENT:** The recommendation includes a net increase in the Division's indirect cost assessment.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The recommendation includes a decrease of \$9,854,538 total funds related to the annualization of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB18-200 PERA unfunded liability	\$27,399	\$12,780	\$4,143	\$1,567	\$8,909	0.0
S.B. 21-292 ARPA funding victims	(7,500,000)	0	(6,000,000)	(1,500,000)	0	0.0
HB 21-1250 Law enforce. accountability	(2,000,000)	(2,000,000)	0	0	0	0.0
SB 20-217 Law enforcement integrity	(362,437)	(362,437)	0	0	0	0.2
HB 21-1280 Pretrial detention reform	(19,500)	(19,500)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$9,854,538)</b>	<b>(\$2,369,157)</b>	<b>(\$5,995,857)</b>	<b>(\$1,498,433)</b>	<b>\$8,909</b>	<b>0.2</b>

**STAFF-INITIATED COMMUNITY CORRECTIONS CASELOAD ADJUSTMENT:** Staff recommends a total reduction of \$7,697,694 General Fund to account for reduced caseload the community corrections system in FY 2022-23. This includes a reduction of 399 standard residential beds, a reduction of 16 General Fund intensive residential treatment beds, and an increase of 6 standard non-residential placements.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The recommendation includes a reduction of \$5,438,616 total funds, including \$5,542,658 General Fund, to reflect the annualizations of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year salary survey	\$209,490	\$105,448	\$28,118	\$21,100	\$54,824	0.0
FY 21-22 R4 Body cam grant funding	(4,000,000)	(4,000,000)	0	0	0	0.0
FY 16-17 Cognitive behavioral therapy	(1,648,106)	(1,648,106)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$5,438,616)</b>	<b>(\$5,542,658)</b>	<b>\$28,118</b>	<b>\$21,100</b>	<b>\$54,824</b>	<b>0.0</b>

## MAJOR DIFFERENCES FROM THE REQUEST

Staff-initiated decision items in the Community Corrections subdivision.

**(A) ADMINISTRATION**

This subdivision contains appropriations for employees who staff six of the Division's eight offices as well as the operating expenses that support those employees.

ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
SB 21-205 (Long Bill)	\$11,056,194	\$8,191,684	\$1,836,551	\$492,848	\$535,111	47.5
Other legislation	2,019,500	2,019,500	0	0	0	0.0
<b>TOTAL</b>	<b>\$13,075,694</b>	<b>\$10,211,184</b>	<b>\$1,836,551</b>	<b>\$492,848</b>	<b>\$535,111</b>	<b>47.5</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$13,075,694	\$10,211,184	\$1,836,551	\$492,848	\$535,111	47.5
R12 Community corrections info and billing system	425,922	425,922	0	0	0	0.0
Indirect cost assessment	224,252	0	(19,478)	0	243,730	0.0
Annualize prior year budget actions	(3,858,188)	(3,904,018)	24,730	21,100	0	0.0
Annualize prior year legislation	(2,365,744)	(2,370,904)	3,593	1,567	0	0.2
<b>TOTAL</b>	<b>\$7,501,936</b>	<b>\$4,362,184</b>	<b>\$1,845,396</b>	<b>\$515,515</b>	<b>\$778,841</b>	<b>47.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$5,573,758)</b>	<b>(\$5,849,000)</b>	<b>\$8,845</b>	<b>\$22,667</b>	<b>\$243,730</b>	<b>0.2</b>
Percentage Change	(42.6%)	(57.3%)	0.5%	4.6%	45.5%	(4)
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$7,501,936</b>	<b>\$4,362,184</b>	<b>\$1,845,396</b>	<b>\$515,515</b>	<b>\$778,841</b>	<b>47.7</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	(0.0)

**DECISION ITEMS - ADMINISTRATION****→ R12 COMMUNITY CORRECTIONS INFORMATION AND BILLING SYSTEM**

*REQUEST:* The Department requests an increase of \$425,922 General Fund in FY 2022-23 and \$286,602 General Fund in FY 2023-24. The Department also requests a 3.0 percent increase every year thereafter, beginning in FY 2024-25.

The purpose of the request is to allow DCJ to maintain a new Community Corrections Information and Billing (CCIB) system. The CCIB system is the central hub for community corrections funding. It is used by DCJ's Office of Community Corrections, staff from each of the 22 Community Corrections boards, and staff from each of the 30 residential and nonresidential Community Corrections facilities in Colorado. The new CCIB system was originally funded through an IT Capital request, replacing an older system that was developed in 2008.

*RECOMMENDATION:* Staff recommends deferring this decision to comebacks. The Committee referred this decision item to the Joint Technology Committee (JTC), pursuant to Joint Rule 45(b). It is JBC staff's understanding that this item is still pending at the JTC. When the JTC makes a decision, JBC staff will present the recommendation to the JBC during comebacks.

LINE ITEM DETAIL — ADMINISTRATION

DCJ ADMINISTRATIVE SERVICES

This line item funds personnel and operating costs for several functions within the Division of Criminal Justice (DCJ). This includes the Office of Community Corrections, the Office of Research and Statistics, the Office of Domestic Violence Offender Management, the Office for Victims Programs, and DCJ’s administrative unit. The primary cash fund sources are the Victims Assistance and Law Enforcement Fund (the State VALE fund) established in Section 24-33.5-506 (1), C.R.S., and the Marijuana Tax Cash Fund created in Section 39-28.8-501 (1), C.R.S.

*STATUTORY AUTHORITY:* Title 24, Article 33.5, Part 5 (Division of Criminal Justice); Section 17-27-108, C.R.S. (Community Corrections), Section 17-22.5-404 C.R.S. (Parole Guidelines); Section 24-33.5-506, C.R.S. (Victims assistance and law enforcement fund), Title 16, Article 11.8, (Management of Domestic Violence Offenders).

*REQUEST:* The Division requests an appropriation of \$6,763,147 total funds and 47.7 FTE, as reflected in the table below.

*RECOMMENDATION:* Staff recommends approval of the request, but will adjust the appropriation according to the Committee’s eventual decision on R12 Community Corrections Information and Billing System.

DIVISION OF CRIMINAL JUSTICE, ADMINISTRATION, DCJ ADMINISTRATIVE SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
SB 21-205 (Long Bill)	\$6,541,657	\$4,191,684	\$1,722,463	\$492,848	\$134,662	47.5
Other legislation	\$19,500	\$19,500	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$6,561,157</b>	<b>\$4,211,184</b>	<b>\$1,722,463</b>	<b>\$492,848</b>	<b>\$134,662</b>	<b>47.5</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$6,561,157	\$4,211,184	\$1,722,463	\$492,848	\$134,662	47.5
R12 Community corrections info and billing system	425,922	425,922	0	0	0	0.0
Annualize prior year budget actions	141,812	95,982	24,730	21,100	0	0.0
Annualize prior year legislation	(365,744)	(370,904)	3,593	1,567	0	0.2
<b>TOTAL</b>	<b>\$6,763,147</b>	<b>\$4,362,184</b>	<b>\$1,750,786</b>	<b>\$515,515</b>	<b>\$134,662</b>	<b>47.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$201,990</b>	<b>\$151,000</b>	<b>\$28,323</b>	<b>\$22,667</b>	<b>\$0</b>	<b>0.2</b>
Percentage Change	3.1%	3.6%	1.6%	4.6%	0.0%	0.4%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$6,763,147</b>	<b>\$4,362,184</b>	<b>\$1,750,786</b>	<b>\$515,515</b>	<b>\$134,662</b>	<b>47.7</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	(0.0)

BODY-WORN CAMERA GRANT PROGRAM [REMOVE LINE ITEM]

This line item funded the purchase of body-worn cameras and related data and training needs for law enforcement agencies in the State of Colorado.

*STATUTORY AUTHORITY:* Section 24-33.5-519, C.R.S.



*REQUEST:* The Division did not request funding for this line item.

*RECOMMENDATION:* Staff recommends removing the line from the Long Bill.

#### INDIRECT COST ASSESSMENT

This line item funds the indirect cost assessments collected from the Division of Criminal Justice.

*STATUTORY AUTHORITY:* State of Colorado Fiscal Rules, Rule 8-3 (Cost Allocation Plans).

*REQUEST:* The Division requests an appropriation of \$738,789 total funds.

*RECOMMENDATION:* Staff recommends approval of the request, but requests permission to adjust it to align with the Committee's figure setting decisions for the Department's other divisions.

**(B) VICTIMS ASSISTANCE**

The Office for Victims Programs administers state and federally funded grant programs that provide funding to state and local agencies that assist crime victims. Grant recipients include district attorneys, local law enforcement, and local programs that provide victim-assistance services. The subdivision also contains appropriations for Child Abuse Investigation, the Sexual Assault Victim Emergency Payment Program, and the Statewide Victim Information and Notification System (VINE).

VICTIMS ASSISTANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
SB 21-205 (Long Bill)	\$28,494,314	\$1,602,653	\$1,797,693	\$0	\$25,093,968	9.1
Other legislation	7,500,000	0	6,000,000	1,500,000	0	0.0
HB 21-1180 supplemental	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$35,994,314</b>	<b>\$1,602,653</b>	<b>\$7,797,693</b>	<b>\$1,500,000</b>	<b>\$25,093,968</b>	<b>9.1</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$35,994,314	\$1,602,653	\$7,797,693	\$1,500,000	\$25,093,968	9.1
Annualize prior year budget actions	54,824	0	0	0	54,824	0.0
Technical adjustments	0	0	0	0	0	0.0
Annualize prior year legislation	(7,500,000)	0	(6,000,000)	(1,500,000)	0	0.0
<b>TOTAL</b>	<b>\$28,549,138</b>	<b>\$1,602,653</b>	<b>\$1,797,693</b>	<b>\$0</b>	<b>\$25,148,792</b>	<b>9.1</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$7,445,176)</b>	<b>\$0</b>	<b>(\$6,000,000)</b>	<b>(\$1,500,000)</b>	<b>\$54,824</b>	<b>0.0</b>
Percentage Change	(20.7%)	0.0%	(76.9%)	(100.0%)	0.2%	(4)
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$36,049,138</b>	<b>\$1,602,653</b>	<b>\$1,797,693</b>	<b>\$1,500,000</b>	<b>\$31,148,792</b>	<b>9.1</b>
Request Above/(Below) Recommendation	\$7,500,000	\$0	\$0	\$1,500,000	\$6,000,000	(0.0)

**LINE ITEM DETAIL - VICTIMS ASSISTANCE****FEDERAL VICTIMS ASSISTANCE AND COMPENSATION GRANTS**

The Office for Victim Programs manages three federal grant programs:

**VOCA (Victims of Crime Act) grants** enhance, expand, and develop programs to serve victims of crime. These services include counseling, providing shelter, assistance in filing compensation applications, crisis intervention services, assistance in court proceedings, and assistance in filing protection orders.

**VAWA (Violence Against Women Act) grants** develop and strengthen effective law enforcement, prosecution, judicial strategies and victim services throughout Colorado in cases involving violent crimes against women, which are defined as domestic violence, sexual assault, stalking and dating violence.

**SASP (Sexual Assault Service Program) grants** provide direct services, including intervention, advocacy, accompaniment (e.g., accompanying victims to court, medical facilities, police departments, etc.), support services, and related assistance for victims of sexual assault, family and household members of victims, and those collaterally affected by the sexual assault.

*STATUTORY AUTHORITY:* Section 24-33.5-503 (1)(e), C.R.S., Section 24-33.5-507 and 510, C.R.S.

*REQUEST:* The Division requests \$25,148,792 federal funds and 8.6 FTE.

*RECOMMENDATION:* Staff recommends approval of the request.

#### STATE VICTIMS ASSISTANCE AND LAW ENFORCEMENT (VALE) PROGRAM

The Office for Victims Programs administers the State VALE fund and helps monitor, coordinate and support the victim rights, compensation, and assistance programs that are operated by Colorado's many state and local criminal justice agencies. The Victims Assistance and Law Enforcement (VALE) program began in 1984 when the General Assembly enacted the Assistance to Victims of and Witnesses to Crimes Aid to Law Enforcement Act. In 1992, voters approved the Victim Rights Amendment, which is found in Article 2, Section 16a of the Colorado Constitution. The amendment states that crime victims have the "right to be heard when relevant, informed, and present at all critical stages of the criminal justice process."

*STATUTORY AUTHORITY:* Section 24-33.5-506, C.R.S. (Victims assistance and law enforcement fund), Title 24, Article 4.2 (Assistance to Victims of and Witnesses to Crimes and Aid to Law Enforcement Act), Colorado Constitution Article 2, Section 16a (Victim Rights Amendment).

*REQUEST:* The Division requests appropriation of \$1,500,000 cash funds for this program.

*RECOMMENDATION:* Staff recommends approval of the request, which represents a continuation level of funding.

#### CHILD ABUSE INVESTIGATION

Child abuse investigations are frequently conducted by Child Advocacy Centers (CACs), which are located in most of the state's judicial districts. About 80 percent of the children served by these centers are victims of sexual abuse. Appropriations for this line item come from the General Fund and the Child Abuse Investigation Surcharge Fund. The DCJ uses these appropriations to make grants to the Colorado Children's Alliance, which distributes the money to Child Advocacy Centers and provides training and technical guidance to the centers. The CACs use the grants to cover between 2 and 20 percent of their operating expenses, with the remainder coming from other sources, such as Victims of Crime Act grants, United Way, and local fundraising efforts

The cash funding for this appropriation stems from Article 24 of Title 18, C.R.S., which establishes a schedule of "surcharges" that are paid by offenders who are convicted of crimes against children, including sex offenses, incest, child abuse, and contributing to the delinquency of a minor. Five percent of the surcharge revenue is credited to the Judicial Stabilization Fund and the remaining 95 percent is credited to the Child Abuse Investigation Surcharge Fund, which is created in Section 18-24-103 (2)(a), C.R.S.

*STATUTORY AUTHORITY:* Article 24 of Title 18, C.R.S.

*REQUEST:* The Division requests an appropriation of \$1,297,693 total funds, consisting of \$1,000,000 General Fund and \$297,693 cash funds from the Child Abuse Investigation Surcharge Fund, and 0.3 FTE.

*RECOMMENDATION:* Staff recommends approval of the request, which represents a continuation level of funding.

#### SEXUAL ASSAULT VICTIM EMERGENCY PAYMENT PROGRAM

This line item provides funding for emergency payments for victims of sexual assault who need additional time to determine whether or not they wish to pursue legal action. House Bill 13-1163 created the Sexual Assault Victim Emergency Payment Program for this purpose. In such cases, the evidence collection portion of a medical forensic exam is paid for by the DCJ. The victim can decide at a later date to have the crime investigated and prosecuted.

*STATUTORY AUTHORITY:* Section 18-3-407.7, C.R.S.

*REQUEST:* The Division requests an appropriation of \$167,933 General Fund and 0.2 FTE.

