

COLORADO GENERAL ASSEMBLY

JOINT BUDGET COMMITTEE



FISCAL YEAR 2008-09 STAFF BUDGET BRIEFING

DEPARTMENT OF HUMAN SERVICES:

DIVISION OF YOUTH CORRECTIONS

JBC Working Document - Subject to Change

Staff Recommendation Does Not Represent Committee Decision

**Prepared By:
Patrick Brodhead, JBC Staff
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For Further Information Contact:

Joint Budget Committee Staff
200 E. 14th Avenue, 3rd Floor
Denver, Colorado 80203
Telephone: (303) 866-2061
Facsimile: (303) 866-2150
(TDD 866-3472)

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DEPARTMENT OF HUMAN SERVICES:
DIVISION OF YOUTH CORRECTIONS
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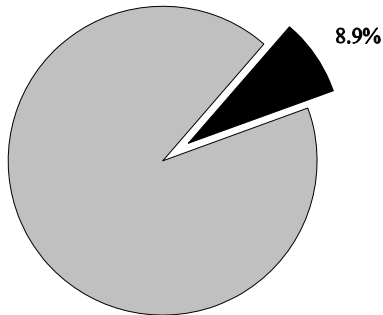
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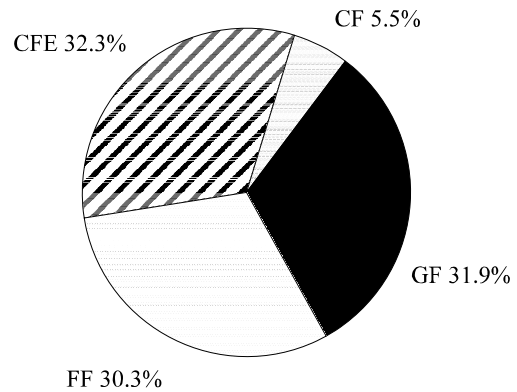
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DEPARTMENT OF HUMAN SERVICES GRAPHIC OVERVIEW

**Share of State General Fund
FY 2007-08**

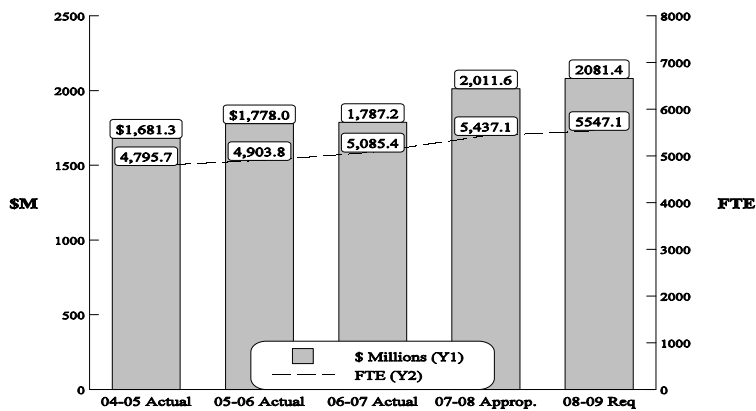


**Funding Source Split
FY 2007-08**



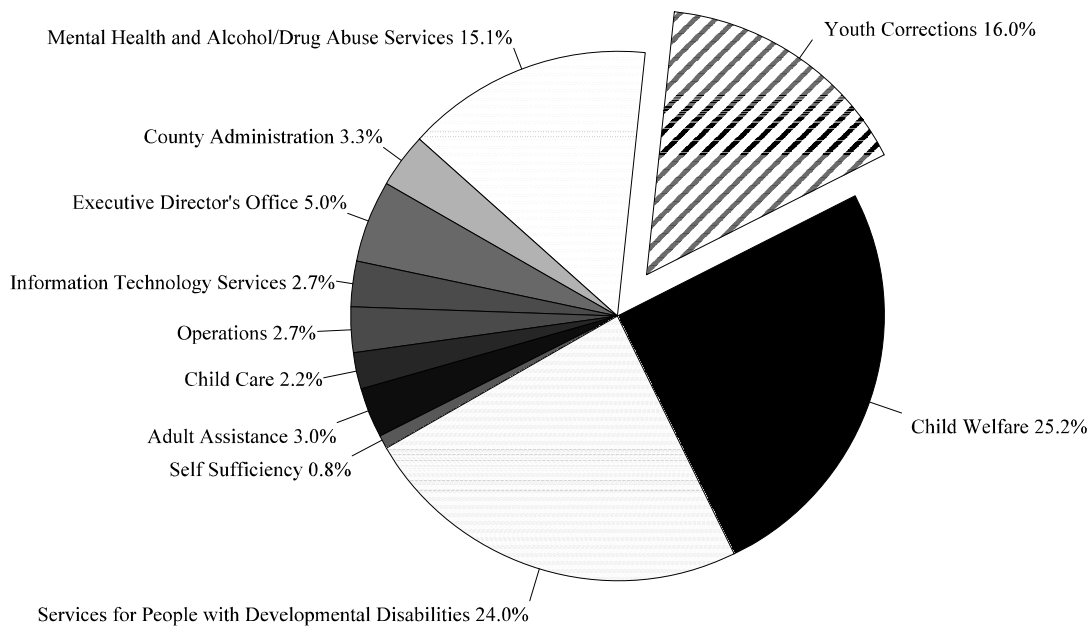
Note: If General Fund appropriated to the Department of Health Care Policy and Financing for human services programs were included in the graph above, the Department of Human Services' share of the total state General Fund would rise to 11.6 percent.

Budget History



FY 2008-09 Joint Budget Committee Staff Budget Briefing
DEPARTMENT OF HUMAN SERVICES:
DIVISION OF YOUTH CORRECTIONS
OVERVIEW

Department of Human Services: Net General Fund
FY 2007-08 Appropriation (\$839.2 million)



Key Responsibilities

The Division of Youth Corrections (DYC) has responsibility for the housing, treatment, and education of juveniles in detention and commitment, and for supervising juvenile offenders who are placed on parole.

Detention -- a short-term hold on youths who are awaiting adjudication (similar to adult jail).

Commitment -- a longer-term sentence to the custody of the Division (similar to adult prison).

In addition, the Division:

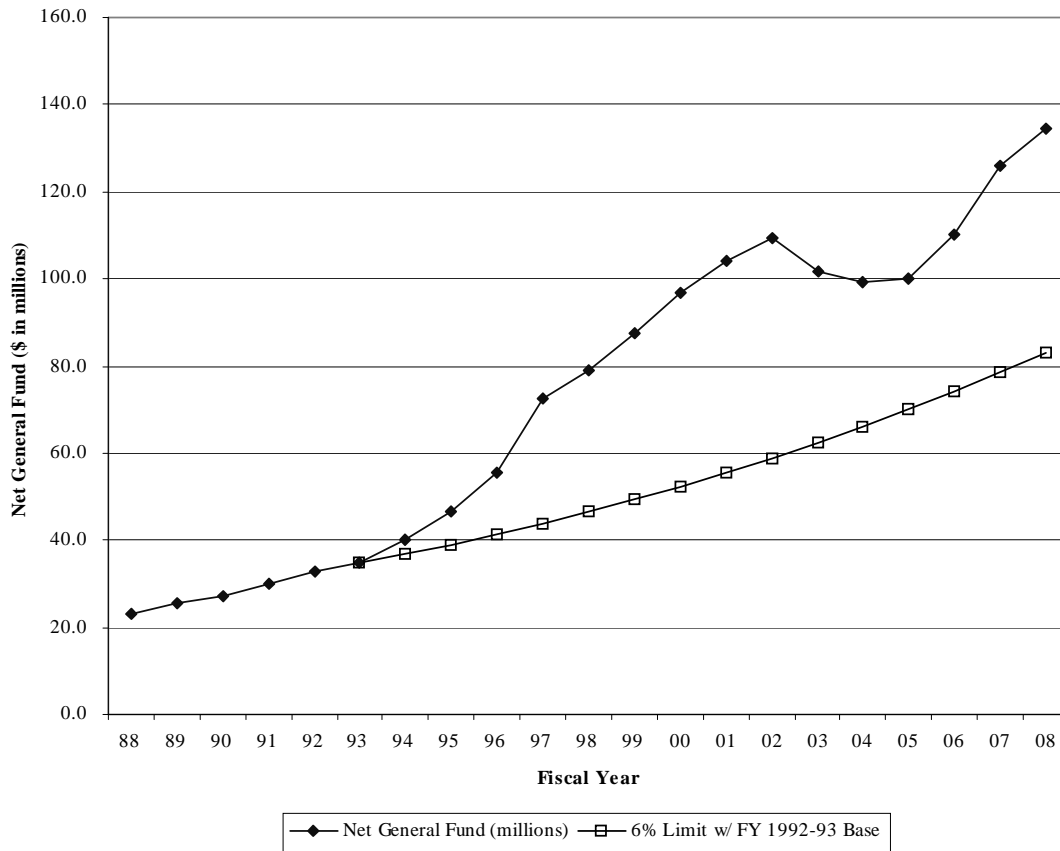
- ▶ Supervises juveniles during six-month mandatory parole following all commitment sentences;
- ▶ Provides technical assistance to local communities and reviews their use of allocated S.B. 91-94 funds for the development of alternatives to incarceration.

Factors Driving the Budget

Historical Growth. The Division of Youth Corrections has grown significantly in the past 20 years. From FY 1987-88 through FY 2007-08, the *net* General Fund appropriation to the Division grew from \$23.0 million to \$134.3 million, an increase of \$111.3 million. This increase represents a compound annual growth rate of 9.2 percent over the 20-year period. During the 15 years since the 6.0 percent limit on General Fund appropriations was established, General Fund appropriations to the Division have grown at a compound annual rate of 9.4 percent.

The following graph depicts the annual *net* General Fund appropriations to DYC for the past 20 years. From FY 1992-93, the graph also contains a hypothetical line that demonstrates the growth that would have occurred had General Fund appropriations to DYC been limited to an annual growth rate of 6.0 percent. The FY 2007-08 *net* General Fund appropriation is 61.4 percent higher (\$51.1 million) than it would have been had appropriations to DYC been limited to 6.0 percent annual compound growth during this time period. This difference is illustrated by the separation between the two lines on the graph.