*RECOMMENDATION:* Staff recommends approval of the request, which represents a continuation level of funding.

#### STATEWIDE VICTIM INFORMATION AND NOTIFICATION SYSTEM (VINE)

This appropriation provides funding for a victim notification system operated by the County Sheriffs of Colorado (CSOC), which was constructed with the help of federal grants. The notification system—Colorado Automated Victim Information Notification Everyday (VINE)—is part of a nationwide VINE system that covers 47 states. Implemented after the passage of H.B. 13-1241, the system allows crime victims and other concerned citizens to access information about criminal cases and the custody status of offenders at any time via telephone, internet, or e-mail. VINE obtains information directly from Colorado county-jail booking systems, but does not provide information about the custody status of Colorado Department of Corrections offenders. Victims can register to be automatically notified by any combination of e-mail, fax, letter, or phone when their offender is released, transferred, or escapes. The nationwide VINE system can be accessed at <https://www.vinelink.com>.

*STATUTORY AUTHORITY:* Section 24-33.5-515, C.R.S., (Statewide automated victim information and notification system).

*REQUEST:* The Division requests an appropriation of \$434,720 General Fund.

*RECOMMENDATION:* Staff recommends approval of the request, which represents a continuation level of funding.

## (C) JUVENILE JUSTICE AND DELINQUENCY PREVENTION

The Office of Adult and Juvenile Justice Assistance administers federally funded criminal and juvenile justice grant programs that help local and state law enforcement agencies improve the services they deliver and administers the state juvenile diversion grant program. The appropriation for most of the Office's staff is in subdivision (A) Administration.

JUVENILE JUSTICE AND DELINQUENCY PREVENTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
SB 21-205 (Long Bill)	\$4,361,677	\$3,161,677	\$400,000	\$0	\$800,000	4.2
<b>TOTAL</b>	<b>\$4,361,677</b>	<b>\$3,161,677</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$800,000</b>	<b>4.2</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$4,361,677	\$3,161,677	\$400,000	\$0	\$800,000	4.2
<b>TOTAL</b>	<b>\$4,361,677</b>	<b>\$3,161,677</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$800,000</b>	<b>4.2</b>
Percentage Change	0.0%	0.0%	0.0%	n/a	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

### LINE ITEM DETAIL - JUVENILE JUSTICE AND DELINQUENCY PREVENTION

#### JUVENILE JUSTICE DISBURSEMENTS

This line item is included in the Long Bill for informational purposes only and provides an estimate of expected federal grants to the Division for Juvenile Justice Programs. The Office of Adult and Juvenile Justice Assistance provides federally funded grants to units of local government (including law enforcement, district attorneys, and judicial districts), state agencies, and non-profit/local private community-based agencies. The grants address such issues as separation of juveniles from adult inmates; over representation of minorities in the justice system; mental health and substance abuse; gender specific services; and juvenile justice system improvement. The funds are from the federal Office of Juvenile Justice and Delinquency Prevention in the U.S. Department of Justice.

*STATUTORY AUTHORITY:* Section 24-33.5-503 (1)(e), C.R.S.

*REQUEST:* The Division requests \$800,000 federal funds and 1.2 FTE.

*RECOMMENDATION:* Staff recommends approval of the request, which represents a continuation level of funding.

## JUVENILE DIVERSION PROGRAMS

Juvenile diversion programs serve youth accused of having broken the law. In lieu of going through the normal judicial process, the juvenile is placed in a diversion program that holds them accountable for their behavior while involving them in programs and activities that reduce the likelihood of future criminal activity. Diversion programs can include diagnostic needs assessment, restitution programs, community service, job training and placement, specialized tutoring, general counseling, crisis counseling, and follow-up activities. These programs are operated by district attorneys, counties, and community-based agencies.

*STATUTORY AUTHORITY:* Section 19-2-303, C.R.S. (Juvenile diversion program – authorized).

*REQUEST:* The Division requests an appropriation of \$3,561,677 total funds, which consists of \$3,161,677 General Fund, \$400,000 cash funds from the Marijuana Tax Cash Fund, and 3.0 FTE.

*RECOMMENDATION:* Staff recommends approval of the request, which represents a continuation level of funding.

**(D) COMMUNITY CORRECTIONS**

The term “community corrections” refers to a network of service providers—public, private, and nonprofit—that help the State by: (1) Providing a sanction for criminal behavior short of prison, (2) Providing an intermediate level of supervision less than prison but more than probation or parole, and (3) Providing rehabilitative services to offenders to reduce the risk of reoffending.

COMMUNITY CORRECTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
SB 21-205 (Long Bill)	\$78,583,454	\$73,221,536	\$0	\$5,361,918	\$0	0.0
HB 21-1180 supplemental	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$78,583,454</b>	<b>\$73,221,536</b>	<b>\$0</b>	<b>\$5,361,918</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$78,583,454	\$73,221,536	\$0	\$5,361,918	\$0	0.0
Staff-initiated double facility payment	4,024,686	4,024,686	0	0	0	0.0
Provider rate common policy	1,380,295	1,273,058	0	107,237	0	0.0
Staff-initiated performance-based incentive payments	631,513	631,513	0	0	0	0.0
Staff-initiated community corrections caseload adjustment	(7,697,517)	(7,697,517)	0	0	0	0.0
Annualize prior year budget actions	(1,648,106)	(1,648,106)	0	0	0	0.0
<b>TOTAL</b>	<b>\$75,274,325</b>	<b>\$69,805,170</b>	<b>\$0</b>	<b>\$5,469,155</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$3,309,129)</b>	<b>(\$3,416,366)</b>	<b>\$0</b>	<b>\$107,237</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(4.2%)	(4.7%)	0.0%	2.0%	0.0%	(4)
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$77,721,078</b>	<b>\$72,305,541</b>	<b>\$0</b>	<b>\$5,415,537</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$2,446,753	\$2,500,371	\$0	(\$53,618)	\$0	0.0

**DECISION ITEMS - COMMUNITY CORRECTIONS****① SUMMARY OF DECISION ITEMS AND RECOMMENDATIONS FOR COMMUNITY CORRECTIONS**

The following list shows how JBC staff structure the decision items for community corrections. Other than the bullet points indicating the fiscal year, each bullet point is its own decision item.

- **FY 2021-22 decisions**
  - Options to utilize current year savings resulting from lower-than-expected caseload
- **FY 2022-23 decisions**
  - Caseload adjustments
  - Performance-based contracting incentive payments
    - Temporarily increase flat-rate “facility payments” to promote investment in performance-enhancing measures

## → JBC-INITIATED FY 2021-22 COMMUNITY CORRECTIONS SAVINGS OPTIONS

The Department submitted a supplemental request to reduce appropriations for community corrections by \$8.6 million General Fund in FY 2021-22. The requested reduction aimed to capture savings from lower-than-expected caseload in the first half of the fiscal year.

Staff's presentation for the supplemental request included options to use these savings for different purposes within community corrections. The JBC indicated that it wanted more time to consider these options. Staff suggested that the Committee could choose an option figure setting for FY 2022-23 and make changes to current year appropriations through a Long Bill add-on. This decision item provides the Committee with an opportunity to choose alternative uses for current year savings.

*REQUEST:* The Department did not request this decision item, but is aware of it. The Governor's Office of State Planning and Budgeting (OSPB) says, "Our preference would be to revert the funds as originally stated in the Governor's request. However, if the committee insists on doing more, OSPB would be amenable to taking a small portion of the \$8M (\$1-2M) to make a one-time payment to providers."

### *OPTIONS FOR THE COMMITTEE'S CONSIDERATION*

These options are not ordered according to importance. They are the largely the same options offered to the Committee during the January 14, 2022 presentation on DCJ's FY 2021-22 supplemental requests. Staff updated (and corrected, in some cases) the calculations from that presentation. Staff also included additional variations on the previously-discussed concepts, **but still recommends that the Committee consider \$8.6 million as the amount to work within.** This provides a sufficient buffer within the appropriation to allow for unexpected caseload growth.

Staff notes that the focus here is on General Fund line items. Certain increases to General Fund-supported per-diem rates could require corresponding increases in reappropriated funding from the Correctional Treatment Cash Fund for condition-of-probation placements. If that does not happen, the current appropriation would support fewer condition-of-probation placements. Staff would have to work the DCJ and the JBC staff analyst for the Judicial Department to determine whether an increase is necessary and, if so, whether the Correctional Treatment Cash Fund could support it.

**OPTION #1: Boost per-diem rates effective April 1-June 30, 2022.** Each 1.0 percent increase using the actual caseload through November 2021 as a constant from April 1-June 30 would cost about \$116,041 General Fund more than doing nothing. Thus an increase of 5.0 percent would cost \$580,204

If the average daily caseload from April-June 2022 is 10.0 percent higher than November 2021, the impact of a 1.0 percent increase would cost about \$1.3 million General Fund more than doing nothing. With a 5.0 percent increase in per-diem rates, it would cost about \$1.8 million General Fund.

**OPTION #2: Provide a third facility payment.** Reallocate approximately \$3.9 million General Fund from the *Community Corrections Placements* line item to the *Community Corrections Facility Payments* line item. This provides a one-time payment of approximately \$137,000 to each community corrections facility.

**OPTION #3: Eliminate the offender subsistence fee assumption for April-June 2022 and increase per-diem rates accordingly.** Increase the standard residential per-diem rate to \$67.00, all



residential specialized rates (except Cognitive Behavioral Therapy) to \$100.00, and \$3.00 for non-residential rates. This would cost about \$3.7 million General Fund more than doing nothing if the ADP for April-June 2022 is the same as the actual ADP through November 2021. If the ADP is 10.0 percent higher than the ADP through November 2021, staff estimates the cost at about \$5.2 million.

**OPTION #4: Do nothing in FY 2021-22, let the funds revert, and use the savings to eliminate the offender subsistence fee assumption in FY 2022-23.** Increase the standard residential per-diem rate to \$67.00, all residential specialized rates (except Cognitive Behavioral Therapy) to \$100.00, and a \$3.00 increase for non-residential rates. Using DCJ's estimated caseload for FY 2022-23, this action would require an increase of \$8,016,835 General Fund relative to the current appropriation of \$66,063,973 General Fund for the *Community Corrections Placements line item*. Relative to staff's recommendation for FY 2022-23 in a separate decision item, the appropriation would be about \$16.0 million higher.

Staff notes that if the community corrections ADP increase to pre-pandemic levels sometime in the future (whether FY 2022-23 or a future year), appropriations would increase by \$22,797,953 General Fund relative to the current appropriation.

If the Committee chooses this option, staff recommends pairing it with the following actions:

- Eliminate the *Community Corrections Facility Payments* line item, which would save about \$4.0 million General Fund.
- Permanently remove community corrections line items from the provider rate common policy base and tie future rate increases exclusively to performance measures within a performance-based contracting model.

**OPTION #5 [REQUIRES LEGISLATION]: Set aside some of the current year savings in a new cash fund as a backstop for future performance-based contracting payments.** Introduce legislation as part of the Long Bill package to create an annually-appropriated Community Corrections Performance-based Contracting Cash Fund. Transfer \$1.0-\$5.0 million General Fund into this cash fund in FY 2021-22. The only allowable use would be to support performance-based incentive payments. This provides a backstop for these payments in tight budget years. This cash fund would expire in FY 2027-28.

➔ STAFF-INITIATED COMMUNITY CORRECTIONS CASELOAD

*REQUEST:* The Department did not request this decision item, but is aware of it.

*RECOMMENDATION:* Staff recommends a reduction of \$7,697,517 General Fund for *the Community Corrections Placement* line item. This includes a reduction of 399 standard residential beds, a reduction of 16 General Fund intensive residential treatment beds, and an increase of 6 standard non-residential placements. These reductions are based on currently funded levels.

*ANALYSIS:*

**CASELOAD CHANGES**

DCJ annually submits caseload projections pursuant to a JBC Request for Information (see Appendix B). These projections are not intended to be formal forecasts, but informal estimates based upon year-to-date caseload, knowledge of facilities, and other factors that influence the community corrections appropriations.

DCJ’s projections assume a 2.0 percent month-over-month increase in diversion, transition, and parole placements throughout the fiscal year. DCJ based this assumption on projected increases in the number of DOC inmates and case backlogs in the judicial system. The net reduction in appropriations stems from a low base for average daily placements (ADP) and a larger-than-necessary FY 2021-22 appropriation. The current year appropriation stayed at FY 2020-21 levels to accommodate potential caseload growth. That growth did not happen.

Placement Type	Diversion	Transition	Parole	FY 23 Projections	FY 22 Appropriation	Net Changes
<b>Residential</b>						
Standard Residential	1,166	896	97	2,159	2,558	(399)
Cognitive Behavioral Treatment Pilot	0	0	0	0	48	(48)
Intensive Residential Treatment (GF)	80	40	26	146	162*	(16)
Inpatient Therapeutic Community	68	37	3	108	108	0
Residential Dual Diagnosis Treatment	82	25	13	120	120	0
Sex Offender Treatment Beds	75	28	13	116	116	0
<b>Non-residential</b>						
Standard Non-residential	780	6	6	792	786	6
Outpatient Therapeutic Community	39	23	0	62	62	0
<b>Total Base Beds (General Fund Only)</b>	<b>1,471</b>	<b>1,026</b>	<b>152</b>	<b>2,649</b>	<b>3,096</b>	<b>(447)</b>

\*The RFI shows 146 beds and the FY 2021-22 Long Bill shows 224 beds. Both are incorrect. The actual assumed appropriation for Intensive Residential Treatment equates to 162 beds.

## → STAFF-INITIATED PERFORMANCE-BASED CONTRACTING PAYMENTS

*REQUEST:* The Department did not request this item, but is supportive of it.

*RECOMMENDATION:* Staff recommends an increase of \$631,513 General Fund in FY 2022-23 to pay providers who are meeting performance targets related to recidivism and program completion.

### *ANALYSIS:*

Staff's recommendation aligns with the Department's recommended performance-based contracting model for FY 2022-23. Programs meeting performance targets for recidivism and program completion could be reimbursed at a per-diem rate that is 2.0 percent higher than the standard residential base rate. This analysis discusses each performance measure, how the increased per-diem would impact appropriations in FY 2022-23, how to pay for it, and then shows what the PBC model could look like in the future. In general, the model emphasizes the following factors:

- Slow progression to increased incentive payments combined with an eventual decline in the base per-diem, though the Committee may continue to set the base using the provider rate common policy;
- Flexibility in metrics and the size of the incentive payments. Future Joint Budget Committees can tweak the model to fit their policy priorities; and
- Accountability and transparency through reporting and financial impacts for poor performance.

### **PERFORMANCE MEASURES**

#### *RECIDIVISM*

The PBC model defines recidivism as a felony reconviction two years from the time an individual starts a residential community corrections program. The Department's RFI response says "While utilizing recidivism as an outcome measure comes with some imperfections, recidivism is still a widely accepted, utilized, and expected measurement of success in the field." JBC staff agrees.<sup>1</sup> This measure does not aim to isolate the impact of community corrections programming from other variables affecting recidivism. However, using recidivism as performance measure aligns directly with the statutory purposes of community corrections and provides the General Assembly with a general sense of how community corrections programs are impacting public safety.<sup>2</sup>

The PBC model then adjusts this measure for offender risk levels by dividing programs into "low/medium risk" or "high/very risk." Risk is determined by the offender's Level of Service Inventory (LSI) assessment; providers conduct this assessment when the offender enters the program.<sup>3</sup> Programs fall into the "high/very high" risk category if more than 50.0 percent of their population scores as high-risk on their LSI assessment. Programs fall into the "low/medium" risk category if more than 50.0 percent of their population scores as low- or medium-risk on their LSI assessment.

<sup>1</sup> JBC Staff Budget Briefing, December 2, 2021. Pg. 18. [Link](#) to document.

<sup>2</sup> Section 18-8-208.2, C.R.S.

<sup>3</sup> Change in Level of Service Inventory (LSI) score from intake, updated every six months. LSI is a 54-point evidence-based risk assessment tool that measures risk for recidivism. Low risk = 0-17, Medium = 18-27, High = 27-54

For FY 2022-23, the performance target is 17.0 percent for low/medium risk programs and 19.0 percent for high/very high risk programs. These targets represent the state-level average across all programs based on a state-funded study conducted in 2020.<sup>4</sup>

*PROGRAM COMPLETION*

This measure reflects the percentage of clients that complete their required residential programming. The performance target is then adjusted for offender risk levels in the same manner as the recidivism measure.

JBC staff concurred with the Department’s inclusion of this measure despite initial skepticism that it was worth additional General Fund appropriations. Data from FY 2013-14 to FY 2016-17 show a modest negative correlation with recidivism; as program completion increases, recidivism decreases.<sup>5</sup> Staff’s initial skepticism stemmed from a concern that the measure could be manipulated; previous JBC staff shared the same concern back in 2013.<sup>6</sup> For example, programs might be more willing to tolerate risky behavior or minimal effort because there is a financial incentive to do so. In staff’s view, it will be important to continually assess the statistical relationship between program completion and recidivism. If the relationship trends toward no correlation, it suggests—but does not prove—that some clients and programs are simply “going through the motions,” tolerating noncompliant behavior, and/or doing the bare minimum to make sure an offender finishes their programming.

For FY 2022-23, the performance target is 55.0 percent for low/medium risk programs and 49.0 percent for high/very high risk programs. These targets are the state-level average across all programs.

**CALCULATING APPROPRIATIONS NEEDED FOR INCENTIVE PAYMENTS IN FY 2022-23**

A Long Bill footnote accompanies the appropriation for the *Community Corrections Placements* line item, which is the primary funding line for community corrections. This footnote sets assumptions for the appropriation and includes a table with per-diem rates for different types of services.

**Without incentive payments** the footnote table would look as follows:

Rate type	Rates	Average Daily Placements	Estimated Allocation
Residential base rate	\$50.14	2,649	\$48,479,550
Specialized differentials			
Intensive residential treatment	\$46.61	146	\$2,483,847
Inpatient therapeutic communities	\$33.65	108	\$1,326,483
Residential dual diagnosis treatment	\$35.39	120	\$1,550,082
Sex offender treatment	\$35.39	116	\$1,498,413
Standard non-residential	\$6.79	792	\$1,962,853
Outpatient therapeutic community	\$24.34	62	\$550,814
<b>Total</b>		<b>3,503</b>	<b>\$57,852,042</b>

**With incentive payments**, it would look like the table on the next page, with the total difference of \$631,513. For the purposes of this table, DCJ estimated the number of placements at facilities that will meet performance targets. The “Average Daily Placements” (ADP) column for the incentive rates

<sup>4</sup> Performance-Based Contracting for Colorado Community Corrections, Urban Institute, October 2020. Pg. 35. [Link](#) to report

<sup>5</sup> Ibid. Pg. 44.

<sup>6</sup> [Link](#) to FY 2014-15 JBC Staff Budget Briefing, pg. 33.

suggests that facilities making up 20.0 percent of the total residential ADP are not meeting performance targets; about 30.0 percent are meeting either the recidivism or program completion target, and 50.0 percent are meeting both targets.

Rate type	Rates	Average Daily Placements	Estimated Allocation
Residential base rate	\$50.14	526	\$9,626,379
Base rate plus 1.0% incentive	\$50.64	786	\$14,528,109
Base rate plus 2.0% incentive	\$51.14	1,337	\$24,956,575
Specialized differentials			
Intensive residential treatment	\$46.61	146	\$2,483,847
Inpatient therapeutic communities	\$33.65	108	\$1,326,483
Residential dual diagnosis treatment	\$35.39	120	\$1,550,082
Sex offender treatment	\$35.39	116	\$1,498,413
Standard non-residential	\$6.79	792	\$1,962,853
Outpatient therapeutic community	\$24.34	62	\$550,814
<b>Total</b>		<b>3,503</b>	<b>\$58,483,555</b>

DCJ provides the following caveats with these estimates:

- **The estimate is based on outdated data:** They used original data from the October 2020 report by the Urban Institute. Urban’s report looked at FYs 2013-14 through FY 2017-18. If the Committee approves JBC staff’s recommendation, DCJ will immediately replicate the analysis with updated data and reset the performance targets accordingly within the methodology.
- They assumed that more programs who were not represented in the original data would meet target to avoid underestimating the required appropriation.
- They started with the current average daily placements (ADP) of programs that met target as part of the calculation. To align with their capacity projections for next fiscal year, they added placements to the regular base rate. These FY 2022-23 capacity projections are higher than the current ADP to provide room for caseload to grow, as might happen if the catching up on their backlogs.

In sum, DCJ’s estimates and staff’s recommendation are a starting point. Approval of the recommendation would lead to an update of the underlying calculations. The supplemental process provides an opportunity to update assumptions and funding levels.

**HOW TO PAY FOR IT**

In FY 2022-23 and future years, the simplest way to pay for PBC is to adjust General Fund appropriations in the *Community Corrections Placements* line item. Staff would recommend this as the default. However, staff also thinks it would be a good idea to set aside some funding now to provide a backstop for incentive payments in tight budget years.

DCJ conducted stakeholder workshops for PBC in the summer and fall of 2021. A recurring concern was funding availability. Like other parts of the state budget, community corrections has seen some budget cuts over the past two decades. The most significant cut was in the early 2000s when the rate was reduced by about 8.0 percent and offender subsistence fees were increased to offset the reduction. From FY 2010-11 to FY 2012-13, the rate did not change despite an average annual inflation increase of 2.7 percent.

Incentive payments aim to improve performance. Improved performance should, in theory, improve outcomes for both the offender population and the general public through improved public safety. During figure setting for FY 2021-22, JBC staff recommended legislation to create a temporary, reversion-based, annually appropriated cash fund to support PBC during its first five years. Staff did not make this recommendation lightly. As noted here, the preferred method of appropriation is year-to-year adjustments to the Long Bill using General Fund. Staff's recommendation was primarily a practical one; set aside savings now to ensure available funds during the early stages of PBC implementation.

Rather than a reversion-based cash fund, it would be simpler to simply transfer or appropriate the amount that the Committee is willing to invest. This amount could come from expected reversions in the current year or the recommend reduction to the FY 2022-23 appropriation. Rather than present this option as a separate decision item, it would be sufficient for the Committee to indicate a desire to review a bill draft at a later date.

### **FUTURE OF PBC**

It will take time to evaluate whether PBC is working as intended; results will not necessarily be immediately realized. The decision in front of the Committee now is to fund two performance measures in FY 2022-23 and, perhaps, set aside money for future years. This section provides a brief summary of what DCJ proposed for those future years.

The performance metrics and targets included in the proposed plan represent items both in the direct and indirect control of system providers, with a focus on program quality, program compliance, and individual client outcomes. JBC staff classifies program quality and program compliance as *process* measures and client outcomes as *outcome measures*. These measures are summarized as follows:

- **Risk-Informed Outcomes**
  - Metrics: Successful Completion and Recidivism
  - Targets: Will be based on data analysis and formulas to set appropriate targets based on multiple years of Colorado system performance.
- **Program Compliance**
  - Metrics: Core Security Audit
  - Target: Composite score of 2 or higher
- **Program Quality**
  - Metrics: PACE Evaluation
  - Target: Composite score one deviation above the mean of statewide baseline measurement
- **Key Performance Indicators**
  - Metrics: Staff training and retention indicators
  - Target: Specific metrics and targets to be individualized with input from local community corrections board in consideration of local needs, barriers, etc.

The following table shows how DCJ proposed to weight these measures. It will take time for DCJ to audit providers' compliance with security protocols and evaluate their adherence to evidence-based practices, so it would be a few years before those incentive payments would occur. Future JBCs will decide whether to fund those process measures. In the meantime, DCJ will continue with those evaluations.

DCJ Proposed PBC Per-diem Rate Structure							
		FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
	Base rate	100%	100%	99%	99%	99%	97%
Outcomes	Recidivism	1%	1%	1%	1%	1%	1%
	Successful completion	1%	1%	1%	1%	1%	1%
Process	Core/PACE/KPIs	-	-	2%	2%	2%	n/a
	Core security audits	-	-	-	-	-	2%
	PACE (Evidence-based policy practices)	-	-	-	-	-	3%
	Key performance indicators	-	-	-	-	-	1%
<b>Max Payment</b>		<b>102%</b>	<b>102%</b>	<b>103%</b>	<b>103%</b>	<b>103%</b>	<b>105%</b>

The next table shows what actual per-diem rates might look like in this model. Based on the assumptions indicated in the table, strong performers could modestly outpace inflation.

Possible Per-diem Rates in DCJ PBC Model								
		FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
	Base rate (Common policy = 2.0% annually)	49.16	50.14	51.14	52.17	53.21	54.27	55.36
	PBC-adjusted base rate	49.16	50.14	51.14	51.64	52.68	53.73	53.70
Outcomes	Recidivism		0.50	0.51	0.52	0.53	0.54	0.54
	Successful completion		0.50	0.51	0.52	0.53	0.54	0.54
Process	Core/PACE/KPIs		-	-	1.04	1.06	1.09	-
	Core security audits		-	-	-	-	-	1.07
	PACE (Evidence-based policy practices)		-	-	-	-	-	1.61
	Key performance indicators		-	-	-	-	-	0.54
<b>Max Payment</b>			<b>51.14</b>	<b>52.17</b>	<b>53.72</b>	<b>54.79</b>	<b>55.89</b>	<b>57.99</b>
<b>Inflation-adjusted rate (3.5% in FY 22-23 and 2.0 percent thereafter)</b>			<b>50.88</b>	<b>51.90</b>	<b>52.94</b>	<b>53.99</b>	<b>55.07</b>	<b>56.18</b>

**SUMMARY**

Staff recommends an increase of \$631,513 General Fund in FY 2022-23 to pay providers who are meeting performance targets related to recidivism and program completion. This amount is based on DCJ’s estimates for the number of providers that are meeting state-level averages for performance targets related to recidivism and program completion and the average daily number of clients they would serve. Staff emphasizes that this action is merely a starting point; future Committees will have to decide whether they want to continue supporting PBC and, if so, which measures to emphasize through incentive payments.

➔ STAFF-INITIATED DOUBLE FACILITY PAYMENTS

*REQUEST:* The Department did not request this item, but recommended it in a response to a JBC request for information (see Appendix C).

*RECOMMENDATION:* Staff recommends an increase of \$4,024,686 General Fund for FY 2022-23. This amount accounts for a reduction in the number of providers in the state, applies the 2.0 percent common policy provider rate adjustment, and then doubles the appropriation on a one-time basis for FY 2022-23. The following table shows staff’s calculations. Based on these calculations, most providers would receive a total of \$280,228 in FY 2022-23.

DOUBLE FACILITY PAYMENT CALCULATIONS	
	AMOUNT
FY 21-22 appropriation	\$4,299,753
FY 21-22 payment	\$137,367
FY 22-23 # of facilities	28
<b>Subtotal needed FY 22-23 base appropriation</b>	<b>\$3,846,276</b>
Facilities with 32 or more security staff	2
Extra payment for those facilities	\$274,734
<b>Total needed FY 22-23 base appropriation</b>	<b>\$4,121,010</b>
Incremental change FY 21-22 to FY 22-23	(\$178,743)
Starting FY 2022-23 appropriation	\$4,121,010
Provider rate common policy increase	2.0%
Impact of common policy change	\$82,420
<b>Subtotal FY 22-23 base appropriation + common policy</b>	<b>\$4,203,430</b>
<b>Total appropriation for double facility payment in FY 22-23</b>	<b>\$8,406,860</b>

Staff also recommends revising the Long Bill footnote for the *Community Corrections Facility Payments* line item. The purpose of this revision is to indicate the General Assembly’s intent that this extra payment go toward performance-enhancing measures. It also includes language to indicate an expectation that providers will provide a plan to their local community corrections boards and DCJ.

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, INCLUDING BUT NOT LIMITED TO EMPLOYEE RECRUITMENT AND RETENTION. THE GENERAL ASSEMBLY FURTHER EXPECTS 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 CAN SHOW HOW THESE FUNDS ARE USED.

*ANALYSIS:*

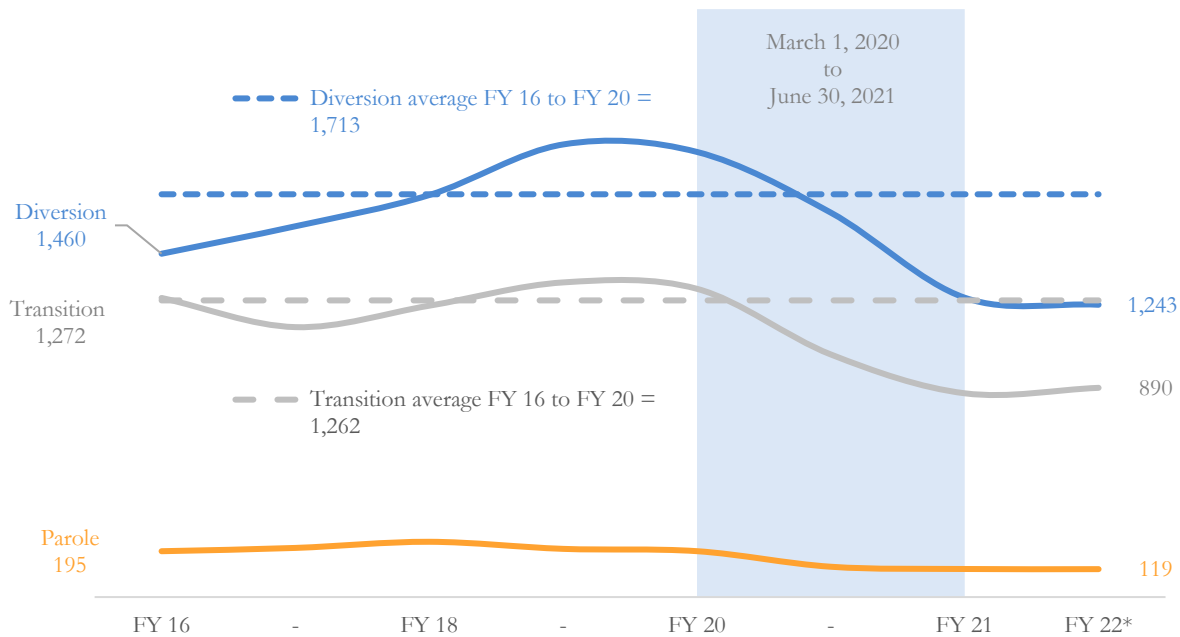
During the FY 2021-22 Long Bill process, the Committee approved a Request for Information (RFI) related to performance-based contracting. In its response to that RFI, the Department included the following recommendation:



“[During stakeholder meetings], concerns were also raised regarding the investment needed to improve quality services and earn incentive funding. More specifically, concerns were raised that lower performing programs would not have the funding needed to improve and earn incentive funding before the base per diem starts to be lowered. The department recommends allocating an additional facility payment in Fiscal Years 2022-23 and 2023-24... This additional funding would allow programs to make upfront investments in training, coaching, curriculums, and other areas that will improve their performance on the Standards.