Division of Youth Corrections - Annual Net General Fund Appropriations

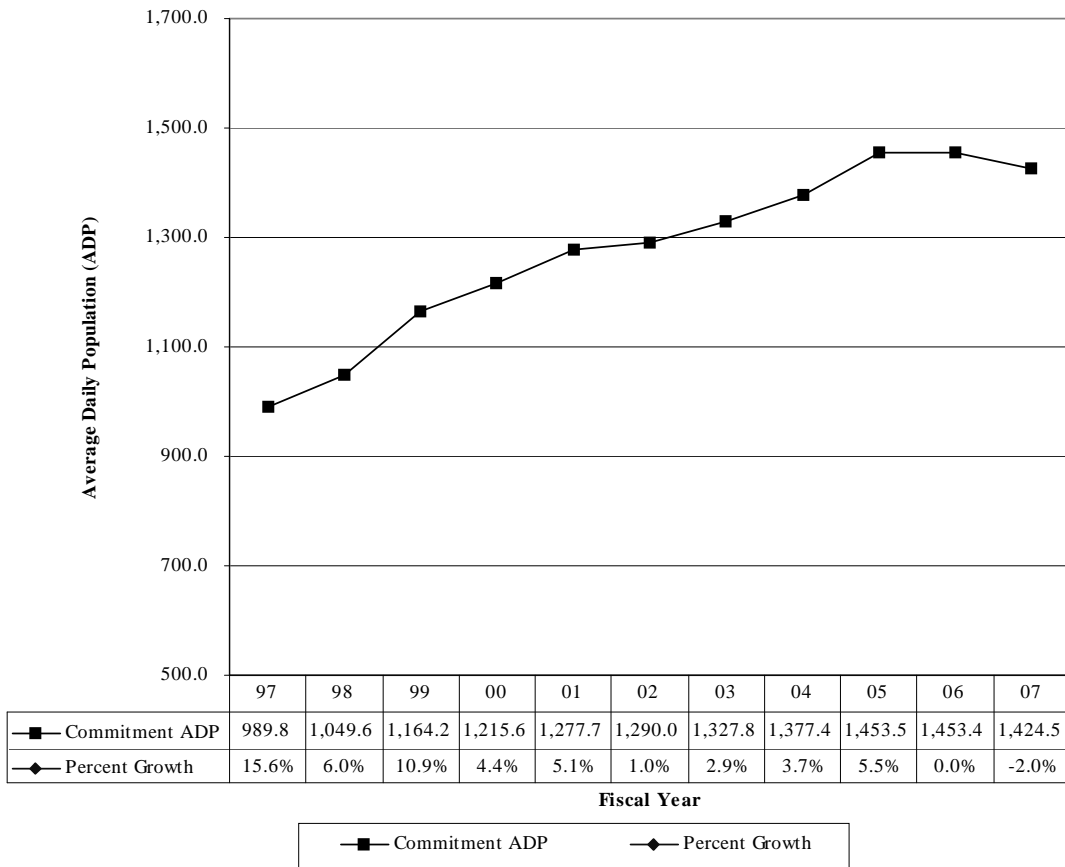


Annual Growth Rate. From FY 1990-91 through FY 2001-02, the annual growth rate in *net* General Fund appropriations to DYC ranged from 6.3 percent to 24.3 percent. From FY 2002-03 through FY 2004-05, appropriations were reduced or were relatively flat, reflecting the shortage of General Fund dollars. Since FY 2004-05, the *net* General Fund appropriations have shown a compound annual growth rate of 10.3 percent.

Population Growth

- ✓ *Commitment* -- Fiscal year 2005-06 represented the first year since FY 1986-87 that the Division has seen a negative growth rate in its commitment population from the previous year (-0.1 ADP). In addition, the Division experienced negative growth in FY 2006-07 of approximately 2.0 percent. The Division attributes these reductions of commitment ADP to its Continuum of Care Initiative, which is a program designed to transition youth from residential placements into the community. Residential commitment length of stay (LOS) experienced an increase, growing 4.4 percent to 19.0 months in FY 2006-07 from 18.2 months in FY 2005-06. This is the first year of increase following three consecutive year of decline for LOS, after experiencing a 10-year high in FY 2002-03. The chart below reflects the growth in commitment beds.

**Division of Youth Corrections - Commitment
Average Daily Population (ADP)**

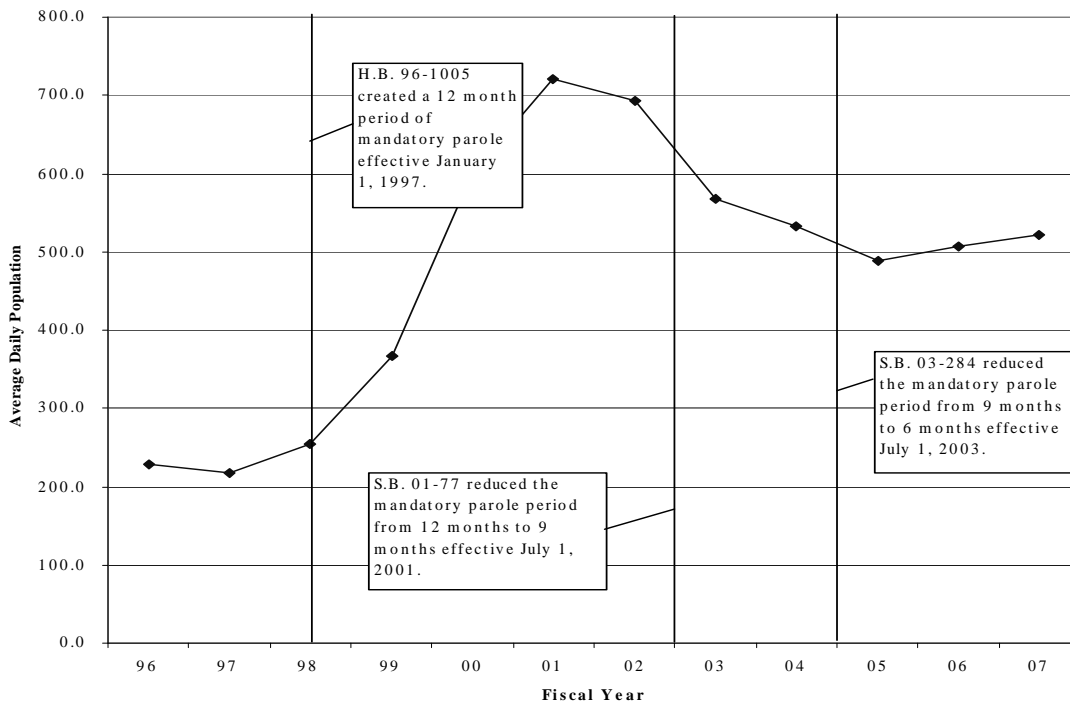


- ✓ *Parole* -- Legislation requiring mandatory parole for all committed juveniles produced a large increase in the parole population in the late 1990s. Changes in the period of mandatory parole have resulted in significant changes in the average daily population (ADP) of paroled youths. Additional paroled youth require more case managers, as well as monitoring and transitional services.

Fiscal Year 2006-07 was also the third full year following the implementation of Senate Bill 03-284, which shortened the mandatory parole length from nine to six months, effective May 1, 2003. However, since the passage of SB 03-284, the parole length of stay (LOS) has consistently exceeded the mandatory parole period of 6 months. For many high-risk youth, the Parole Board has the statutory authority to extend parole for 90 days if determined to be “within the best interest of the juvenile and the public to do so” or for an additional 15 months if there is a “finding of special circumstances” for youth adjudicated for certain offenses (e.g., violent offense, sex offenses, etc.). The parole LOS declined from 8.0 months in FY 2003-04 to 7.1 months in FY 2004-05 to 6.4 months in FY 2005-06. However, the FY 2006-07 parole LOS was 6.8 months.

There was a period of time during FY 2003-04 when youth who had been sentenced under the old 9-month mandate were being released at the same time as youth who were being released from the new six-month parole sentence. This precipitous increase in parole discharges resulted in a statewide decline in parole ADP, and a very large number of discharges.

Division of Youth Corrections - Parole Population



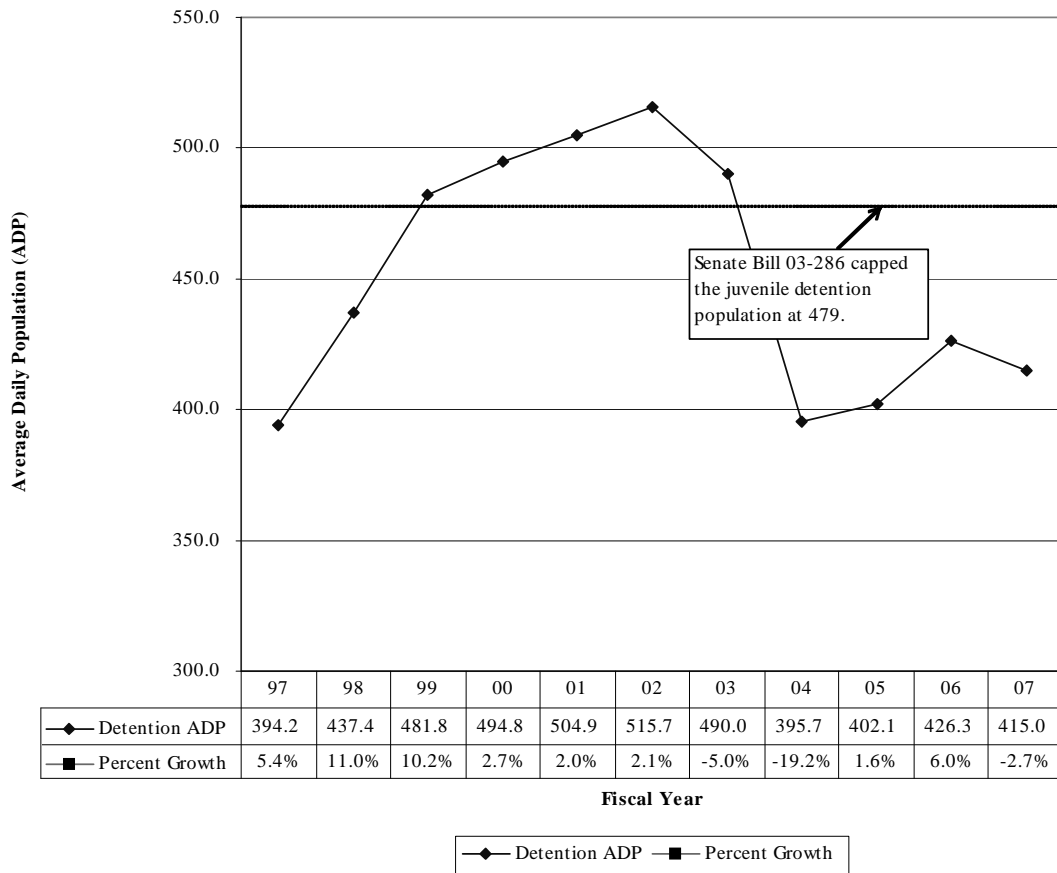
- ✓ *Detention* -- Detention facilities hold youth while awaiting a hearing. Judges can also sentence adjudicated youth to a period of up to 45 days in a detention facility (Section 19-2-911, C.R.S.). The average length of stay in detention has ranged from 10.4 days to 15.7 days from FY 1992-93 through FY 2006-07. In FY 2006-07, the most recent year for which data is available, the average length of stay was 14.0 days.