As JBC staff noted in the January 14, 2022 briefing on DCJ’s supplemental requests, the number of placements in the community corrections system dropped dramatically in FY 2020-21 and remains lower than the historical norm.

Average daily number of residential placements in community corrections  
 FY 2015-16 through November 2021



\*FY 2021-22 figure represents caseload through November 30, 2021

Anecdotal reports suggests this reduction has taken a toll on provider revenue. Though staff does not have access to financial data for the 28 providers in the state, staff believes the reports. The logic is simple; if per-diem rates do not increase to compensate for fewer placements, revenue will go down unless providers develop alternative funding streams.

In FY 2021-22, the Division provided an extra facility payment to providers. The Department’s RFI response proposes to continue this practice through FY 2022-23 and FY 2023-24. Staff concludes that this is a reasonable course of action, though other people may reach a different conclusion. Providing extra facility payments would help providers to invest in performance-enhancing measures amid low census numbers and reduced revenue.

This could include, but is not limited to, employee recruitment and retention. Based on the intent of the recommendation and the Long Bill footnote, the only disallowable use of these funds would be to pocket them for future use or boost profit margins. Staff revised the footnote to indicate an expectation of accountability for the use of these funds.

This is a one-time funding decision and would be annualized out of the FY 2023-24 budget request. If the DCJ thinks it is necessary to provide another double payment in FY 2023-24, it should submit a budget request during the next budget cycle.

## LINE ITEM DETAIL - COMMUNITY CORRECTIONS

### COMMUNITY CORRECTIONS PLACEMENTS

This line item funds the per diem payments for offenders in community corrections programs, including payments for diversion, transition, and parole offenders; residential and nonresidential offenders; and offenders in standard and specialized programs.

*STATUTORY AUTHORITY:* Title 17, Article 27, C.R.S. (Community Corrections Programs), Section 18-1.3-301, C.R.S.

*REQUEST:* The Division requests an appropriation of \$65,076,507 General Fund.

*RECOMMENDATION:* Staff recommends \$58,483,555 General Fund.

DIVISION OF CRIMINAL JUSTICE, COMMUNITY CORRECTIONS, COMMUNITY CORRECTIONS PLACEMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
SB 21-205 (Long Bill)	\$66,063,973	\$66,063,973	\$0	\$0	\$0	0.0
HB 21-1180 supplemental	\$0	\$0	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$66,063,973</b>	<b>\$66,063,973</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$66,063,973	\$66,063,973	\$0	\$0	\$0	0.0
Provider rate common policy	1,133,692	1,133,692	0	0	0	0.0
Staff-initiated performance-based incentive payments	631,513	631,513	0	0	0	0.0
Staff-initiated community corrections caseload adjustment	(7,697,517)	(7,697,517)	0	0	0	0.0
Annualize prior year budget actions	(1,648,106)	(1,648,106)	0	0	0	0.0
<b>TOTAL</b>	<b>\$58,483,555</b>	<b>\$58,483,555</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$7,580,418)</b>	<b>(\$7,580,418)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(11.5%)	(11.5%)	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$65,076,507</b>	<b>\$65,076,507</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$6,592,952	\$6,592,952	\$0	\$0	\$0	0.0

**CORRECTIONAL TREATMENT CASH FUND RESIDENTIAL PLACEMENTS**

**Condition of probation beds:** Most diversion clients in community corrections are directly sentenced by a judge to community corrections. However judges can also sentence an offender to community corrections for a portion of a probation sentence. For example, a judge might sentence an offender with a substance use problem to two years of probation with the condition that the offender begin probation by serving 90 days in an Intensive Residential Treatment (IRT) program. Or an offender on probation who is in danger of failing due to substance abuse issues and is at risk of being resentenced to DOC could be sent to IRT as a condition of probation. Such placements are encouraged by S.B. 13-250 (Drug Sentencing Changes) and the allocation from the Correctional Treatment Board provides the funding to enable them. This line item appropriates that funding.

*STATUTORY AUTHORITY:* Section 18-1.3-104.5 (2)(a), C.R.S. (Alternatives in imposition of sentence in drug felony cases - exhaustion of remedies); Section 18-1.3-301 (4)(a), C.R.S. (Authority to place offenders in community corrections program).

*REQUEST:* The Division requested an appropriation of \$2,734,817 reappropriated funds from the Correctional Treatment Cash fund.

*RECOMMENDATION:* Staff recommends \$2,761,894 reappropriated funds, which reflects the Committee’s provider rate common policy decision.

DIVISION OF CRIMINAL JUSTICE, COMMUNITY CORRECTIONS, CORRECTIONAL TREATMENT CASH FUND RESIDENTIAL PLACEMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
SB 21-205 (Long Bill)	\$2,707,740	\$0	\$0	\$2,707,740	\$0	0.0
<b>TOTAL</b>	<b>\$2,707,740</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,707,740</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$2,707,740	\$0	\$0	\$2,707,740	\$0	0.0
Provider rate common policy	54,154	0	0	54,154	0	0.0
<b>TOTAL</b>	<b>\$2,761,894</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,761,894</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$54,154</b>	<b>\$0</b>	<b>\$0</b>	<b>\$54,154</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	2.0%	0.0%	0.0%	2.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$2,734,817</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,734,817</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$27,077)	\$0	\$0	(\$27,077)	\$0	0.0

**COMMUNITY CORRECTIONS FACILITY PAYMENTS**

This line item provides each community corrections facility with a fixed payment that is independent of the number of residents. Because a fixed facility fee is proportionately more valuable to a small facility than a large one, the fee makes the playing field more level for small community corrections facilities, which cannot take advantage of economies of scale. An associated footnote indicates that community corrections facilities with an average of 32 or more security FTE will receive a second facility payment, reflecting the increased costs they incur due to having a larger facility.

*STATUTORY AUTHORITY:* Title 17, Article 27, C.R.S. (Community Corrections Programs), Section 18-1.3-301, C.R.S.

*REQUEST:* The Division requests an appropriation of \$4,342,751 General Fund.

*RECOMMENDATION:* Staff recommends \$8,406,859 General Fund.

DIVISION OF CRIMINAL JUSTICE, COMMUNITY CORRECTIONS, COMMUNITY CORRECTIONS FACILITY PAYMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
SB 21-205 (Long Bill)	\$4,299,753	\$4,299,753	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$4,299,753</b>	<b>\$4,299,753</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$4,299,753	\$4,299,753	\$0	\$0	\$0	0.0
Staff-initiated double facility payment	4,024,686	4,024,686	0	0	0	0.0
Provider rate common policy	82,420	82,420	0	0	0	0.0
<b>TOTAL</b>	<b>\$8,406,859</b>	<b>\$8,406,859</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,107,106</b>	<b>\$4,107,106</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	95.5%	95.5%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$4,342,751</b>	<b>\$4,342,751</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$4,064,108)	(\$4,064,108)	\$0	\$0	\$0	0.0

**COMMUNITY CORRECTIONS BOARDS ADMINISTRATION**

This line item funds payments to the state's community corrections boards to help pay their administrative costs. Over the years, appropriations to boards have equaled a varying percentage of a varying subset of the appropriations to community corrections programs. The appropriation cannot exceed 5.0 percent of total payments to programs.

*STATUTORY AUTHORITY:* Section 17-27-103, C.R.S. (Community corrections boards – establishment – duties).

*REQUEST:* The Division requests an appropriation of \$2,602,937 General Fund.

*RECOMMENDATION:* Staff recommends an appropriation of \$2,628,708 General Fund, which includes an adjustment for the Committee’s common policy provider rate adjustment of 2.0 percent.

DIVISION OF CRIMINAL JUSTICE, COMMUNITY CORRECTIONS, COMMUNITY CORRECTIONS BOARDS ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
SB 21-205 (Long Bill)	\$2,577,165	\$2,577,165	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$2,577,165</b>	<b>\$2,577,165</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						

DIVISION OF CRIMINAL JUSTICE, COMMUNITY CORRECTIONS, COMMUNITY CORRECTIONS BOARDS ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 Appropriation	\$2,577,165	\$2,577,165	\$0	\$0	\$0	0.0
Provider rate common policy	51,543	51,543	0	0	0	0.0
<b>TOTAL</b>	<b>\$2,628,708</b>	<b>\$2,628,708</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$51,543</b>	<b>\$51,543</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$2,602,937</b>	<b>\$2,602,937</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$25,771)	(\$25,771)	\$0	\$0	\$0	0.0

**SERVICES FOR SUBSTANCE ABUSE AND CO-OCCURRING DISORDERS**

Provides funding for specialized substance abuse treatment services for offenders in intensive residential treatment programs, therapeutic communities, and Drug Abuse Residential Treatment Program (DART). Funding comes from the Correctional Treatment Cash Fund and can be spent for substance abuse screening, assessment, evaluation, testing, education, training, treatment, and recovery support. The appropriation can also be spent for treatment of co-occurring mental health problems.

*STATUTORY AUTHORITY:* Section 18-19-103, C.R.S.

*REQUEST:* The Division requested an appropriation of \$2,680,720 reappropriated funds.

*RECOMMENDATION:* Staff recommends \$2,680,720 reappropriated funds.

DIVISION OF CRIMINAL JUSTICE, COMMUNITY CORRECTIONS, SERVICES FOR SUBSTANCE ABUSE AND CO-OCCURRING DISORDERS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
SB 21-205 (Long Bill)	\$2,654,178	\$0	\$0	\$2,654,178	\$0	0.0
<b>TOTAL</b>	<b>\$2,654,178</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,654,178</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$2,654,178	\$0	\$0	\$2,654,178	\$0	0.0
Provider rate common policy	53,083	0	0	53,083	0	0.0
<b>TOTAL</b>	<b>\$2,707,261</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,707,261</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$53,083</b>	<b>\$0</b>	<b>\$0</b>	<b>\$53,083</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	2.0%	0.0%	0.0%	2.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$2,680,720</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,680,720</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$26,541)	\$0	\$0	(\$26,541)	\$0	0.0

**SPECIALIZED OFFENDER SERVICES**

This line item, sometimes referred to as the "SOS" appropriation, supports the purchase of mental health treatment, cognitive training, therapists, counselors, medications, sex offender treatment, and other specialized outpatient services that are not typically provided by standard community corrections

programs. The *Services for Substance Abuse and Co-occurring Disorders* appropriation deals with substance abuse problems; this appropriation focuses on other problems that high risk offenders may have.

*STATUTORY AUTHORITY:* Section 17-27-101 to 108, C.R.S.

*REQUEST:* The Division requested an appropriation of \$272,839 General Fund.

*RECOMMENDATION:* Staff recommends \$275,541 General Fund.

DIVISION OF CRIMINAL JUSTICE, COMMUNITY CORRECTIONS, SPECIALIZED OFFENDER SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
SB 21-205 (Long Bill)	\$270,138	\$270,138	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$270,138</b>	<b>\$270,138</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$270,138	\$270,138	\$0	\$0	\$0	0.0
Provider rate common policy	5,403	5,403	0	0	0	0.0
<b>TOTAL</b>	<b>\$275,541</b>	<b>\$275,541</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$5,403</b>	<b>\$5,403</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$272,839</b>	<b>\$272,839</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$2,702)	(\$2,702)	\$0	\$0	\$0	0.0

**OFFENDER ASSESSMENT TRAINING**

This line item funds a four-day series of formal classroom training in Risk/Needs assessment, Risk/Needs/Responsivity Theory, Principles of Effective Intervention for Offenders, and Evidence Based Practice Instruction.

*STATUTORY AUTHORITY:* Section 17-27-101 to 108, C.R.S.

*REQUEST:* The Division requests an appropriation of \$10,507 General Fund.

*RECOMMENDATION:* Staff recommends an appropriation of \$10,507 General Fund, which represents a continuation level of funding.

**(E) CRIME CONTROL AND SYSTEM IMPROVEMENT**

This subdivision contains appropriations for a diverse group of programs, including support staff for the Sex Offender Management Board and a federal grant appropriation that contains federally funded FTE who work in a variety of the Department's offices.

CRIME CONTROL AND SYSTEM IMPROVEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
SB 21-205 (Long Bill)	\$8,903,449	\$458,835	\$444,614	\$0	\$8,000,000	17.2
<b>TOTAL</b>	<b>\$8,903,449</b>	<b>\$458,835</b>	<b>\$444,614</b>	<b>\$0</b>	<b>\$8,000,000</b>	<b>17.2</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$8,903,449	\$458,835	\$444,614	\$0	\$8,000,000	17.2
Annualize prior year budget actions	12,854	9,466	3,388	0	0	0.0
Annualize prior year legislation	11,206	1,747	550	0	8,909	0.0
<b>TOTAL</b>	<b>\$8,927,509</b>	<b>\$470,048</b>	<b>\$448,552</b>	<b>\$0</b>	<b>\$8,008,909</b>	<b>17.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$24,060</b>	<b>\$11,213</b>	<b>\$3,938</b>	<b>\$0</b>	<b>\$8,909</b>	<b>0.0</b>
Percentage Change	0.3%	2.4%	0.9%	0.0%	0.1%	(4)
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$8,927,509</b>	<b>\$470,048</b>	<b>\$448,552</b>	<b>\$0</b>	<b>\$8,008,909</b>	<b>17.2</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

**LINE ITEM DETAIL – CRIME CONTROL AND SYSTEM IMPROVEMENT****STATE AND LOCAL CRIME CONTROL AND SYSTEM IMPROVEMENT GRANTS**

This line item is included in the Long Bill for informational purposes only and provides an estimate of expected federal grants to the Division for crime control and system improvement. These funds may be used for state and local initiatives, technical assistance, training, personnel, equipment, supplies, contractual support, information systems for criminal justice, as well as research and evaluation activities that will improve or enhance: law enforcement programs; prosecution and court programs; prevention and education programs; corrections and community corrections programs; drug treatment and enforcement programs; planning, evaluation, and technology improvement programs; and crime victim and witness programs (other than compensation).