The growth in detention beds was relatively high in the early 1990s. Senate Bill 91-94 provided authorities with alternatives to detention, including electronic monitoring and day treatment, which helped to reduce the growth. Funds for the S.B. 91-94 programs were reduced significantly from FY 2002-03 through FY 2004-05 due to the shortage of General Fund revenues. The FY 2004-05 Long Bill appropriation of \$8.0 million was 34.8 percent lower than the FY 2002-03 Long Bill appropriation of \$12.3 million. The FY 2007-08 Long Bill appropriation of \$12.5 million is a 19.6 percent increase from the previous fiscal year, but it is still just above the FY 2002-03 level.

Senate Bill 03-286 established a 'cap' or limit of 479 on the number of state-funded detention beds. Each of the State's 22 judicial districts has been allocated a portion of the 479 beds. Statutory language provides that districts may borrow beds within an established 'catchment' area. Statutes also mandate that districts have procedures in place for emergency release of detained youth in the event that a district is unable to borrow a bed. FY 2006-07 was the third full year of operation under the new cap.

The FY 2004-05 detention population reflects the impact of the prior year's detention cap legislation. Declines in detention admissions were expected following the implementation of the statewide capping legislation. Prior to the cap, local jurisdictions were given substantial discretion as to which youth could be admitted into detention. Currently, local jurisdictions still have this level of discretion, but now it must be balanced by the reality of a finite number of allocated beds. As a result, detention is now experiencing a reduction in usage particularly in the admission of truants, status offenders, and other less serious offenders.

Division of Youth Corrections - Detention Average Daily Population



Mental Health

Approximately 40 percent of NYC's committed youth have been diagnosed with moderate or high mental health needs. Studies of the prevalence of mental health problems among juvenile delinquents led the Legislature in FY 1998-99 to provide funding for enhanced mental health services in detention facilities and at Lookout Mountain, the State's most secure juvenile facility, on a pilot basis. These funds were eliminated in FY 2003-04 because of the shortage of General Fund revenues.

In FY 2000-01 the Legislature appropriated planning funds for a new 20-bed secure forensic psychiatric unit for youth with the most severe mental health problems. In FY 2001-02, \$4.9 million in capital construction funds for this project were eliminated as a part of the capital reductions made during the special session. Of this amount, \$3.8 million were federal funds and \$1.1 million were capital construction funds exempt. However, in FY 2005-06 the Legislature approved capital construction funding for the facility, which opened in November, 2006.

Summary of Major Legislation

- ✓ **H.B. 07-1093 (T. Carroll/Bacon):** Directs the Division of Youth Corrections (DYC) to develop policies and procedures regarding sexual assaults that occur in facilities for which it is responsible. Requires that persons investigating sexual assaults in penal institutions be trained in sex crimes investigation. Requires the DYC to keep data related to sexual assaults and provide an annual report to the Judiciary Committees of the General Assembly.
- ✓ **H.B. 06-1395 (Buescher/Keller):** Establishes the Psychiatric Residential Treatment Facility (PRTF), which is now the highest level of treatment facility in Colorado, in response to changes in Medicaid funding for children placed in out-of-home settings.
- ✓ **H.B. 05-1084 (King/Keller):** Requires the Department of Human Services to develop a rate-setting process for providers of residential treatment services and to submit an initial report to the Joint Budget Committee by July 1, 2006, concerning the implementation of such rate-setting process.
- ✓ **H.B. 04-1451 (Clapp/Reeves):** Authorizes each county department of social services and local representatives of the judicial districts, health departments, school districts, community mental health centers, and mental health assessment and service agencies to enter into a memorandum of understanding ("MOU") to promote a collaborative system of treatment and services for children and families. Authorizes parties to an MOU to reinvest any state General Fund savings that result from such collaboration and creates the Performance-based Collaborative Management Incentive Cash Fund to provide incentives to parties to an MOU. On and after July 1, 2005, transfers moneys in the Performance Incentive Cash Fund, the Family Stabilization Services Fund, and moneys received through civil docket fees to the new fund. Repeals the Integrated Care Management Program.
- ✓ **S.B. 03-284 (Teck/Young): Length of Juvenile Parole.** Reduces the mandatory parole period from 9 months to 6 months.
- ✓ **S.B. 03-286 (Reeves/Plant): Juvenile Detention Bed Cap.** Establishes a statewide cap on the number of juvenile detention beds in the state (479 beds).
- ✓ **S.B. 01-77 (Perlmutter/Veiga): Length of Juvenile Parole.** Reduced the mandatory parole period from 12 months to 9 months.
- ✓ **H.B. 01-1357 (Lawrence/Epps): Community Accountability Program.** Directed the Department to develop a community accountability program based on restorative justice principles, as an intermediate sanction between detention and commitment.
- ✓ **H.B. 97-1318 (Adkins/Lacy): Ridge View Academic Model Facility.** Authorized

the Department to contract with a single entity to design, build and operate a "campus-style" facility employing an academic correctional model.

- ✓ **H.B. 96-1005 (Adkins/Wham): Amendments to the Children's Code.** Allowed longer sentences for certain offenses, mandated one-year parole for all committed juveniles, limited the right to a trial by jury to juveniles alleged an aggravated juvenile offender or accused of a crime of violence, lowered the age at which a juvenile may be transferred to district court, and lowered the minimum age and made changes to the definition of an aggravated offender.
- ✓ **H.B. 95-1352 (Adkins/Wham), H.B. 94-1340 (Adkins/Wham), H.B. 93S-1001 (Adkins/Wham): Corrections Construction.** Authorized construction of the Spring Creek, Platte Valley, and Marvin Foote juvenile facilities, expansion of the Grand Mesa and Pueblo juvenile facilities, and various construction projects related to adult corrections. House Bill 93S-1001 criminalized juvenile possession of handguns.
- ✓ **S.B. 91-94 (Rizzuto/Grampas): Alternative Services for Youth.** Provides formula funding to locals for prevention, community supervision, restitution, and other alternatives to the incarceration of juveniles.

Major Funding Changes FY 2006-07 to FY 2007-08

Action <i>(Source)</i>	General Fund	Other Funds <i>(Source)</i>	Total Funds	Total FTE
Increase funding for S.B. 91-94 programs <i>(Department request)</i>	\$1,856,017	\$0	\$1,856,017	0.0
Annualize FY 2006-07 supplemental <i>(Common policy)</i>	464,439	1,156,181 <i>(Medicaid)</i>	1,620,620	0.0
Annualize salary and benefits adjustments <i>(Common policy)</i>	1,273,782	1,763 <i>(Medicaid)</i>	1,275,545	0.0
Provider rate increase <i>(Common policy)</i>	1,043,515	57,373 <i>(Medicaid)</i>	1,100,888	0.0
Annualize prior year legislation <i>(Common policy)</i>	900,327	0	900,327	11.8
Annualize RTC redesign <i>(Common policy)</i>	0	513,126 <i>(Medicaid)</i>	513,126	0.0
Increase funding for medical services <i>(Department request)</i>	456,570	0	456,570	0.0
Increase funding and staffing for critical posts <i>(Department request)</i>	212,638	0	212,638	5.6
Leap year adjustment <i>(Common policy)</i>	174,391	15,868 <i>(Medicaid)</i>	190,259	0.0
Increase funding for food and medical expenses <i>(Department request)</i>	111,409	0	111,409	0.0
Reduce funding for case management and parole <i>(Department request)</i>	1,067,086	(1,592,268) <i>(Medicaid)</i>	(525,182)	0.0

**FY 2008-09 Joint Budget Committee Staff Budget Briefing
DEPARTMENT OF HUMAN SERVICES (Shaded items relate to areas covered in this briefing packet)**

Decision Item Priority List

Priority	Division: Description <i>[Statutory Authority]</i>	GF	CF <i>[Source]</i>	CFE <i>[Source]</i>	FF <i>[Source]</i>	Total	Net GF*	FTE
1A	Office of Behavioral Health and Housing, Mental Health Institute- Pueblo Provide staff and operating funds for new High Security Forensics Institute <i>[Sections 16-8-105 through 16-8-106 and 16-8-112, C.R.S.]</i>	\$638,190	\$0	\$0	\$0	\$638,190	\$638,190	5.1
1B	Office of Operations Provide facility operating funds for new high security forensic institute and heat plant expansion at the Colorado Mental Health Institute at Pueblo <i>[Section 27-1-104, C.R.S.]</i>	\$764,363	\$0	\$0	\$0	\$764,363	\$764,363	6.5
2	Division of Youth Corrections, Community Programs Increase funding due to population impacts on contract bed placements. <i>[Sections 19-2-402 and 403, C.R.S. require DYC to provide care and treatment to detained and committed youth. DYC is responsible for supervising youths on parole pursuant to Section 19-2-209, C.R.S.]</i>	1,718,738	0	41,208 <i>[Medicaid]</i>	0	1,759,946	1,739,342	0.0

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3	Division of Child Welfare, Child Welfare Services Increase funding by 3.4 percent to cover the projected cost increases due to the anticipated growth in the state child / adolescent population. <i>[Sections 26-5-101 and 104, C.R.S.]</i>	6,449,386	0	2,350,210 <i>[Local funds]</i>	2,504,857 <i>[Title IV-E Social Security Act]</i>	11,304,453	6,449,386	0.0
3A	Division of Youth Corrections, Community Programs Increase funding for S.B. 91-94 programs in order to increase capacity. <i>[Sections 19-2-310, 1201, and 1203-1204, C.R.S.]</i>	666,308	0	0	0	666,308	666,308	0.0

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3B	Division of Child Welfare and Division of Youth Corrections Increase support for the Collaborative Management Program, which promotes interagency collaboration in services to children and families. Increase incentive funds for counties and provide 2.0 FTE for DYC program coordination. The impact of the request for areas covered in this briefing packet is shown in italics at right.	122,372	0	500,000	0	622,372	122,372	1.8
		<i>122,372</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>122,372</i>	<i>122,372</i>	<i>1.8</i>
	<i>[Section 24-1.9-104, C.R.S.]</i>			<i>[Performance-based Collaborative Management Incentive Cash Fund]</i>				
3C	Division of Youth Corrections, Community Programs Increase funding for the statewide expansion of the Functional Family Parole (FFP) program, which is currently being run as a pilot program.	359,062	0	0	0	359,062	359,062	1.8
	<i>[Section 19-2-1003, C.R.S.]</i>							