*STATUTORY AUTHORITY:* Section-33.5-503 (1)(e), C.R.S.

*REQUEST:* The Division requests an appropriation of \$3,000,000 federal funds.

*RECOMMENDATION:* Staff recommends approval of the request, which represents a continuation level of funding.

**SEX OFFENDER SURCHARGE FUND PROGRAM**

This line item funds staff support and operating expenses for the Sex Offender Management Board (SOMB). The Board has the following duties:

- Develop a standardized procedure for identification of sex offenders;

- Develop standards and guidelines for program intervention, treatment, and monitoring;
- Develop a plan for the allocation of the Sex Offender Surcharge Fund;
- Develop a system for monitoring sex offenders who have been identified, evaluated, and treated;
- Develop procedures to research and evaluate sex offender assessment and treatment;
- Provide training on the implementation of standards; and

*STATUTORY AUTHORITY:* Title 16, Article 11.7, C.R.S. (Standardized Treatment Program for Sex Offenders) and Section 18-21-103 (3), C.R.S. (Sex Offender Surcharge Fund).

*REQUEST:* The Department requests an appropriation of 239,417 total funds, including \$83,471 General Fund, and 2.4 FTE. Cash funding comes from the Sex Offender Surcharge Fund.

*RECOMMENDATION:* Staff recommends approval of the request.

DIVISION OF CRIMINAL JUSTICE, CRIME CONTROL AND SYSTEM IMPROVEMENT, SEX OFFENDER SURCHARGE FUND PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
SB 21-205 (Long Bill)	\$235,479	\$83,471	\$152,008	\$0	\$0	2.4
<b>TOTAL</b>	<b>\$235,479</b>	<b>\$83,471</b>	<b>\$152,008</b>	<b>\$0</b>	<b>\$0</b>	<b>2.4</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$235,479	\$83,471	\$152,008	\$0	\$0	2.4
Annualize prior year budget actions	3,388	0	3,388	0	0	0.0
Annualize prior year legislation	550	0	550	0	0	0.0
<b>TOTAL</b>	<b>\$239,417</b>	<b>\$83,471</b>	<b>\$155,946</b>	<b>\$0</b>	<b>\$0</b>	<b>2.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,938</b>	<b>\$0</b>	<b>\$3,938</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	1.7%	0.0%	2.6%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$239,417</b>	<b>\$83,471</b>	<b>\$155,946</b>	<b>\$0</b>	<b>\$0</b>	<b>2.4</b>
Request Above/(Below)						
Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

### SEX OFFENDER SUPERVISION

This line item funds some of the requirements that statute places on the Sex Offender Management Board, including:

- Developing criteria and standards for lifetime supervision of sex offenders;
- Expanding sex-offender-treatment research;
- Providing training on, and assistance with, the criteria, protocols, and procedures regarding community notification concerning sexually violent predators;
- Developing standards for adult sex offenders who have developmental disabilities; and
- Providing training on the implementation of the Developmental Disability Standards.

*STATUTORY AUTHORITY:* Title 16, Article 11.7, C.R.S. (Standardized Treatment Program for Sex Offenders), Title 18, Article 1.3, Part 10 (Lifetime supervision of sex offenders).

*REQUEST:* The Department requests an appropriation of \$386,577 General Fund and 3.2 FTE.



*RECOMMENDATION:* Staff recommends approval of the request.

DIVISION OF CRIMINAL JUSTICE, CRIME CONTROL AND SYSTEM IMPROVEMENT, SEX OFFENDER SUPERVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
SB 21-205 (Long Bill)	\$375,364	\$375,364	\$0	\$0	\$0	3.2
<b>TOTAL</b>	<b>\$375,364</b>	<b>\$375,364</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>3.2</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$375,364	\$375,364	\$0	\$0	\$0	3.2
Annualize prior year budget actions	9,466	9,466	0	0	0	0.0
Annualize prior year legislation	1,747	1,747	0	0	0	0.0
<b>TOTAL</b>	<b>\$386,577</b>	<b>\$386,577</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>3.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$11,213</b>	<b>\$11,213</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$386,577</b>	<b>\$386,577</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>3.2</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

**TREATMENT PROVIDER CRIMINAL BACKGROUND CHECKS**

Domestic violence treatment providers and sex offender treatment providers are required to undergo and pay for a background check that goes beyond the scope of a typical criminal history check. Fees are set to cover the costs of conducting the investigation and are deposited in the Domestic Violence Offender Treatment Provider Fund and the Sex Offender Treatment Provider Fund. The appropriations are from those funds.

*STATUTORY AUTHORITY:* Section 16-11.8-104 (2)(b), C.R.S., and Section 16-11.7-106 (2)(a)(III), C.R.S.

*REQUEST:* The Department requests an appropriation of \$49,606 cash funds and 0.6 FTE.

*RECOMMENDATION:* Staff recommends approval of the request, which represents a continuation level of funding.

**FEDERAL GRANTS**

This informational appropriation reflects projected federal funding and FTE for a variety of grant programs in a variety of areas. The FTE listed here work in six of the DCJ’s offices.

*STATUTORY AUTHORITY:* Section-33.5-503 (1)(e), C.R.S.

*REQUEST:* The Division requested \$5,000,000 federal funds and 10.5 FTE.

*RECOMMENDATION:* Staff recommends approval of the request, which represents a continuation level of funding.

### CRIMINAL JUSTICE TRAINING FUND

With this line item, the DCJ provides an array of training opportunities for law enforcement on such topics as methamphetamine laboratories, crisis intervention with mentally ill offenders, anti-bias policing, sex offender management, and domestic violence management. Section 24-33.5-503.5, C.R.S., allows the Division of Criminal Justice to charge fees when it provides training. The fees are deposited in the annually-appropriated Criminal Justice Training Cash Fund.

*STATUTORY AUTHORITY:* Section 24-33.5-503.5, C.R.S. (Training program – assess fees).

*REQUEST:* The Department requests an appropriation of \$240,000 cash funds and 0.5 FTE.

*RECOMMENDATION:* Staff recommends approval of the request, which represents a continuation level of funding.

### METHAMPHETAMINE ABUSE TASK FORCE

This line item was added during FY 2007-08 to allow the Division to expend private grant funds received from the El Pomar Foundation. The source of cash funds is the Methamphetamine Abuse Prevention, Intervention, and Treatment Cash Fund created in Section 18-18.5-105, C.R.S.

*STATUTORY AUTHORITY:* Section 18-18.5-101 through 105, C.R.S.

*REQUEST:* The Division requested an appropriation of 3,000 cash funds.

*RECOMMENDATION:* Staff recommends approval of the request, which represents a continuation level of funding.

## LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

### LONG BILL FOOTNOTES

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

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 and is based on the following assumptions: the base rate for standard nonresidential services is a weighted average of the rates for four different levels of service; community corrections providers will collect client fees of up to \$17 per day for residential placements and up to \$3 per day for nonresidential placements. fees may be partially or fully waived in specialized residential and non-residential programs with the approval of the Division of Criminal Justice; pursuant to its authority to administer and execute contracts under Section 17-27-108, C.R.S., the Division of Criminal Justice will ensure that every reasonable effort is made to achieve such collections.; ~~and outpatient therapeutic community programs: (1) will receive the standard non-residential base rate for all offenders in their programs, including Department of Corrections clients; (2) will receive the outpatient therapeutic community base rate for all clients in program phases other than the post-graduate phase, including Department of Corrections clients; (3) will not receive the outpatient therapeutic community base rate or the non-residential base rate for probation clients; (4) will collect client fees of up to \$3 per day; and (5) will not receive payment from the Department of Corrections for services covered by the standard non-residential base rate or the outpatient therapeutic community base rate. Of this appropriation, \$1,545,409 is from the savings produced by H.B. 10-1360 pursuant to Section 17-2-103 (11.5), C.R.S., for parolee Intensive Residential Treatment beds and for parolee sex-offender beds and 48 Intensive Residential Treatment beds are from savings produced by S.B. 15-124.~~ 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	Estimated Allocation
Residential base rate	\$50.14	526	\$9,626,379
Base rate plus 1.0% incentive	\$50.64	786	\$14,528,109
Base rate plus 2.0% incentive	\$51.14	1,337	\$24,956,575
Specialized differentials			
Intensive residential treatment	\$46.61	146	\$2,483,847
Inpatient therapeutic communities	\$33.65	108	\$1,326,483
Residential dual diagnosis treatment	\$35.39	120	\$1,550,082
Sex offender treatment	\$35.39	116	\$1,498,413
Standard non-residential	\$6.79	792	\$1,962,853
Outpatient therapeutic community	\$24.34	62	\$550,814
<b>Total</b>		<b>3,503</b>	<b>\$58,483,555</b>

**COMMENT:** This footnote is an integral part of the placements appropriations as it sets the daily rates. Staff recommends removing language that is outdated and no longer necessary while adding language related to performance-based contracting. The table looks different

from prior years, but it is really a return to prior practice. In recent years this table combined the standard residential base rate and the specialized rates to show the total rate for specialized services. In a performance-based contracting model, incentive payments would be applied to the standard residential base rate due to the way the contracts are set up through local community corrections boards. The “differential” shows additional payments allocated to providers of specialized services; these payments are allocated through direct contracts with the DCJ.

- N Department of Public Safety, Division of Criminal Justice, Community Corrections, Correctional Treatment Cash Fund Residential Placements -- This appropriation includes funding for 48 condition-of-probation placements at rates corresponding to those in footnote XX.

**COMMENT:** This footnote makes it clear that Intensive Residential Treatment (IRT) Beds supported by reappropriated funds will receive the reimbursement from the DCJ at the same per-diem rate as General Fund beds. Staff recommends striking the specific number mentioned in the footnote as it is no longer applicable; the number of placements depends on available funding and the assumed per-diem rate.

- 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 make lower facility payments to programs that have lower costs due to case management staffing shortfalls or security and case management salary shortfalls relative to the staffing and salary model upon which the appropriation is based. Because per diem rates are unchanged for FY 2020-21-2021-22, These appropriations further assume that salary and staffing levels deemed adequate for FY 2019-20-2020-21, will be deemed adequate for FY 2020-21-2021-22 and that community corrections facilities with an average of 32 or more security FTE will receive a second facility payment.~~

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, INCLUDING BUT NOT LIMITED TO EMPLOYEE RECRUITMENT AND RETENTION. THE GENERAL ASSEMBLY FURTHER EXPECTS 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 CAN SHOW HOW THESE FUNDS ARE USED.

**COMMENT:** This sets the facility payments and expectations for those payments.

## REQUESTS FOR INFORMATION

Staff recommends **CONTINUING AND MODIFYING** 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 -- ~~As part of its FY 2022-23 2023-24 budget request, the Department is requested to report actual average daily community corrections placements for recently completed fiscal years with a level of detail compatible with the table in Long Bill footnote XX. This document should also report condition of probation placements. The Department is requested to provide a report with year-to-date community corrections placements shortly after January 1, 2022 2023. The January report should also include an estimated placements table for FY 2022-23 2023-24. If the Department believes that a supplemental adjustment to the FY 2021-22 2022-23 Community Corrections Placements appropriation is needed, the Department is requested to also submit an estimated placements table for FY 2021-22 2022-23. If the Department estimates that the actual number of Community Corrections facility payments in either FY 2021-22 2022-23 or FY 2022-23 2023-24 will differ from the number on which the FY 2021-22 2022-23 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.~~

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

- N Department of Public Safety, Division of Criminal Justice, Community Corrections --  
As part of its FY 2022-23 budget request, the Department is requested to submit a proposal for the implementation of performance based contracting. This proposal should include payment models, outcomes to evaluate the performance of community providers and local community corrections boards, baseline targets for the Program Assessment for Correctional Excellence (PACE) and core security audits, the frequency of PACE and core security audits, and a warning system for underperforming providers. The Department is requested to submit this proposal no later than January 3, 2022.

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

**Appendix A: Numbers Pages**

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
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<b>DEPARTMENT OF PUBLIC SAFETY</b> Stan Hilkey, Executive Director
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**(4) DIVISION OF CRIMINAL JUSTICE**

**(A) Administration**

DCJ Administrative Services	<u>4,366,598</u>	<u>4,744,625</u>	<u>6,561,157</u>	<u>6,763,147</u>	<u>6,763,147</u> *
FTE	45.5	42.0	47.5	47.7	47.7
General Fund	3,306,219	3,502,523	4,211,184	4,362,184	4,362,184
Cash Funds	608,353	866,391	1,722,463	1,750,786	1,750,786
Reappropriated Funds	452,026	375,711	492,848	515,515	515,515
Federal Funds	0	0	134,662	134,662	134,662
Appropriation to the Body-worn Cameras for Law Enforcement	<u>0</u>	<u>0</u>	<u>6,000,000</u>	<u>0</u>	<u>0</u>
General Fund	0	0	6,000,000	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Indirect Cost Assessment	<u>743,318</u>	<u>855,375</u>	<u>514,537</u>	<u>738,789</u>	<u>738,789</u>
General Fund	0	0	0	0	0
Cash Funds	102,171	77,454	114,088	94,610	94,610
Reappropriated Funds	0	0	0	0	0
Federal Funds	641,147	777,921	400,449	644,179	644,179

\*Line item indicates a decisions item.

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>SUBTOTAL - (A) Administration</b>	5,109,916	5,600,000	13,075,694	7,501,936	7,501,936
<i>FTE</i>	<u>45.5</u>	<u>42.0</u>	<u>47.5</u>	<u>47.7</u>	<u>47.7</u>
General Fund	3,306,219	3,502,523	10,211,184	4,362,184	4,362,184
Cash Funds	710,524	943,845	1,836,551	1,845,396	1,845,396
Reappropriated Funds	452,026	375,711	492,848	515,515	515,515
Federal Funds	641,147	777,921	535,111	778,841	778,841

**(B) Victims Assistance**

Federal Victims Assistance and Compensation Grants	<u>34,606,523</u>	<u>44,556,466</u>	<u>25,093,968</u>	<u>25,148,792</u>	<u>25,148,792</u>
FTE	8.6	13.6	8.6	8.6	8.6
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	34,606,523	44,556,466	25,093,968	25,148,792	25,148,792
State Victims Assistance and Law Enforcement Program	<u>1,244,549</u>	<u>1,034,240</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>1,500,000</u>
General Fund	0	0	0	0	0
Cash Funds	1,244,549	1,034,240	1,500,000	1,500,000	1,500,000
Reappropriated Funds	0	0	1,500,000	1,500,000	0
Federal Funds	0	0	0	0	0
Appropriation to the Victims Assistance and Law Enforcement Fund	<u>0</u>	<u>0</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>0</u>
Cash Funds	0	0	1,500,000	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	1,500,000	0

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Child Abuse Investigation	<u>1,296,545</u>	<u>1,296,529</u>	<u>1,297,693</u>	<u>1,297,693</u>	<u>1,297,693</u>
FTE	0.3	0.0	0.3	0.3	0.3
General Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Cash Funds	296,545	296,529	297,693	297,693	297,693
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Sexual Assault Victim Emergency Payment Program	<u>166,228</u>	<u>167,892</u>	<u>167,933</u>	<u>167,933</u>	<u>167,933</u>
FTE	0.2	0.1	0.2	0.2	0.2
General Fund	166,228	167,892	167,933	167,933	167,933
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Statewide Victim Information and Notification System (VINE)	<u>424,720</u>	<u>424,720</u>	<u>434,720</u>	<u>434,720</u>	<u>434,720</u>
General Fund	424,720	424,720	434,720	434,720	434,720
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Forensic Nurse Examiners Telehealth Program	<u>0</u>	<u>0</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	3,000,000	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	3,000,000	0



*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
State Victim Compensation Program	0	0	<u>1,500,000</u>	<u>1,500,000</u>	0
Cash Funds	0	0	1,500,000	0	0
Federal Funds	0	0	0	1,500,000	0
<b>SUBTOTAL - (B) Victims Assistance</b>	37,738,565	47,479,847	35,994,314	36,049,138	28,549,138
FTE	<u>9.1</u>	<u>13.7</u>	<u>9.1</u>	<u>9.1</u>	<u>9.1</u>
General Fund	1,590,948	1,592,612	1,602,653	1,602,653	1,602,653
Cash Funds	1,541,094	1,330,769	7,797,693	1,797,693	1,797,693
Reappropriated Funds	0	0	1,500,000	1,500,000	0
Federal Funds	34,606,523	44,556,466	25,093,968	31,148,792	25,148,792

**(C) Juvenile Justice and Delinquency Prevention**

Juvenile Justice Disbursements	<u>744,011</u>	<u>468,618</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
FTE	1.2	4.8	1.2	1.2	1.2
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	744,011	468,618	800,000	800,000	800,000
Juvenile Diversion Programs	<u>2,907,948</u>	<u>3,394,272</u>	<u>3,561,677</u>	<u>3,561,677</u>	<u>3,561,677</u>
FTE	3.0	2.4	3.0	3.0	3.0
General Fund	2,508,067	3,041,371	3,161,677	3,161,677	3,161,677
Cash Funds	399,881	352,901	400,000	400,000	400,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>SUBTOTAL - (C) Juvenile Justice and Delinquency Prevention</b>	3,651,959	3,862,890	4,361,677	4,361,677	4,361,677
<i>FTE</i>	<u>4.2</u>	<u>7.2</u>	<u>4.2</u>	<u>4.2</u>	<u>4.2</u>
General Fund	2,508,067	3,041,371	3,161,677	3,161,677	3,161,677
Cash Funds	399,881	352,901	400,000	400,000	400,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	744,011	468,618	800,000	800,000	800,000

**(D) Community Corrections**

Community Corrections Placements	<u>68,820,643</u>	<u>46,963,685</u>	<u>66,063,973</u>	<u>65,076,507</u>	<u>58,483,555</u> *
General Fund	68,820,643	46,963,685	66,063,973	65,076,507	58,483,555
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Correctional Treatment Cash Fund Residential Placements	<u>2,328,955</u>	<u>2,254,188</u>	<u>2,707,740</u>	<u>2,734,817</u>	<u>2,761,894</u> *
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	2,328,955	2,254,188	2,707,740	2,734,817	2,761,894
Federal Funds	0	0	0	0	0
Community Corrections Facility Payments	<u>4,237,254</u>	<u>4,067,764</u>	<u>4,299,753</u>	<u>4,342,751</u>	<u>8,406,859</u> *
General Fund	4,237,254	4,067,764	4,299,753	4,342,751	8,406,859
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

\*Line item indicates a decisions item.

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
Community Corrections Boards Administration	<u>2,538,726</u>	<u>2,507,862</u>	<u>2,577,165</u>	<u>2,602,937</u>	<u>2,628,708</u> *
General Fund	2,538,726	2,507,862	2,577,165	2,602,937	2,628,708
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Services for Substance Abuse and Co-occurring Disorders	<u>2,264,500</u>	<u>1,875,912</u>	<u>2,654,178</u>	<u>2,680,720</u>	<u>2,707,261</u> *
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	2,264,500	1,875,912	2,654,178	2,680,720	2,707,261
Federal Funds	0	0	0	0	0
Specialized Offender Services	<u>191,208</u>	<u>173,609</u>	<u>270,138</u>	<u>272,839</u>	<u>275,541</u> *
General Fund	191,208	173,609	270,138	272,839	275,541
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Offender Assessment Training	<u>5,224</u>	<u>9,838</u>	<u>10,507</u>	<u>10,507</u>	<u>10,507</u>
General Fund	5,224	9,838	10,507	10,507	10,507
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
<b>SUBTOTAL - (D) Community Corrections</b>	<b>80,386,510</b>	<b>57,852,858</b>	<b>78,583,454</b>	<b>77,721,078</b>	<b>75,274,325</b>
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	75,793,055	53,722,758	73,221,536	72,305,541	69,805,170
Cash Funds	0	0	0	0	0
Reappropriated Funds	4,593,455	4,130,100	5,361,918	5,415,537	5,469,155
Federal Funds	0	0	0	0	0

\*Line item indicates a decisions item.

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>(E) Crime Control and System Improvement</b>					
State and Local Crime Control and System Improvement Grants	<u>1,877,788</u>	<u>6,283,174</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,877,788	6,283,174	3,000,000	3,000,000	3,000,000
Sex Offender Surcharge Fund Program	<u>228,275</u>	<u>229,939</u>	<u>235,479</u>	<u>239,417</u>	<u>239,417</u>
FTE	2.4	2.5	2.4	2.4	2.4
General Fund	83,356	82,712	83,471	83,471	83,471
Cash Funds	144,919	147,227	152,008	155,946	155,946
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Sex Offender Supervision	<u>316,211</u>	<u>343,161</u>	<u>375,364</u>	<u>386,577</u>	<u>386,577</u>
FTE	3.2	3.8	3.2	3.2	3.2
General Fund	316,211	343,161	375,364	386,577	386,577
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Treatment Provider Criminal Background Checks	<u>34,414</u>	<u>40,748</u>	<u>49,606</u>	<u>49,606</u>	<u>49,606</u>
FTE	0.6	0.3	0.6	0.6	0.6
General Fund	0	0	0	0	0
Cash Funds	34,414	40,748	49,606	49,606	49,606
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
Federal Grants	<u>3,962,068</u>	<u>3,624,399</u>	<u>5,000,000</u>	<u>5,008,909</u>	<u>5,008,909</u>
FTE	10.5	3.2	10.5	10.5	10.5
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	3,962,068	3,624,399	5,000,000	5,008,909	5,008,909
Criminal Justice Training Fund	<u>81,480</u>	<u>215</u>	<u>240,000</u>	<u>240,000</u>	<u>240,000</u>
FTE	0.5	0.0	0.5	0.5	0.5
General Fund	0	0	0	0	0
Cash Funds	81,480	215	240,000	240,000	240,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Methamphetamine Abuse Task Force Fund	<u>2,068</u>	<u>113</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
General Fund	2,068	0	0	0	0
Cash Funds	0	113	3,000	3,000	3,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
EPIC Resource Center	<u>869,659</u>	<u>925,061</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	9.0	8.5	0.0	0.0	0.0
General Fund	869,659	925,061	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>SUBTOTAL - (E) Crime Control and System</b>					
<b>Improvement</b>	7,371,963	11,446,810	8,903,449	8,927,509	8,927,509
<i>FTE</i>	<u>26.2</u>	<u>18.3</u>	<u>17.2</u>	<u>17.2</u>	<u>17.2</u>
General Fund	1,271,294	1,350,934	458,835	470,048	470,048
Cash Funds	260,813	188,303	444,614	448,552	448,552
Reappropriated Funds	0	0	0	0	0
Federal Funds	5,839,856	9,907,573	8,000,000	8,008,909	8,008,909
<b>TOTAL - (4) Division of Criminal Justice</b>					
<i>FTE</i>	<u>85.0</u>	<u>81.2</u>	<u>78.0</u>	<u>78.2</u>	<u>78.2</u>
General Fund	84,469,583	63,210,198	88,655,885	81,902,103	79,401,732
Cash Funds	2,912,312	2,815,818	10,478,858	4,491,641	4,491,641
Reappropriated Funds	5,045,481	4,505,811	7,354,766	7,431,052	5,984,670
Federal Funds	41,831,537	55,710,578	34,429,079	40,736,542	34,736,542

## APPENDIX B: DCJ COMMUNITY CORRECTIONS PROJECTIONS (RFI #1)

### Memorandum

To: The Honorable Representative Julie McCluskie, Chair, Joint Budget Committee

CC: Sen. Dominick Moreno, Vice Chair, Joint Budget Committee  
Rep. Leslie Herod, Joint Budget Committee  
Sen. Bob Rankin, Joint Budget Committee  
Sen. Chris Hansen, Joint Budget Committee  
Rep. Kim Ransom, Joint Budget Committee  
Justin Brakke, Joint Budget Committee, Senior Legislative Analyst  
Shelly Jones, Office of State Performance and Budgeting, Budget Analyst  
Stan Hilkey, Colorado Department of Public Safety (CDPS) Executive Director  
Joe Thome, Division of Criminal Justice (DJC) Division Director  
Teresa Anderle, CDPS Budget Director  
Joel Malecka, CDPS Legislative Liaison

From: Katie Ruske, Manager  
Office of Community Corrections

Re: Response to Request for Information (CDPS RFI #1)

Date: December 31, 2021

This memorandum is to provide a formal response to the Request for Information #1 (Colorado Department of Public Safety/CDPS) to the Joint Budget Committee (JBC) and its staff. The CDPS RFI #1 reads as follows:

*Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements, Correctional Treatment Cash Fund Residential Placements, and Community Corrections Facility Payments -- As part of its FY 2022-23 budget request, the Department is requested to report actual average daily community corrections placements for recently completed fiscal years with a level of detail compatible with the table in Long Bill Footnote 93. This document should also report conditions of probation placements. The Department is requested to update the report with year-to-date community corrections placements shortly after January 1, 2021. The January report should also include an estimated placements table for FY 2022-23. If the Department believes that a supplemental adjustment to the FY 2021-22 Community Corrections Placements appropriation is needed, the Department is requested to also submit an estimated placements table for FY 2021-22. If the Department estimates that the actual number of Community Corrections facility payments in either FY 2021-22 or FY 2022-23 will differ from the number on which the FY 2021-22 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.*

**Projected Community Corrections Placements (FY 2021-23)**

Caseload projections for the upcoming fiscal year are complicated and challenged by the COVID-19 pandemic. The Department does not have a similar event to use as a historical reference. In previous years factors utilized to make caseload projections have included trend caseload data and local and state level issues potentially affecting caseload. The effects of the pandemic on the criminal justice system have been complex and far reaching. As such, the following projections are based on the best information available to the Department.

**Table 1 – Projected Placements in Community Corrections (FY 2020-21)<sup>7</sup>**

Placement Type	Diversion	Transition	Parole	FY 23 Projections	FY 22 Appropriation	Net Changes
<b>Residential</b>						
Standard Residential	1,166	896	97	2,159	2,558	(399)
Cognitive Behavioral Treatment Pilot	0	0	0	0	48	(48)
Intensive Residential Treatment (GF)	80	40	26	146	146	0
Inpatient Therapeutic Community	68	37	3	108	108	0
Residential Dual Diagnosis Treatment	82	25	13	120	120	0
Sex Offender Treatment Beds	75	28	13	116	116	0
<b>Non-residential</b>						
Standard Non-residential	780	6	6	792	786	6
Outpatient Therapeutic Community	39	23	0	62	62	0
Total Base Beds (General Fund Only)	1,471	1,026	152	2,649	3,096	(447)

**Data and Factors Driving the Projections:**

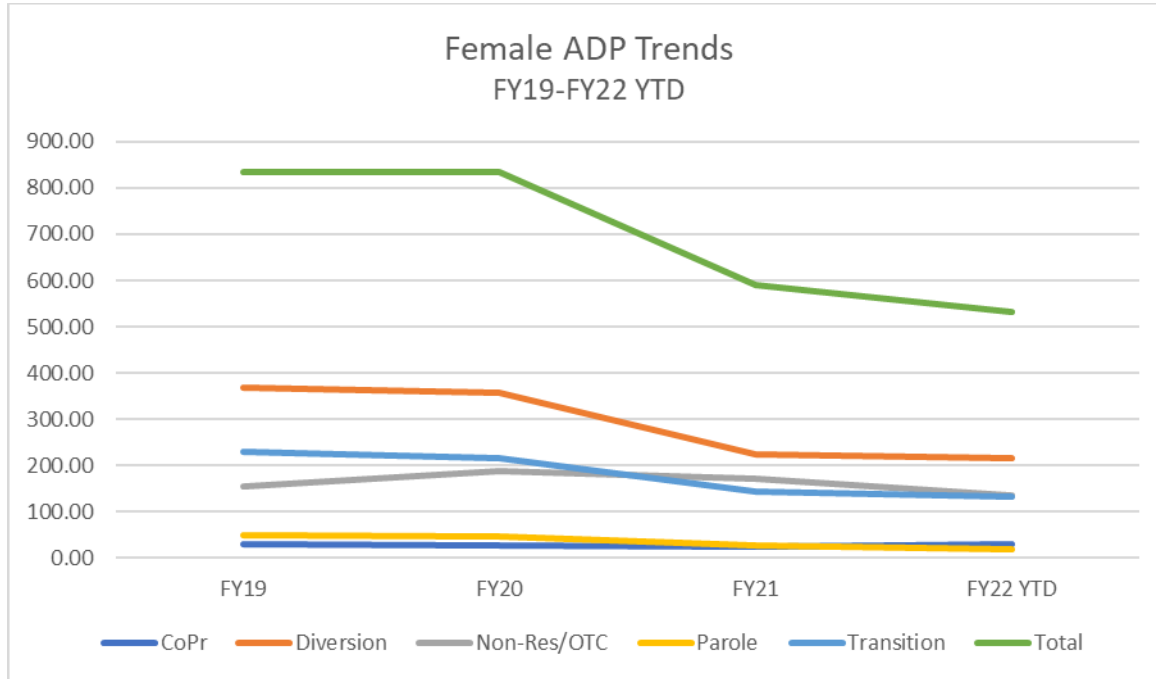
Pursuant to the RFI language, the estimates above are *not intended to be formal statistical forecasts, but informal estimates based upon year-to-date caseload, knowledge of facilities that are opening and closing or expanding and contracting, and upon other factors that influence the community corrections appropriations.* The Department has observed the following major factors that are driving the projected placement needs in community corrections:

Current ADP Considerations

As part of the analysis the Department has reviewed the Average Daily Population (ADP) pre-pandemic as well as during the pandemic. An Excel spreadsheet accompanying the memo demonstrates ADP for the current fiscal year as well as previous fiscal years. One specific notable trend in ADP data exists in the female population. There has been a large reduction in the female placements in community corrections.