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6	<p>Services for People with Disabilities, Developmental Disability Services, Regional Centers</p> <p>Convert Wheatridge regional center beds from the Medicaid waiver program to ICF/MR institutional placements for purposes of management and Medicaid billing. Also continue to increase staffing at regional centers as second year of multi-year plan to increase staffing intensity. Amount shown is annualized to \$4.0 million (\$1.9 million net General Fund) and 72.7 FTE in FY 2009-10)</p> <p><i>[Sections 27-10.5-301 through 304 and 25.5-6-204 C.R.S.]</i></p>	\$150,667	\$0	\$2,111,227	\$0	\$2,261,894	\$1,206,281	40.4
				<i>[Medicaid]</i>				
7	<p>Office of Behavioral Health and Housing, Mental Health Institutes</p> <p>Compression pay for nursing positions at the Colorado Mental Health Institutes, Pueblo and Fort Logan, to improve retention.</p> <p><i>[Sections 27-13-103 and 27-15-103,</i></p>	1,006,095	0	0	0	1,006,095	1,006,095	0.0

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8	Division of Child Welfare, Administration Add 5.5 FTE to improve state oversight of the county-administered foster care program. Request annualizes to 6.0 FTE in FY 2009-10. <i>[Sections 26-1-108 (2); 26-1-111 (1) and (2) (b), (d), (h) and (q); 26-1-118 (1) and (2); 26-6-106.5; 19-3-406; and</i>	373,729	0	0	105,411 <i>[Title IV-E Social Security Act]</i>	479,140	373,729	5.5
9	Office of Operations and Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes Transfer linen contract from Office of Operations to Mental Health Institutes. <i>[Section 24-102-202 and 27-1-104, C.R.S.]</i>	0	0	0	0	0	0	0.0
10	Office of Behavioral Health and Housing, Mental Health Provide community mental health services to 966 additional clients <i>[Sections 27-1-203 and 27-1-204, C.R.S.]</i>	2,998,464	0	0	0	2,998,464	2,998,464	0.0

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11	Office of Information Technology Services Increase funding to increase OIT staff that provide support to department and county clients. <i>[Section 26-1-105, C.R.S.]</i>	126,550	733 <i>[Old Age Pension]</i>	16,410 <i>[Medicaid (from HCP&F) and various sources]</i>	24,432 <i>[Food Stamps and TANF]</i>	168,125	129,826	2.4
12	Office of Operations Increase FTE and spending authority for Buildings and Grounds Fund, which supports maintenance and repair of Human Services facilities and grounds rented by other state agencies and non-profit organizations. Request annualizes to \$115,410 and 3.5 FTE in FY 2009-101 <i>[Section 25-1-118, C.R.S.]</i>	0	102,888 <i>[Building and Grounds Cash Fund]</i>	308,665 <i>[Building and Grounds Cash Fund reserves]</i>	0	411,553	0	3.5
13	Office of Self Sufficiency Increase funding to add 4.0 FTE to create a quality control unit that will provide oversight of county TANF programs <i>[Section 26-2-712, C.R.S.]</i>	0	0	0	235,542 <i>[TANF long-term reserves]</i>	235,542	0	4.0

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14	Executive Director's Office, Special Purpose, Colorado Commission for the Deaf and Hard of Hearing Add 0.5 FTE and associated funding transferred from the Disabled Telephone Users Fund for a Telecommunications Equipment Distribution Program coordinator. <i>[Section 26-21-102 through 108, C.R.S.]</i>	0	0	31,116 <i>[Disabled Telephone Users Fund]</i>	0	31,116	0	0.5
15	Office of Information Technology Services Fund TANF-related changes to CBMS to support increased supervision of county operations. <i>[Section 26-2-712, C.R.S.]</i>	0	0	0	2,838,755 <i>[TANF long-term reserves]</i>	2,838,755	0	0.0
16	Office of Self Sufficiency Creates a new Promoting Responsible Fatherhood Grant line item with \$222,222 GF. Offsets this with a corresponding GF reduction in County Block Grants, in turn offset by a corresponding increase in TANF funding for County Block Grants. <i>[Section 26-1-109, C.R.S., and 42 U.S.C. 603 (a) (2)]</i>	0	0	0	222,222 <i>[TANF long-term reserves]</i>	222,222	0	0.0

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17	Adult Assistance Programs Increase in cash funds for the Old Age Pension program related to COLA increase. This request is informational, as OAP funding is continuously appropriated by the Colorado Constitution. <i>[Article XXIV, Constitution of the State of Colorado, Sections 26-2-111 (2) and 26-2-114, C.R.S.]</i>	0	3,420,600 <i>[Old Age Pension Fund]</i>	0	0	3,420,600	0	0.0
18	Adult Assistance Programs Increases the federal funds shown in the Community Services for the Elderly line item to reflect available federal funds. Requests an increase of \$210,743 cash funds exempt funding needed to draw down the matching federal funds. <i>[Section 26-11-207 (6), C.R.S.]</i>	0	0	210,743 <i>[Local Funds]</i>	1,004,271 <i>[Older Americans Act fund]</i>	1,215,014	0	0.0
19	Office of Self Sufficiency Allocates an additional \$358,718 to the Colorado Refugee Services Program from the federal TANF block grant, bringing the total TANF funding in CRSP to \$815,850. <i>[Section 26-2-703 (17.7), C.R.S.]</i>	0	0	0	358,718 <i>[TANF]</i>	358,718	0	0.0

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20	Division of Child Care Add 1.0 FTE and associated funding to provide support for the Division of Child Care website. <i>[Sections 26-6-105, 26-6-106, and 26-6-108.5, C.R.S.]</i>	0	66,349 <i>[Child Care Licensing Cash Fund]</i>	0	0	66,349	0	1.0
NP-1	Various Provide a 1.35 percent cost of living adjustment (COLA) for all community providers. The impact of the request for areas covered in this briefing packet is shown in italics at right. <i>[Sections 19-2-402 and 403, C.R.S. require DYC to provide care and treatment to detained and committed youth. DYC is responsible for supervising youths on parole pursuant to Section 19-2-209, C.R.S.]</i>	5,101,845	939	6,029,442	2,550,772	13,682,998	7,449,528	0.0
		<i>\$962,815</i>	<i>\$0</i>	<i>\$37,959</i>	<i>\$14,591</i>	<i>\$1,015,365</i>	<i>\$981,795</i>	<i>0.0</i>
				<i>[Medicaid]</i>	<i>[Title IV-E]</i>			
NP-2	County Administration Requests the Long Bill Division "County Administration" and the line item of the same name within the Division be renamed <i>[Sections 26-1-105 and 108, C.R.S.]</i>	0	0	0	0	0	0	0.0
DPA-1	Office of Information Technology Services Multiuse Network Payments <i>[Section 24-30-1104 (2), and 24-37.5-202,203, C.R.S.]</i>	161,324	2,645 <i>[Various Sources]</i>	21,157 <i>[Various Sources]</i>	79,340 <i>[Various Sources]</i>	264,466	167,513	0.0

FY 2008-09 Joint Budget Committee Staff Budget Briefing
DEPARTMENT OF HUMAN SERVICES (Shaded items relate to areas covered in this briefing packet)

Decision Item Priority List

Priority	Division: Description <i>[Statutory Authority]</i>	GF	CF <i>[Source]</i>	CFE <i>[Source]</i>	FF <i>[Source]</i>	Total	Net GF*	FTE
DPA-2	Office of Operations Vehicle lease reconciliation and vehicle replacements <i>[Section 24-30-1104 (2), C.R.S.]</i>	(47,747)	1,626 <i>[Various sources]</i>	(34,568) <i>[Medicaid (transfers from HCP&F) and Various sources]</i>	6,146 <i>[Various sources]</i>	(74,543)	(65,605)	0.0
DPA-3	Executive Director's Office Workers' Compensation <i>[Section 24-50-101, C.R.S.]</i>	47,889	214 <i>[Various Sources]</i>	38,758 <i>[Various Sources]</i>	3,927 <i>[Various Sources]</i>	90,788	61,478	0.0
	Total Department Request	\$20,728,606	\$3,603,811	\$19,927,658	\$10,042,015	\$54,302,090	\$27,844,811	79.3
	Total for Shaded Items	\$3,829,295	\$0	\$79,167	\$14,591	\$3,923,053	\$3,868,879	3.6

* These amounts are included for informational purposes only. Medicaid cash funds are classified as cash funds exempt for the purpose of complying with Article X, Section 20 of the State Constitution. These moneys are transferred from the Department of Health Care Policy and Financing, where about half of the dollars are appropriated as General Fund. Net General Fund equals the General Fund dollars listed above plus the General Fund transferred as part of Medicaid.

**FY 2008-09 Joint Budget Committee Staff Budget Briefing
DEPARTMENT OF HUMAN SERVICES:
DIVISION OF YOUTH CORRECTIONS
OVERVIEW OF NUMBERS PAGES**

Requested Changes FY 2007-08 to FY 2008-09:						
Description	FTE	General Fund	Cash	Cash Exempt	Federal	Total
Salary and benefits adjustments.	0.0	\$2,600,268	\$122	\$4,640	\$625	\$2,605,655
Increase funding for contract placements based on a projected 2.2 percent caseload increase (<i>DI #2</i>).	0.0	1,718,738	0	41,208	0	1,759,946
Increase funding to support a 1.35 percent provider rate increase for all contractors that provide client services to the Division (<i>DI #NP-1</i>).	0.0	962,815	0	37,959	14,591	1,015,365
Increase funding for S.B. 91-94 programs to increase the capacity among the 22 judicial districts and to allow the implementation of additional programs (<i>DI #3A</i>).	0.0	666,308	0	0	0	666,308
Increase funding and staff for the statewide expansion of the Functional Family Parole program, which is currently being implemented on a pilot basis in the central management region (<i>DI #3C</i>).	1.8	359,062	0	0	0	359,062
Increase funding and staff to provide assistance and support to the management regions in actively participating in the H.B. 04-1451 programs, of which there are currently 18 in the State (<i>DI #3B</i>).	1.8	122,372	0	0	0	122,372
Annualize critical post staffing at the Marvin W. Foote Youth Services Center.	1.9	105,852	0	0	0	105,852
Eliminate FY 2007-08 leap year adjustment.	0.0	(174,391)	0	(12,958)	(2,910)	(190,259)
Annualize H.B. 07-1093, which requires training of staff on sexual assaults.	0.0	(48,580)	0	0	0	(48,580)
Net Change	5.5	\$6,312,444	\$122	\$70,849	\$12,306	\$6,395,721