<sup>7</sup> Areas highlighted with blue shaded cells indicate areas of change from the FY 2021-22 appropriations table in Footnote 98.



**Figure 1: Female Average Daily Population Trends**

#### Projected and Expected Population Increases

- Transition:** Prison population forecasts conducted by the Office of Research and Statistics in the Division of Criminal Justice demonstrate increased population expectancy. The most recent forecast complete in November of 2021 demonstrates varying quarterly growth percentages, leading up to and beyond Fiscal Year 2022-23, ranging from 1.77% - 2.72%. Prison population directly impacts the number of transition referrals to community corrections. Given this, the Department has projected a 2% increase month over month in the transition and parole population. This increase aligns with the forecast and considers that the growth in population would increase over time as the referrals potentially increase.
- Diversion:** Current crime trend data demonstrate an increase in the overall crime rate, with increases being seen among some specific crime types. This data can be accessed on the Office of Research and Statistics [website](#). Given that community corrections is an alternative sentence to prison for felony offenses, the crime trend data, along with the prison population forecast suggest a similar population increase could be seen in diversion referrals to community corrections. In addition to this, in a survey administered to all community corrections providers, some providers reported that their court systems were still experiencing a back log of cases. Given these factors, the Department also projected a 2% month over month increase in diversion and condition of probation referrals to community corrections.

An additional EXCEL spreadsheet demonstrating the calculations done for these projections was provided with the memo.

#### Local Level Implications Not Taken into Account in the Projected Placements

- Local Contract Changes in the 2<sup>nd</sup> Judicial District, Denver:** Denver plans to open a female program in the Tooley Hall location around March of 2022. The contracts with Core

Civics are set to end June 30, 2023. At this time only 2 buildings operated by Core Civic still have active clients, with one of those set to close by the end of this calendar year.

**Consideration of Board Administrative Funds**

Pursuant to 17-24-108 (4), C.R.S. authorizes the allocation of up to five percent of community corrections appropriations for the local unit of government to be utilized for the administrative duties required to operate and facilitate community corrections. The funds cover essential duties including regulatory and oversight functions, fiscal management, and data collection. To ensure adequate funding for board administrative duties, board administrative funds should be adjusted proportional to any caseload adjustments.

**Updated Average Daily Population (ADP) Data with Year-To-Date Figures**

The RFI requests the Department to provide updated Average Daily Population (ADP) data to the JBC staff shortly after January 1, 2022. The data is provided in Microsoft Excel format separate from this memorandum.

**Facility Payments Appropriations**

The Department anticipates a need for 28 Facility Payments in FY 2022-2023. The current appropriation provides for the allocation of 35 Facility Payments, which is more than sufficient for the facilities expected to operate in FY 2022-2023 plus the additional payments to COMCOR Inc. and Larimer County Community Corrections that are required by Footnote 100 (FY 2021-2022).

## APPENDIX C: PERFORMANCE-BASED CONTRACTING (RFI #2)

In August of 2015, the Governor-appointed Community Corrections Advisory Council submitted the original plan for performance-based contracting (PBC) in the community corrections system. Since that time, the department has been working towards the goal of implementing PBC by establishing the foundational groundwork. Accomplishments to date include:

- Revised the standards for community corrections to better align with best practices and the principles of effective intervention and published the *2017 Colorado Community Corrections Standards (Standards)*.
- Completed the development of the Program Evaluation for Correctional Excellence (PACE).
- Developed the Core Security audit covering core public safety functions related to the *Standards*.
- Completed a baseline PACE and Core Security audit at all active community corrections programs prior to the COVID-19 pandemic.
- Contracted with the Urban Institute to make recommendations for PBC in regards to risk-informed outcomes, payment models, and the implementation.
- Released baseline reports on the completed PACE and Core Security audits.

In the last legislative session, a Request for Information (RFI) was established for the Department to provide an update on PBC.

*“As part of its FY 2022-23 budget request, the Department is requested to submit a proposal for the implementation of performance based contracting. This proposal should include payment models, outcomes to evaluate the performance of community providers and local community corrections boards, baseline targets for the Program Assessment for Correctional Excellence (PACE) and core security audits, the frequency of PACE and core security audits, and a warning system for underperforming providers. The Department is requested to submit this proposal no later than January 3, 2022.”*

The Department contracted with Government Performance Solutions, Inc, to aid in the development and facilitation of a transparent and inclusive stakeholder engagement process. Stakeholder input is critical to developing and implementing a successful model for PBC in community corrections. Stakeholder views are acknowledged throughout the RFI.

### **Metrics to Evaluate Performance**

The original PBC plan defined performance as program compliance, program quality and program efficacy. Defining performance as such allows for metrics both in the direct and indirect control of the provider. The plan continues to be recommended to align PBC with this definition of performance.

#### *Risk-Informed Outcomes*

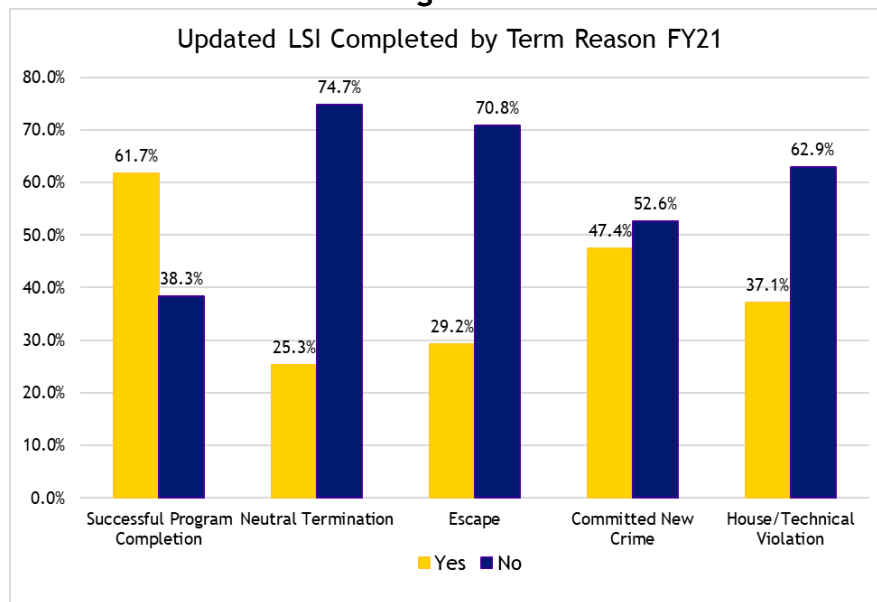
Risk-informed outcomes represent metrics that are not in the direct control of the provider, but are important indicators of program performance and measure program efficacy. All risk-informed outcomes are individual outcomes such as success, escape, and recidivism that take into consideration the risk level of the individual being supervised by the community correction program. Analyzing outcomes in relationship to risk mitigates concerns that jurisdictions and providers will be incentivized

to serve low risk populations. The ability to successfully measure and analyze outcomes is rooted in the data that is both available and reliable. Given this, the Urban Institute recommended the measures of successful completion and recidivism. After evaluating the report, available data, and considering stakeholder input, the Department agrees with these recommendations for the start of PBC.

Successful completion is a longstanding and reliable data set contained in the Community Corrections Information and Billing (CCIB) system and allows for the use of a positive outcome as a measurement of program efficacy. While utilizing recidivism as an outcome measure in criminal justice comes with some imperfections, recidivism is still a widely accepted, utilized, and expected measurement of success in the field. In addition to representing an individual's success, improved recidivism outcomes represent cost-savings for the state. The Urban Institute recommended a definition of recidivism as a new felony conviction starting from entry into the community corrections program. For the purposes of PBC, the Department will adopt this definition and evaluate at two (2) years from program admission. Two years should represent both time in program and time in the community for the vast majority of individuals. While the stakeholder group identified some questions and concerns about this definition, it was supported over other recidivism definitions.

While successful completion and recidivism will be the initial outcome measures for PBC, the model proposed has the flexibility to adjust and change these measures in future years. In the stakeholder process, the largest supported outcome measure was the reduction of risk. Currently, risk is measured by the Level of Supervision Inventory (LSI) in the community corrections system. The LSI is given every six (6) months, meaning any client discharged before 6 months will most likely not have an updated LSI. Due to this, in Fiscal Year 2021 only 45.5% of individuals received an updated LSI that could be utilized to demonstrate risk reduction. In Figure 1 it is demonstrated that the majority of the 45.5% are successful program completions and a review of risk reduction with the currently available data would be skewed by this.

**Figure 1**



Currently the department is updating CCIB and will be collecting additional data points related to risk reduction and the LSI. The department will work towards the goal of including risk reduction and

other areas identified by stakeholders as performance measures in the future. Other areas could include employment retention, community engagement, and treatment matching.

#### *Core Security Audit*

One of the areas of performance in the direct control of the provider identified in the original PBC plan was program compliance with core security functions. Including core security functions as a measurement of performance is critical to the mission of community corrections. Community corrections is tasked with ensuring both the safety of the local communities where they operate, as well as the individuals participating in the programs. Safety is an essential component to an individual's ability to grow and progress. After the *Standards* were revised in 2017, standards related to core security functions were identified and an audit of those specific standards was developed. The specific audit is referred to as the Core Security audit. The importance of maintaining safety was reinforced by the stakeholder working group and the Department will include the Core Security audit as a performance metric.

#### *PACE Evaluation*

The final area defined as performance in the original PBC plan was program quality as defined by adherence to the Principles of Effective Intervention. The Principles of Effective Intervention are those that are most likely to impact outcomes including risk reduction, program success, and post-release recidivism. The Program Assessment for Correctional Excellence (PACE) was developed with national experts on the Principles of Effective Intervention as well as evaluation practices. The evaluation is in congruence with the *Standards* revised in 2017. The evaluation of program quality defined in this way represents another area of performance in the direct control of providers and the stakeholder working group reinforced the value of including it as part of the definition of performance. The department will continue with the original plan to include the PACE evaluation as a performance metric.

#### *Specific Measures/ Key Performance Indicators*

During the workshops focused on the Core Security and PACE audits, there was discussion on the use of specific measures within these processes versus a total composite score for performance metrics. Stakeholder feedback varied across workshops and discussions of these different processes. The department believes it is best to have a holistic measurement for both the Core Security and PACE audits, and feels that some of the benefits of having specific measures can be achieved by including an additional performance metric of key performance indicators (KPIs). While this was not a part of the original plan, it adds the opportunity to capture areas of performance that were also valued by the stakeholder working group. Throughout the workshops the topics of staff training and retention were evident. The department proposes the addition of KPIs in the PBC model. The department will collaborate with the local boards to set the KPIs for their respective programs. This will allow for flexibility for each program to focus on the performance indicators based on independent factors for a specific program, taking into account their geographical location, needs and values.

### **Metric Targets**

Essential to developing a successful PBC model is determining the targets at which performance will be incentivized and the magnitude of those incentives. Metric targets will be based on statewide data and level setting. The department is currently in the process of hiring a Statistical Analyst III to ensure the internal expertise exists for the required data analysis.

*Weights*

The original PBC plan recommended that each area of performance (quality, compliance, efficacy) have a different weight or importance associated with incentive payments. Quality was considered the highest area of weight followed by compliance and efficacy. The stakeholder workgroup participants agreed with this recommendation and wanted to see the PACE metric weighted as the highest indicator of performance. In order to ensure equity and fairness within the model, initially the department recommends equal weights for PACE, Core Security, and KPI performance metrics and a lower weight for risk-informed outcomes. After every program has had its first PACE and Core Security audit completed and equity becomes possible, the department will adjust the weights in line with the original recommendation and the recommendation of the stakeholder workgroup. This is highlighted with more details in the payment model and timeline sections of the RFI.

*Risk Informed Outcomes*

The department will utilize the Urban Institute's formulas and analysis methods for risk adjustment and determining performance targets for successful completion and recidivism. The Urban Institute developed two categories of risk: low/medium and high/very high as defined by client LSI scores. This category of risk is used to determine whether a program served high/very high risk clients, or low/medium risk clients is defined by a program having more than 50 percent of their clients assessed by the LSI at that high/very high risk level in a year. Programs fall into the low/medium risk category when more than 50 percent of their clients are assessed by the LSI as low/medium risk.

*Core Security*

Security functions are critical to ensuring both individual and community safety. During the stakeholder working groups, input was received about the importance of these fundamental standards and the expectation of compliance. Stakeholders expressed the importance of adherence to the *Standards* as being mandatory or expected in this area. The performance target will therefore be set at a composite score of 2. A score of 2 is defined as satisfactory performance in the Core Security audit and setting the target at 2 requires programs to perform at this level. Programs that receive a composite score of 2 or higher will receive incentive funding. Of the 24 programs that received a baseline Core Security audit, 8 programs received a score of 2 or higher.

*PACE*

The PACE is an innovative evaluation tool that utilizes a variety of methods to determine congruence with the Principles of Effective Intervention. The scoring of the PACE is intricate and follows a different scale than utilized by the Core Security audit. This type of evaluation is newer to the community corrections system and was carefully designed with leading experts. Stakeholders believed those practices being evaluated in the PACE were the most important to achieving better outcomes and required more practice to master. Setting the target based on the results of the baseline evaluations was preferred. To set targets for this performance metric that are fair and rooted in data, the target will be set by using standard deviation. The PACE composite metric target will be set at one standard deviation above the statewide baseline mean. Setting the target in relation to baseline data, allows the model to adjust as the statewide baseline improves. As performance is improved across the state and the baseline score raises, the standard deviation will also be updated. Of the 29 programs that received a baseline PACE, 8 programs received a composite score one standard deviation above the mean.

*Specific Measure/Key Performance Indicators*

The specific KPIs for each program related to staff training and retention will be set in partnership with the local community corrections board. KPIs and their targets should be based on available data.

One geographical area in Colorado may have a different job market and staffing variables than other locations. Using available data allows both the KPIs and their targets to be based on the individual program. The state will provide guidelines and oversight for setting the KPIs and targets.