**FY 2008-09 Joint Budget Committee Staff Budget Briefing
Department of Human Services: Division of Youth Corrections**

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Requests
DEPARTMENT OF HUMAN SERVICES					
Executive Director: Karen L. Beye					
(11) DIVISION OF YOUTH CORRECTIONS					
(A) Administration					
This section provides funding and state staff associated with providing policy direction for the DYC and administering and monitoring the quality of care provided to delinquent youth. The source of cash funds exempt is a grant from the Victims Assistance and Law Enforcement (VALE) Board.					
Personal Services - General Fund	1,163,722	1,197,564	1,221,746	1,306,837	
FTE	14.1	14.6	15.4	15.4	
Operating Expenses - General Fund	30,294	30,294	30,294	30,294	
Victims Assistance - Cash Funds Exempt	25,081	26,816	27,222	28,366	
FTE	0.4	0.3	0.5	0.5	
					Request vs. Appropriation
(11) DIVISION OF YOUTH CORRECTIONS					
Subtotal - (A) Administration	1,219,097	1,254,674	1,279,262	1,365,497	6.7%
FTE	<u>14.5</u>	<u>14.9</u>	<u>15.9</u>	<u>15.9</u>	
General Fund	1,194,016	1,227,858	1,252,040	1,337,131	6.8%
Cash Funds Exempt	25,081	26,816	27,222	28,366	4.2%
(B) Institutional Programs					
This section provides funding and state staff associated with providing detention services and institutional care, including educational, medical, food, and maintenance services. The cash funds exempt primarily reflect transfers of federal funds from the Department of Education for school breakfast/lunch and special and vocational education.					
Personal Services - General Fund	35,099,792	38,996,136	40,711,093	42,767,399	DI #NP-1
FTE	701.5	759.9	792.4	794.3	

**FY 2008-09 Joint Budget Committee Staff Budget Briefing
Department of Human Services: Division of Youth Corrections**

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Requests
Operating Expenses	<u>3,216,391</u>	<u>3,451,834</u>	<u>3,410,496</u>	<u>3,411,434</u>	
General Fund	1,764,900	2,019,152	2,080,296	2,081,234	
Cash Funds Exempt	0	1,432,682	1,330,200	1,330,200	
Federal Funds	1,451,491	0	0	0	
Capital Outlay - General Fund	0	102,432	0	0	
Medical Services - General Fund	6,735,455	7,106,403	7,810,704	7,954,306	
FTE	33.9	35.6	39.0	39.0	
Enhanced Mental Health Services Pilot for Detention - General Fund	249,426	257,743	262,704	265,402	DI #NP-1
Educational Programs	5,216,779	5,689,341	5,573,551	5,697,055	DI #NP-1
FTE	<u>30.3</u>	<u>32.5</u>	<u>40.8</u>	<u>40.8</u>	
General Fund	4,734,991	5,048,441	5,229,658	5,353,162	
Cash Funds Exempt	0	29,802	343,893	343,893	
Federal Funds	481,788	611,098	0	0	
Prevention / Intervention Services - Cash Funds Exempt	49,771	49,814	49,693	49,817	
FTE	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	
Cash Funds Exempt	0	49,814	49,693	49,817	
Federal Funds	49,771	0	0	0	
					Request vs. Appropriation
(11) DIVISION OF YOUTH CORRECTIONS					
Subtotal - (B) Institutional Programs	50,567,614	55,653,703	57,818,241	60,145,413	4.0%
FTE	<u>766.7</u>	<u>829.0</u>	<u>873.2</u>	<u>875.1</u>	
General Fund	48,584,564	53,530,307	56,094,455	58,421,503	4.1%
Cash Funds Exempt	0	1,512,298	1,723,786	1,723,910	0.0%
Federal Funds	1,983,050	611,098	0	0	N/A

**FY 2008-09 Joint Budget Committee Staff Budget Briefing
Department of Human Services: Division of Youth Corrections**

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Requests
(C) Community Programs					
This section provides funding and state staff associated with providing case management services for committed youth and parolees, contracting for private residential placements, and funding Senate Bill 91-94 programs. The cash funds are from the contractor for the Ridge View Facility to pay for DYC's monitoring expenses pursuant to Section 19-2-411.5 (2)(e), C.R.S. The cash funds exempt reflect Medicaid funds transferred from the Department of Health Care Policy and Financing.					
Personal Services	6,899,360	7,252,979	7,393,280	7,947,946	DI #3B, #3C
FTE	<u>107.6</u>	<u>109.5</u>	<u>115.2</u>	<u>118.8</u>	
General Fund	6,554,625	6,915,661	7,053,404	7,603,951	
Cash Funds	54,978	53,802	48,728	48,850	
Cash Funds Exempt	39,757	33,516	41,148	44,520	
Federal Funds	250,000	250,000	250,000	250,625	
*Medicaid Cash Funds	39,757	39,757	41,148	44,520	
*Net General Fund	6,574,503	6,935,540	7,073,978	7,626,211	
Operating Expenses	<u>331,714</u>	<u>338,733</u>	<u>342,240</u>	<u>359,860</u>	DI #3B, #3C
General Fund	329,266	336,285	339,792	357,412	
Cash Funds	2,448	2,448	2,448	2,448	
Capital Outlay - General Fund	6,980	8,084	0	0	
Purchase of Contract Placements	<u>49,513,035</u>	<u>51,131,337</u>	<u>54,786,665</u>	<u>57,138,002</u>	DI #2, #NP-1
General Fund	32,437,413	48,483,406	52,007,869	54,293,352	
Cash Funds Exempt	17,075,622	2,647,931	2,778,796	2,844,650	
*Medicaid Cash Funds	17,075,622	2,647,931	2,778,796	2,844,650	
*Net General Fund	40,975,224	49,807,372	53,397,267	55,715,677	
Managed Care Pilot Project	<u>1,285,749</u>	<u>1,336,507</u>	<u>1,373,590</u>	<u>1,388,436</u>	DI #NP-1
General Fund	1,075,588	1,317,709	1,340,657	1,355,148	
Cash Funds Exempt	210,161	18,798	32,933	33,288	
*Medicaid Cash Funds	210,161	18,798	32,933	33,288	
*Net General Fund	1,180,669	1,327,108	1,357,124	1,371,792	

**FY 2008-09 Joint Budget Committee Staff Budget Briefing
Department of Human Services: Division of Youth Corrections**

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Requests
S.B. 91-94 Programs - General Fund	9,125,650	10,407,695	12,463,139	13,269,145	DI #3A, #NP-1
Parole Program Services	<u>1,257,197</u>	<u>3,310,521</u>	<u>3,369,656</u>	<u>3,656,075</u>	DI #3C, #NP-1
General Fund	228,633	2,248,529	2,288,824	2,563,562	
Federal Funds	1,028,564	1,061,992	1,080,832	1,092,513	
Juvenile Sex Offender Staff Training - Cash Funds	<u>33,235</u>	<u>34,822</u>	<u>95,640</u>	<u>47,060</u>	
General Fund	0	0	57,390	8,810	
Cash Funds	33,235	34,822	38,250	38,250	
					Request vs. Appropriation
(11) DIVISION OF YOUTH CORRECTIONS					
Subtotal - (C) Community Programs	68,452,920	73,820,678	79,824,210	83,806,524	5.0%
FTE	<u>107.6</u>	<u>109.5</u>	<u>115.2</u>	<u>118.8</u>	
General Fund	49,758,155	69,717,369	75,551,075	79,451,380	5.2%
Cash Funds	90,661	91,072	89,426	89,548	0.1%
Cash Funds Exempt	17,325,540	2,700,245	2,852,877	2,922,458	2.4%
Federal Funds	1,278,564	1,311,992	1,330,832	1,343,138	0.9%
*Medicaid Cash Funds	<i>17,325,540</i>	<i>2,706,486</i>	<i>2,852,877</i>	<i>2,922,458</i>	2.4%
*Net General Fund	<i>58,413,945</i>	<i>71,070,613</i>	<i>76,977,514</i>	<i>80,912,609</i>	5.1%
TOTAL - (11) DIVISION OF YOUTH CORRECTIONS	120,239,631	130,729,055	138,921,713	145,317,434	4.6%
FTE	<u>888.8</u>	<u>953.4</u>	<u>1,004.3</u>	<u>1,009.8</u>	
General Fund	99,536,735	124,475,534	132,897,570	139,210,014	4.7%
Cash Funds	90,661	91,072	89,426	89,548	0.1%
Cash Funds Exempt	17,350,621	4,239,359	4,603,885	4,674,734	1.5%
Federal Funds	3,261,614	1,923,090	1,330,832	1,343,138	0.9%
*Medicaid Cash Funds	<i>17,325,540</i>	<i>2,706,486</i>	<i>2,852,877</i>	<i>2,922,458</i>	2.4%
*Net General Fund	<i>108,192,525</i>	<i>125,828,778</i>	<i>134,324,009</i>	<i>140,671,243</i>	4.7%

* These amounts are included for informational purposes only. Medicaid cash funds are classified as cash funds exempt for the purpose of complying with Article X, Section 20 of the State Constitution. These moneys are transferred from the Department of Health Care Policy and Financing where generally half of the dollars are appropriated as General Fund. Net General Fund equals the General Fund dollars listed above plus the General Fund transferred as part of Medicaid.

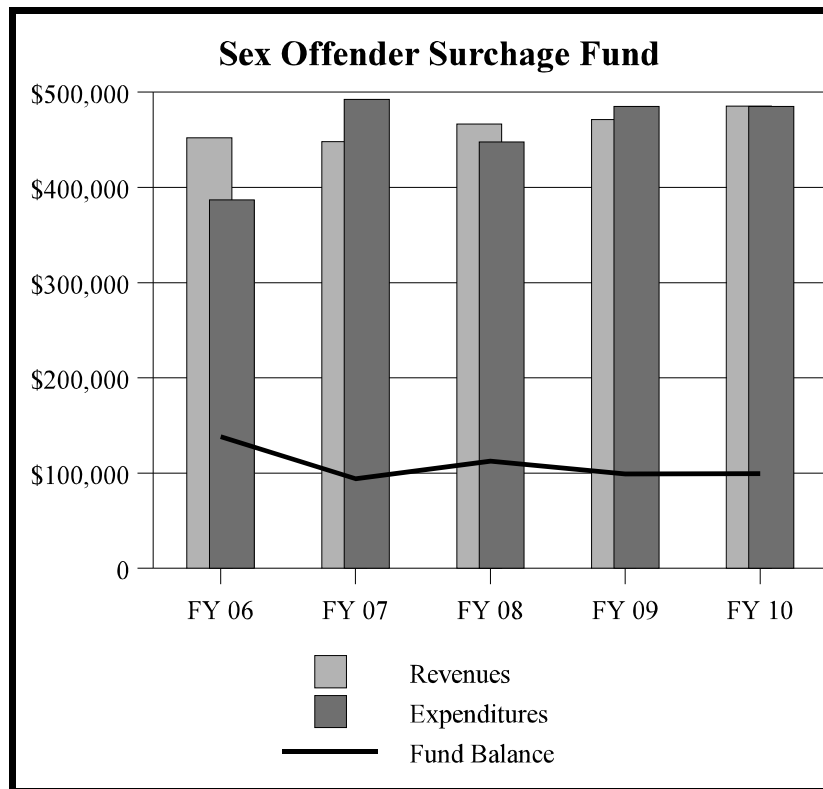
**FY 2008-09 Joint Budget Committee Staff Budget Briefing
DEPARTMENT OF HUMAN SERVICES:
DIVISION OF YOUTH CORRECTIONS
FY 2007-08 LONG BILL FOOTNOTE UPDATE**

- 6 Department of Corrections, Management, Executive Director's Office Subprogram; Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Alcohol and Drug Abuse Division; and Division of Youth Corrections; Judicial Department, Probation and Related Services; and Department of Public Safety, Division of Criminal Justice --** State agencies involved in multi-agency programs requiring separate appropriations to each agency are requested to designate one lead agency to be responsible for submitting a comprehensive annual budget request for such programs to the Joint Budget Committee, including prior year, request year, and three year forecasts for revenues into the fund and expenditures from the fund by agency. The requests should be sustainable for the length of the forecast based on anticipated revenues. Each agency is still requested to submit its portion of such request with its own budget document. This applies to requests for appropriation from the Drug Offender Surcharge Fund, the Sex Offender Surcharge Fund, the Persistent Drunk Driver Cash Fund, and the Alcohol and Drug Driving Safety Fund, among other programs.

Comment: *The Governor vetoed this footnote on May 2, 2007 on the grounds that: (1) it violates the separation of powers by attempting to administer the appropriation and by attempting to dictate the format of the executive budget request; and (2) it constitutes substantive legislation. After the General Assembly overrode all Long Bill vetoes, the Department was directed to comply with the footnote to the extent feasible pursuant to the August 16, 2007 letter from the director of the Office of State Planning and Budgeting to the leadership of the General Assembly.*

The Division of Youth Corrections is in compliance with this footnote. The Division shares only one fund with other state agencies: the Sex Offender Surcharge Fund created in Section 18-21-103, C.R.S. According to the budget request submitted by the Judicial Department for FY 2008-09, this fund balance is projected to be sustainable for the foreseeable future. The table below reflects the anticipated fund balance for the Sex Offender Surcharge Fund.

Sex Offender Surcharge Fund Balance (Section 18-21-103, C.R.S.)					
	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Projected	FY 2008-09 Projected	FY 2009-10 Projected
Beginning Fund Balance	\$73,080	\$138,335	\$94,147	\$112,784	\$99,101
Plus Revenue	452,065	448,218	466,508	471,173	485,308
Minus Expenditures					
Judicial	(194,076)	(275,029)	(253,704)	(253,704)	(253,704)
Corrections	(26,445)	(29,311)	(24,621)	(29,311)	(29,311)
Public Safety	(133,054)	(153,244)	(137,416)	(163,591)	(163,591)
Div. of Youth Corrections	<u>(33,235)</u>	<u>(34,822)</u>	<u>(32,130)</u>	<u>(38,250)</u>	<u>(38,250)</u>
Total Expenditures	(386,810)	(492,406)	(447,871)	(484,856)	(484,856)
Ending Fund Balance	\$138,335	\$94,147	\$112,784	\$99,101	\$99,553
Balance increase /(decrease)	\$65,255	(\$44,188)	\$18,637	(\$13,683)	\$452



This appropriation to the Division of Youth Corrections is used to support the Division's responsibilities to train its staff to implement the provisions of

H.B. 00-1317 (Rep. Tool / Sen. Anderson), which requires standards for the evaluation and identification of juvenile sex offenders.

11 Department of Corrections, Totals; Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Alcohol and Drug Abuse Division; and Division of Youth Corrections; Department of Public Safety, Division of Criminal Justice -- It is the intent of the General Assembly that the impacts of the Governor's Recidivism Reduction and Offender Diversion Package funded by the General Assembly in 2007, be analyzed using contract funding appropriated for this purpose to the Department of Public Safety, Division of Criminal Justice. The evaluation should specifically address: the Short-term Intensive Residential Remediation Treatment Program (STIRRRT) in the Department of Human Services, Diversion Community Corrections Beds in the Department of Public Safety, Mental Health Beds in the Department of Public Safety, and any new programs or services created or implemented through additional budgetary flexibility provided to the Division of Youth Corrections in the Department of Human Services. It is the intent of the General Assembly that the contractor compare the outcomes for offenders who participate in these programs with outcomes for offenders in predetermined control groups. The Department of Public Safety, Division of Criminal Justice, in conjunction with other state departments, is requested to submit an annual progress report to the Joint Budget Committee by November 1 of each year. This report is requested to include a summary of the number of offenders served by each program and a summary of the program evaluation techniques that will be used to examine the effectiveness of each program. The Department of Public Safety, Division of Criminal Justice, is requested to submit a final report to the Joint Budget Committee on or before November 1, 2012. The final report should specifically address whether any of the interventions funded were cost-effective and, based on this, recommendations for continuation, modification or elimination of each program.

Comment: *The Governor vetoed this footnote on May 2, 2007 on the grounds that: (1) it violates the separation of powers by attempting to administer the appropriation; and (2) it constitutes substantive legislation. After the General Assembly overrode all Long Bill vetoes, the Department was directed to comply with the footnote to the extent feasible pursuant to the August 16, 2007 letter from the director of the Office of State Planning and Budgeting to the leadership of the General Assembly.*

The Division of Criminal Justice (DCJ) provided a memo on November 7, 2007 regarding the Recidivism Reduction and Offender Diversion Package and the evaluation techniques that will be used. However, because of timing issues (the Recidivism Reduction and Offender Diversion Package did not take effect until the beginning of FY 2007-08), the Division of Criminal Justice did not have adequate data in which to provide a full status report. With regard to the Division of Youth Corrections, the memo states that DCJ is awaiting a report from DYC on its plans concerning implementation of its new flexibility provisions.

84 Department of Human Services, Division of Youth Corrections, Administration

-- The Division is requested to continue its efforts to provide outcome data on the effectiveness of its programs. The Division is requested to provide to the Joint Budget Committee, by January 1 of each year, an evaluation of Division placements, community placements, and nonresidential placements. The evaluation should include, but not be limited to, the number of juveniles served, length of stay, and recidivism data per placement.

Comment: The Governor vetoed this footnote on May 2, 2007 on the grounds that: (1) it violates the separation of powers by attempting to administer the appropriation; and (2) it constitutes substantive legislation. After the General Assembly overrode all Long Bill vetoes, the Department was directed to comply with the footnote to the extent feasible pursuant to the August 16, 2007 letter from the director of the Office of State Planning and Budgeting to the leadership of the General Assembly.

The Department provided a report on January 1, 2007. Length of stay information is summarized in the following table:

Length of Stay for DYC Youth - January 2007 Report					
	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06
Detention (days)	15.7	15.3	12.8	13.1	14.1
Commitment (months)	17.7	19.5	18.9	18.8	18.2
Parole (months)	12.1	n/a	8.0	7.1	6.4

* FY 2002-03 length of stay information was not available for the parole population because of the delays that were encountered getting the TRAILS information system online. The system is now operational, and staff anticipates that the Division will be able to provide this data in future years.

The recidivism rates reported by the Division are summarized in the following table:

DYC Recidivism One-Year Rate (Post Discharge) - January 2007 Report					
	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05
Recidivism Rate	36.0%	n/a	34.4%	38.0%	37.9%

* DYC defines recidivism as a new misdemeanor or felony offense within one year of discharge resulting in a filing. FY 2001-02 recidivism rate information was not available because of the delays that were encountered getting the TRAILS information system online. The system is now operational, and staff anticipates that the Division will be able to provide this data in future years.

85 Department of Human Services, Division of Youth Corrections, Administration

-- It is the intent of the General Assembly that the Department provide a report to the Joint Budget Committee on January 1, 2008 which tracks and compares

recidivism rates between those juveniles receiving drug and alcohol treatment and those not receiving treatment, while sentenced to commitment.

Comment: *The Governor vetoed this footnote on May 2, 2007 on the grounds that: (1) it violates the separation of powers by attempting to administer the appropriation; and (2) it constitutes substantive legislation. After the General Assembly overrode all Long Bill vetoes, the Department was directed to comply with the footnote to the extent feasible pursuant to the August 16, 2007 letter from the director of the Office of State Planning and Budgeting to the leadership of the General Assembly.*

The Department has requested consolidating this footnote report with the Division's overall recidivism report required by footnote 84. This overall report is submitted annually on January 1. Therefore, at this time, the response to this footnote has been postponed until January 1, 2008.

86 Department of Human Services, Division of Youth Corrections, Community Programs, Purchase of Contract Placements -- It is the intent of the General Assembly that up to 15.0 percent of the General Fund appropriation to this line may be used to provide treatment, transition, and wrap-around services to youths in the Division of Youth Correction's system in residential and non-residential settings. The Division is requested to provide a report to the Joint Budget Committee on November 1, 2007. This report should include the following information: (1) The amount spent serving youths in residential and non-residential settings from this line item in FY 2006-07; (2) the type of services purchased with such expenditures; (3) the number of committed and detained youths treated with such expenditures; (4) baseline data that will serve to measure the effectiveness of such expenditures; and (5) an evaluation of the effectiveness of this footnote in addressing the need for flexibility in treating and transitioning youth from residential to non-residential settings.

Comment: The Department submitted a report on November 1, 2007. The Division has used the flexibility within this line item to implement its Continuum of Care Initiative on March, 2006. This initiative is based on principles of effective juvenile justice strategy such as: (1) state-of-the-art assessment; (2) enhanced treatment services within residential facilities; and (3) improved transitions to appropriate community-based services. As part of this strategy, the Continuum of Care Initiative seeks to provide the optimal length of stay in each stage of service as juvenile offenders move from secure residential to community-based parole services.

In order to ensure accurate and targeted information to support individualized case planning, the Division has developed a new risk assessment instrument, the Colorado Juvenile Risk Assessment (CJRA), which is a modified version of the Washington State Juvenile Risk Assessment. The Division is using this instrument

to assess the individual criminogenic risks and needs of juveniles and utilizing the results to provide appropriate evidence-based treatments.