**Payment Model**

*Model*

In consideration of the feedback from stakeholders since the beginning conception of PBC and the recommendations from the Urban Institute, it is important that the payment model be flexible and consider both gradual and timely adjustments. Adjustments in payment are recommended to be gradual in the beginning to allow time for programs to adjust to the new funding model before potentially seeing a decrease in funding and getting acclimated to the level of performance required to receive additional funding. At the same time it is important that the model allow for adjustments to incentives to be frequent enough to keep programs engaged with PBC.

In regards to flexibility, the department proposes a model that allows for flexibility in both schedule and performance metrics. While the proposed payment model and the timeline introduced later rely on a three year performance cycle for the performance metrics of PACE, Core Security, and KPIs, the model also has the flexibility to change this schedule if needed. In addition to schedule flexibility, the payment model proposed allows for flexibility in updating or changing the performance metrics utilized in PBC over time. This flexibility allows the model to grow and change as the system grows and changes. Within this model it is possible to update the risk-informed outcomes, KPIs, targets, and incentive percentages.

In addition to these considerations, a model for payment must align with realistic timelines and provide for equitable opportunities for incentive payment. To honor the ability to have equitable opportunities for payment and take into consideration the weighting of performance metrics, the department proposes an initial payment schedule reflected in Table 1. Once all programs have had an equitable opportunity for incentive payments in the performance metrics of PACE, Core Security, and KPIs, PBC will transition to the payment model reflected in Table 2.

**Table 1**

**Initial Payment Model**

	Fiscal Year 22 - 23	FY 23 - 24	FY - 24 - 25	FY 25 - 26	FY 26 - 27
Base per diem	100%	100%	99%	99%	99%
Risk Informed Outcomes:					
Successful Completion	1%	1%	1%	1%	1%
Recidivism	1%	1%	1%	1%	1%
CORE/PACE/KPIs	Evaluating	Evaluating	2%	2%	2%
Max Payment	102%	102%	103%	103%	103%

**Table 2****Ongoing Payment Model**

	Fiscal Year 27 - 28	FY 28 - 29	FY - 29 - 30	FY 30 - 31	FY 31 - 32
Base per diem	97%	97%	97%	97%	97%
Risk Informed Outcomes:					
Successful Completion	1%	1%	1%	1%	1%
Recidivism	1%	1%	1%	1%	1%
Evaluations:					
Core Security	2%	2%	2%	2%	2%
PACE	3%	3%	3%	3%	3%
KPIs	1%	1%	1%	1%	1%
Max Payment	105%	105%	105%	105%	105%

*Funding*

There were two main concerns expressed by stakeholders regarding funding. The first concern was the state's ability to ensure that funds are available to provide incentive funding for all providers that have earned them. The second concern was that the proposed model reduces the percentage of base per diem funding and that investing in improving the quality of services requires upfront investment.

In regards to the first concern, during the Fiscal Year 2021-22 budget setting process, the Joint Budget Committee analyst presented a staff-initiated request to sponsor legislation creating a cash fund with community corrections-reverted general fund dollars. The time-limited cash fund would be utilized to ensure the needed funding is available for the first years of PBC. The department supports the staff-initiated request. A cash fund of this nature would aid in ensuring needed funding is available in the first years of PBC while any barriers and issues are being resolved, most importantly in regards to timelines. As will be discussed further in the timeline section of the RFI, once the evaluation timeline is successfully offset from the funding cycle, it will allow the department to be able to submit accurate budget requests eliminating the need for the cash fund.

As mentioned, concerns were also raised regarding the investment needed to improve quality services and earn incentive funding. More specifically, concerns were raised that lower performing programs would not have the funding needed to improve and earn incentive funding before the base per diem starts to be lowered. The department recommends allocating an additional facility payment in Fiscal Years 2022-23 and 2023-24. The availability of funding for this would be made easier by the creation of a cash fund with reversional dollars. This additional funding would allow programs to make upfront investments in training, coaching, curriculums, and other areas that will improve their performance on the *Standards*.

**Warning System**



It is the statutory responsibility of the department to promulgate standards for community corrections and audit compliance to those standards. The utilization of PBC in the community corrections system does not replace or supersede this obligation. Stakeholders and the department believe it is imperative regulatory functions remain intact with the ability to issue corrective actions or take more serious sanctions upon a program up to and including program closure. This allows for immediate action and consequences to be applied if it is warranted. It is important that PBC work in conjunction with this role. To ensure that programs in poor standing with *Standards* compliance are not also receiving financial incentives, the department will create a probationary status for non-compliance. Probation will be utilized when attempts at corrective action are unsuccessful. Placement on probation will be in consideration of the scope and severity of the compliance issues. Once a program fulfills the requirements to be removed from probationary status, they will then again become eligible for PBC incentive payments.

In addition to regulatory compliance considerations, the PBC model itself includes inherent consequences for poor performance. As demonstrated in the payment modeling, a program will be eligible for less per diem if the program does not meet the metrics for incentive payments. In addition to this, the three year performance cycle means a program that does not meet the target for incentive will have to wait until their next evaluation on the three year cycle to try for the incentive again. This acts as a natural warning system and consequence for poor performance. For example, in Fiscal Year 2027-28 a program earns incentives in the areas of program completion (1%) and KPI(1%) only. That program will receive just 99% of the per diem and will have to wait for their re-valuation of PACE and Core to become eligible. At the local level, PBC disincentivizes local units of government for awarding contracts to lower performing programs given that board administrative funds are a percentage of the total allocation. The higher performing the program or programs are in the jurisdiction, the larger the overall allocation amount for the jurisdiction, which directly translates to more board administrative funds. At the state level, lower performing programs will be less competitive in the procurement process for specialized community corrections contracts.

**Timeline**

The timeline for PBC must integrate with the payment model and align with available resources. The incentive payments can begin as soon as FY 2022-23. To be prepared for the first incentive payments on the other metrics, there are tasks that need to be completed. The tasks needed to be completed in the current and upcoming fiscal year are noted in Table 3.

**Table 3**

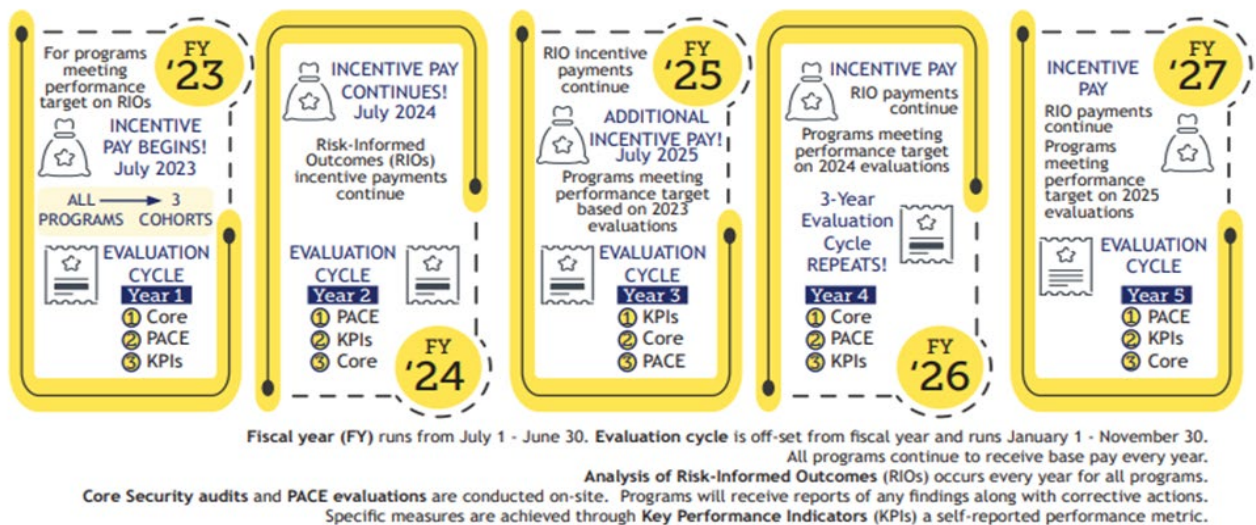
Fiscal Year 2021-22	Fiscal Year 2022-23
<ul style="list-style-type: none"> <li>• Complete RFI</li> <li>• <i>Standards</i> Review</li> <li>• Core Security and PACE Updates</li> </ul>	<ul style="list-style-type: none"> <li>• Development of KPIs</li> <li>• Core Security PACE Updates</li> <li>• Begin Evaluations/Audits</li> </ul>

In determining an appropriate timeline for PBC in community corrections, the department carefully considered the current staff and available resources, as well as the amount of time needed between audits for a provider to make improvements positively affecting their performance. The timeline

represented below in Figure 2 demonstrates a three (3) year performance cycle for the metrics of PACE, Core Security, and KPIs, while the risk-informed outcomes metrics represent an opportunity to improve each year. A three-year cycle ensures the department has the sufficient staffing and resources to meet the demands of the timeline while also staying committed to regulation, technical assistance, and contract management. In addition, it leaves time between audits and evaluations for the program to implement changes and receive technical assistance in pursuit of increased performance. The stakeholder working groups indicated a preference for a program to receive a PACE or Core Security audit each year. The department cannot meet this demand with the current staffing levels and also wants to ensure that the staffing and resources exist to meet all of the demands of the statutory requirements for community corrections. In addition, the department believes it is critical to ensure there is proper time between audits and evaluations for improvements to be made.

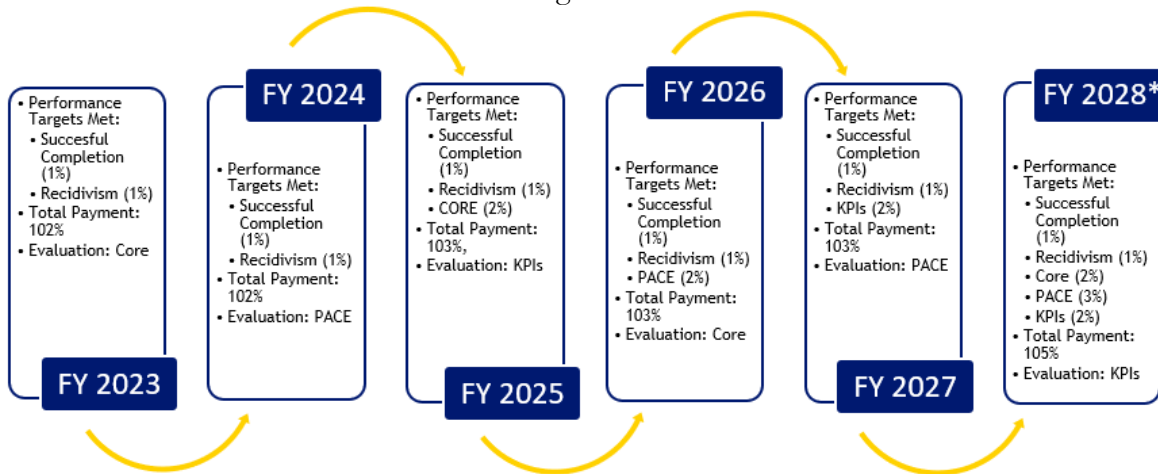
The evaluation cycle will be offset from the payment cycle to ensure the data needed to inform the Governor and General Assembly of the funds needed for each fiscal year is available. Programs will be assigned to 3 cohorts, with each cohort receiving an update every year in either the PACE, Core Security audit, or KPI performance metrics.

Figure 2: PBC Timeline by Cohorts



As was demonstrated in the payment model (Table 1), for the first 3 year cycle, each of these metrics will be weighted the same and eligible for one percentage on the metric most recently updated. Once equity has been achieved by all programs having received the PACE, Core Security audit, and KPI metrics evaluation, the model changes to each of these performance metrics being eligible for a weighted incentive (Table 2). At this point, once an incentive has been earned in one of these metric areas, the program will retain this incentive until the next evaluation of the performance metric. Figure 3 provides an example of the payment possibilities and evaluation cycle for a program in Cohort 1, and reflects the update of the payment model in Fiscal Year 2027-28 (Table 2). The example assumes the program meets the performance targets for all of the PBC measures. It also demonstrates the evaluation cycle, however it is important to note that this cycle will be offset from the fiscal year and will run January - November.

Figure 3



\*In FY 2028 the payment model updates to weighted incentives for all performance areas

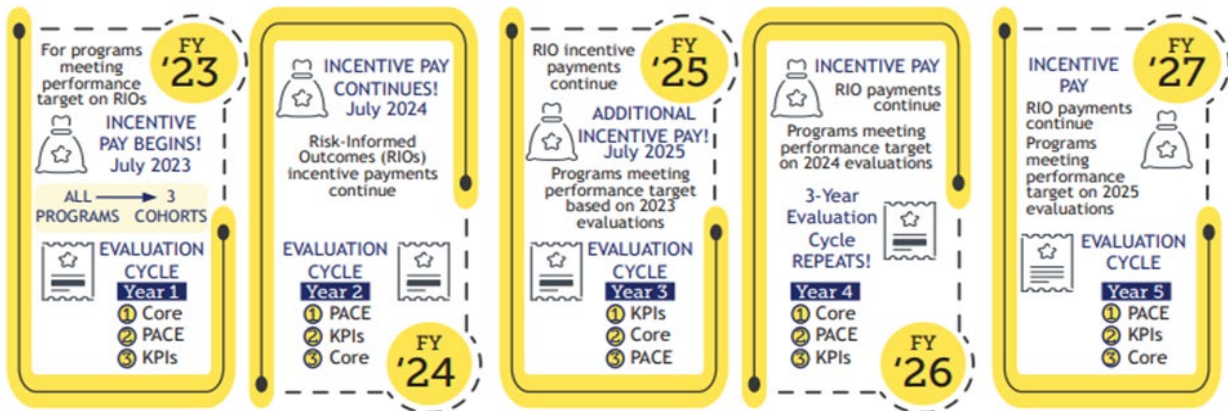
**Other Considerations**

*New Programs*

During the stakeholder working groups, a concern was raised on how to integrate new programs into the PBC model. The department recommends that new programs be given three (3) years of the full per diem rate before joining the PBC model. This allows the provider time to establish the program, receive technical assistance, and prepare for PBC. This also allows the department time to provide technical support and begin the program evaluation process.

*Updates to the Standards and/or Evaluation Methods*

The department maintains the raw data for all audits and evaluations. As *Standards* and *Methods* are updated that will have a significant impact on overall composite scores, raw data will be reanalyzed to make adjustments as needed both on baseline numbers and metric targets. For example, if the *Standard* and evaluation methods related to headcounts as part of the Core Security audit changes significantly, the data from that standard will be removed for the analysis of the composite score.



Fiscal year (FY) runs from July 1 - June 30. Evaluation cycle is off-set from fiscal year and runs January 1 - November 30. All programs continue to receive base pay every year.

Analysis of Risk-Informed Outcomes (RIOs) occurs every year for all programs. Core Security audits and PACE evaluations are conducted on-site. Programs will receive reports of any findings along with corrective actions. Specific measures are achieved through Key Performance Indicators (KPIs) a self-reported performance metric.