The Continuum of Care Initiative is organized around the following principles of effective practice:

- ✓ Risk Principle: Target intensive services on higher risk youth.
- ✓ Need Principle: Treat risk factors associated with offending behavior.
- ✓ Treatment Principle: Employ evidence-based treatment approaches as available.
- ✓ Responsivity Principle: Use individualized case management to tailor treatments to meet special needs.
- ✓ Quality Assurance (Fidelity) Principle: Monitor implementation quality and treatment fidelity.

Expenditures. For the period covered by the Division's report (FY 2006-07), the total expenditures for the Continuum of Care Initiative were \$3,790,116. These funds were spent across the 1,703 youth served, for an average of just over \$2,225 per youth. The report does not specify the amount spent serving youth in residential versus non-residential settings from this line item in FY 2006-07; however, the table below summarizes the types and number of services purchased with Continuum of Care Initiative funds. The remaining expenditures went toward additional youth supervision and support services, which include electronic monitoring and independent living expenses.

Expenditures by Type of Service July 2006 - June 2007		
Type of Service	Amount Spent	Percent of Spending
Mentoring	\$1,188,863	39.3%
Family Therapy	659,698	21.8%
Job/Skills Training	386,709	12.8%
Community Transition	290,108	9.6%
Individual Therapy	142,145	4.7%
Day Treatment	89,875	3.0%
Substance Abuse Treatment	74,896	2.5%
Administrative-Capacity Building	53,803	1.8%
Offense-Specific Treatment	52,580	1.7%
Group Therapy	41,124	1.4%
Art-Recreational Therapy	31,487	1.0%
Assessment and Evaluation	6,430	0.2%
Restorative-Community Justice	4,973	0.2%
Total	\$3,022,691	100.0%

Youth Served. A total of 1,703 individual youths received services under the Continuum of Care Initiative. All of the youth receiving services were committed youth. No detained youth were served using Continuum of Care Initiative funds. At the end of FY 2006-07, of the 1,703 youth served, 647 (38 percent) were in residential placement, 305 (18 percent) were on parole and 693 (41 percent) had been discharged from NYC. The majority of the youth served in the Continuum of Care Initiative (89 percent) were male. This is consistent with the overall NYC population that was 87 percent male in FY 2006-07.

Baseline Data. Because reducing length of stay in residential placements is an important Continuum of Care Initiative goal, it is planned that this outcome will continue to be a focus of future evaluation reports. Also, reductions in length of stay typically lead to a reduced average daily population (ADP); however, the Division cautions that under the current funding formulas that use commitment ADP to guide funding level decisions, success of the Continuum of Care Initiative could result in reducing overall funds available to serve youth under the initiative. In addition, as more information becomes available regarding youth outcomes, future reports will also incorporate additional data sources allowing for a broader examination of the effectiveness of the initiative.

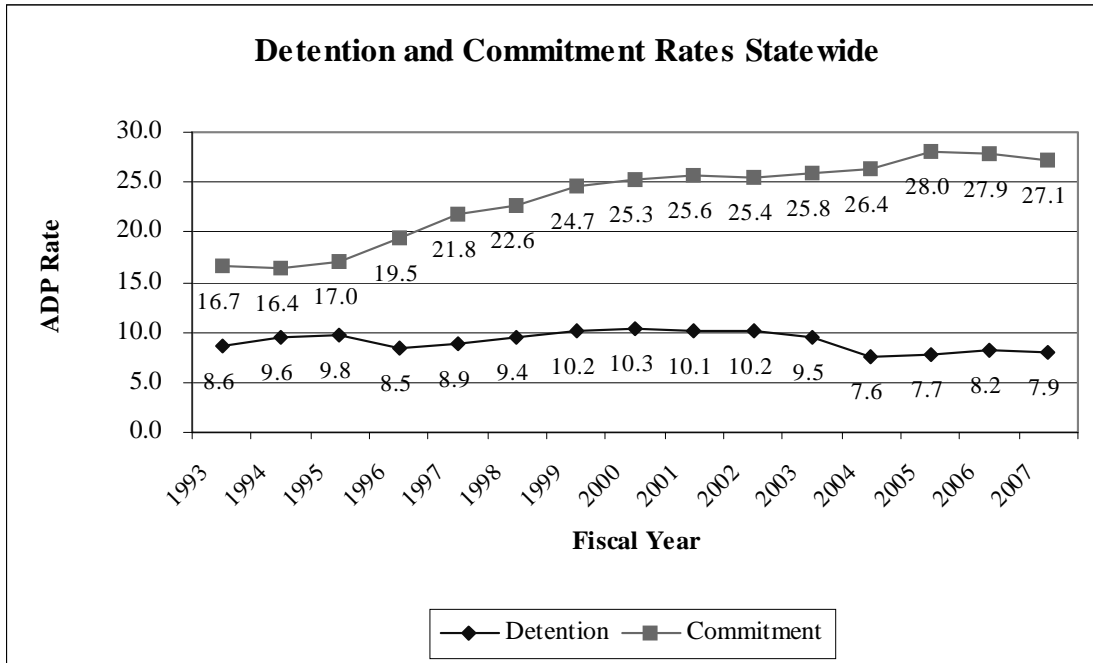
Preliminary Outcomes. The average time in placement for youth served under the Continuum of Care Initiative in FY 2006-07 was 19.0 months, as compared with the DYC benchmark residential commitment length of stay for FY 2004-05 of 18.6 months. When the entire length of stay is evaluating including parole, the numbers are 25.7 and 25.9, respectively. Also, the Department has seen two consecutive years of slightly declining commitment ADP, after 14 years of growth. Additionally, the Division reports that the rate of recommitment among those in the Continuum of Care Initiative is 20.9 percent compared with the benchmark (FY 2004-05) of 25 percent. Finally, the Department indicates that recidivism rates appear to be improving among the Continuum of Care youths (nearly 10 percent fewer pre-discharge recidivism events); however, complete data including post-discharge recidivism events is not available at this time to make a full assessment.

- 87 Department of Human Services, Division of Youth Corrections, Community Programs, S.B. 91-94 Programs** -- The Department is requested to submit to the Joint Budget Committee no later than November 1 of each year a report that includes the following information by judicial district and for the state as a whole: (1) Comparisons of trends in detention and commitment incarceration rates; (2) profiles of youth served by S.B. 91-94; (3) progress in achieving the performance goals established by each judicial district; (4) the level of local funding for alternatives to detention; and (5) identification and discussion of potential policy issues with the types of youth incarcerated, length of stay, and available alternatives to incarceration.

Comment: *The Governor vetoed this footnote on May 2, 2007 on the grounds that: (1) it violates the separation of powers by attempting to administer the appropriation; and (2) it constitutes substantive legislation. After the General Assembly overrode all Long Bill vetoes, the Department was directed to comply with the footnote to the extent feasible pursuant to the August 16, 2007 letter from the director of the Office of State Planning and Budgeting to the leadership of the General Assembly.*

The Department provided a report on November, 1, 2007. In the report's executive summary, the Division identifies two continuing major system changes that affected the S.B. 91-94 Programs in FY 2006-07. First, FY 2006-07 was the fourth fiscal year in which a statutory detention bed cap was enforced (479.0 ADP). Second, the Division received funding in FY 2006-07 for S.B. 91-94 Programs that was 14.2 percent higher than the FY 2005-06 funding level. The additional increase provided for FY 2007-08 brings the S.B. 91-94 Program budget up 1.7 percent higher than in FY 2002-03.

Trends in Detention and Commitment Rates. Trend data with regard to detention and commitment incarceration rates were reported as follows:



Average daily population rates (ADP) in the above graph are calculated in terms of the number of youths in detention or commitment for every 10,000 youths in the general population. In FY 2006-07, both the commitment ADP and detention ADP decreased slightly.

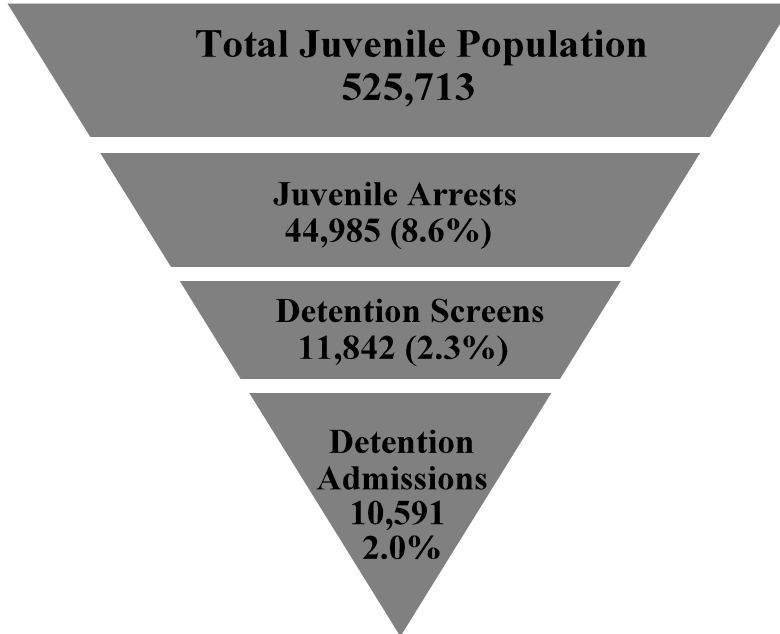
The following tables illustrate the detention and commitment ADP and length of stay (LOS) data for individual judicial districts in FY 2006-07. Please note that the statewide and regional ADP numbers are not a sum of the districts, primarily due to Trails rounding and reporting issues, as well as assignment of youth transferring districts while being detained.

Detention ADP and LOS by Judicial District FY 2006-07								
District	ADP				LOS (Days)			
	FY 05	FY 06	FY 07	Change	FY 05	FY 06	FY 07	Change
Central Region	187.2	205.6	201.2	7.5%	14.9	16.2	16.6	11.4%
1st Jefferson	43.7	49.2	48.1	10.1%	15.5	17.8	16.9	9.0%
2nd Denver	80.6	78.9	77.5	-3.8%	16.6	16.2	17.4	4.8%
5th Summit	3.2	3.4	3.0	-6.3%	16.7	22.4	14.8	-11.4%
18th Arapahoe	59.6	66.6	66.6	11.7%	14.4	15.4	16.8	16.7%
Northeast Region	91.4	95.9	96.0	5.0%	11.6	11.9	12.3	6.0%
8th Larimer	17.8	17.4	17.0	-4.5%	13.0	11.9	10.7	-17.7%
13th Logan	7.6	7.4	6.8	-10.5%	18.2	20.2	17.4	-4.4%
17th Adams	27.3	26.7	28.3	3.7%	13.2	12.2	13.5	2.3%
19th Weld	24.5	25.0	25.3	3.3%	12.2	14.6	14.8	21.3%
20th Boulder	14.3	16.4	15.7	9.8%	7.7	8.9	9.6	24.7%
Southern Region	83.3	91.2	84.1	1.0%	11.4	12.5	11.5	0.9%
3rd Las Animas	2.2	3.2	2.6	18.2%	23.3	21.8	21.0	-9.9%
4th El Paso	44.9	47.8	43.8	-2.5%	11.1	11.6	11.5	3.6%
10th Pueblo	18.8	19.9	18.1	-3.7%	11.7	13.9	11.9	1.7%
11th Fremont	7.8	8.3	6.5	-16.7%	10.2	13.5	10.6	3.9%
12th Alamosa	4.9	4.2	3.9	-20.4%	15.6	16.2	11.6	-25.6%
15th Prowers	2.9	2.4	3.3	13.8%	36.7	26.6	35.0	-4.6%
16th Otero	1.9	2.7	2.7	42.1%	9.2	22.7	12.2	32.6%
Western Region	33.2	33.6	33.5	0.9%	13.9	15.1	14.1	1.4%
6th La Plata	4.2	4.5	4.6	9.5%	12.8	18.5	13.0	1.6%
7th Montrose	5.1	4.2	5.0	-2.0%	23.0	19.1	14.7	-36.1%
9th Garfield	4.7	5.5	3.6	-23.4%	17.1	23.2	14.4	-15.8%
14th Routt	2.7	3.0	4.0	48.1%	16.4	18.0	38.1	132.3%
21st Mesa	13.5	12.8	12.8	-5.2%	11.7	11.4	12.0	2.6%
22nd Montezuma	2.9	3.0	2.7	-6.9%	19.0	22.7	19.4	2.1%
Statewide	402.0	426.3	414.9	3.2%	13.1	14.1	14.0	6.9%

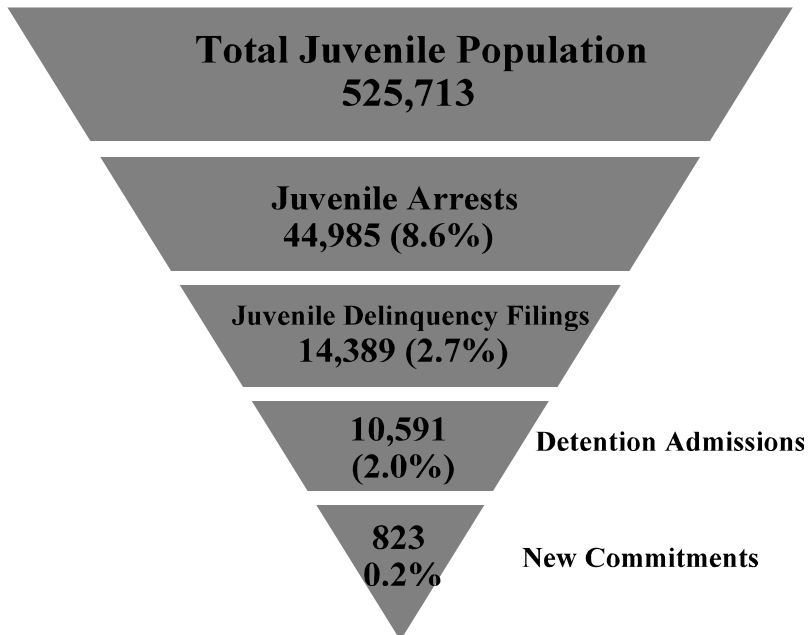
Commitment ADP and LOS by Judicial District FY 2006-07								
District	ADP				LOS (Months)			
	FY 05	FY 06	FY 07	Change	FY 05	FY 06	FY 07	Change
Central Region	644.8	652.7	622.0	-3.5%	19.8	18.5	19.0	-4.0%
1st Jefferson	124.5	126.9	142.3	14.3%	21.0	18.0	18.0	-14.3%
2nd Denver	328.5	322.1	257.5	-21.6%	19.0	18.9	19.4	2.1%
5th Summit	6.6	9.2	9.8	48.5%	16.6	15.2	20.6	24.1%
18th Arapahoe	185.1	194.7	212.5	14.8%	20.7	18.7	19.1	-7.7%
Northeast Region	341.9	363.6	367.6	7.5%	18.2	18.1	18.3	0.5%
8th Larimer	114.2	129.9	119.5	4.6%	17.3	16.1	17.8	2.9%
13th Logan	16.4	15.4	17.7	7.9%	15.2	15.8	16.4	7.9%
17th Adams	101.0	95.7	105.3	4.3%	18.3	18.2	18.9	3.3%
19th Weld	91.0	99.6	104.4	14.7%	20.4	20.7	19.8	-2.9%
20th Boulder	19.3	22.8	20.7	7.3%	13.7	22.5	21.5	56.9%
Southern Region	300.9	290.9	304.8	1.3%	18.4	19.4	21.2	15.2%
3rd Las Animas	3.6	6.5	9.9	175.0%	N/A	15.9	17.4	N/A
4th El Paso	219.8	199.3	186.6	-15.1%	20.6	20.4	22.1	7.3%
10th Pueblo	34.6	44.5	59.4	71.7%	16.2	14.7	18.1	11.7%
11th Fremont	18.0	17.4	25.1	39.4%	17.5	19.3	16.1	-8.0%
12th Alamosa	11.6	15.6	14.5	25.0%	17.1	14.2	17.6	2.9%
15th Prowers	2.5	1.9	0.8	-68.0%	13.9	11.3	7.7	-44.6%
16th Otero	10.8	4.5	8.6	-20.4%	15.5	16.6	16.3	5.2%
Western Region	165.9	146.2	130.4	-21.4%	17.3	15.3	17.6	1.7%
6th La Plata	24.8	21.0	15.5	-37.5%	16.8	13.8	17.0	1.2%
7th Montrose	24.6	25.8	20.0	-18.7%	17.7	14.7	18.1	2.3%
9th Garfield	16.9	15.1	16.5	-2.4%	15.5	14.9	17.7	14.2%
14th Routt	7.7	8.9	8.2	6.5%	17.0	15.2	16.4	-3.5%
21st Mesa	78.4	67.1	58.4	-25.5%	17.8	16.2	17.3	-2.8%
22nd Montezuma	13.5	9.7	11.8	-12.6%	16.4	13.5	16.5	0.6%
Statewide	1453.5	1,453.4	1,424.9	-2.0%	18.8	18.2	19.0	1.1%

Profiles of Youths Served by S.B. 91-94. The following depicts the reported profile of youths served by the Division of Youth Corrections in FY 2006-07.

**Juvenile Justice Filtering Process to Detention
FY 2006-07**



**Juvenile Justice Filtering Process to Commitment
FY 2006-07**



From the above data, the report concludes that the most frequently used initial placement is secure detention (76.1 percent of the total), while the next highest placement level is release to the custody of parents at 13.1 percent. Of the remaining initial placements, 7.9 percent were placed with a parent with increased supervision and services, 1.4 percent were placed in a residential shelter (a non-secure living situation outside of the home), and 1.4 percent were placed in staff secure detention.

Progress in Achieving Performance Goals. For the third year in FY 2006-07, the DYC guidelines required standard goals and objectives for pre-adjudicated youth and youth sentenced to detention. In FY 2006-07, judicial districts were also required to specify one or more additional goals, related objectives, and performance outcomes for additional aspects of their programs. Each individual district is allowed to set its own performance levels within each standardized goal area as the criteria for success in achieving its objectives. Progress in achieving goals and objectives is shown in the table below.

Goals and Objectives for Pre-adjudicated and Sentenced Youth FY 2006-07		
Service Area Goal	Measurable Objectives	Performance
<u>Pre-adjudicated Youth</u> - To successfully supervise pre-adjudicated youth placed in community-based detention services.	1. Percent of enrolled pre-adjudicated youth that complete S.B. 91-94 services without FTAs (Failure to Appear for Court).	96% of youth had no FTAs
	2. Percent of enrolled pre-adjudicated youth that complete S.B. 91-94 services without new charges.	96% of youth had no new charges
	3. Percent of pre-adjudicated youth served through S.B. 91-94 that complete the period of the intervention with a positive or neutral leave reason.	92% of youth had positive or neutral leave reason
<u>Sentenced Youth</u> - To successfully supervise sentenced youth placed in community-based detention services.	1. Percent of enrolled sentenced youth that complete S.B. 91-94 services without FTAs.	98% of youth had no FTAs
	2. Percent of enrolled sentenced youth that complete S.B. 91-94 services without new charges.	96% of youth had no new charges
	3. Percent of sentenced youth served through S.B. 91-94 that complete the period of intervention with a positive or neutral leave reason.	89% of youth had positive or neutral leave reason

Staff notes that the definition used in the report for pre-adjudicated youth is youth

receiving any S.B. 91-94 funded services due to being at imminent risk of being placed in detention after arrest or remaining in detention after a detention hearing, but who are not sentenced to detention or commitment and not on probation or parole. Sentenced youth are defined as youth receiving S.B. 91-94 services as an alternative to a sentence to detention and/or youth on probation who are at imminent risk of revocation or in danger of reoffending that would result in detention without the use of intervention services.

Local Funding for Alternatives to Detention. In addition to state funds, many judicial districts have taken the initiative to access other funds or program services for S.B. 91-94 youth. Through district-specific approaches and coordination with other youth-serving agencies and resources, S.B. 91-94 programs have continued to try to leverage additional resources to augment their ability to meet the needs of youths and accomplish the programs' goal of reducing reliance on secure detention placements. These approaches can include:

- Blended funds from one or more other community agencies to place and treat S.B. 91-94 youths. The mechanism for the use of blended funds is often an interagency team working collaboratively to review youths' needs and assist in meeting those needs.
- Colorado Department of Public Safety diversion funds through the Division of Criminal Justice (DCJ) were unavailable beginning FY 2002-03 because of state budget cuts. However, some counties provide local diversion resources.
- DCJ Wrap-Around Program (WRAP) funds are used by local, interagency Community Evaluation Teams (CETs) to identify and fund creative strategies to divert youths from secure detention or other out-of-home placements.
- Federal Office of Juvenile Justice and Delinquency Prevention (OJJDP) and Juvenile Accountability Incentive Block Grant (JAIBG) funds are also provided through the DCJ with the advice of the Governor's Juvenile Justice and Delinquency Prevention Council. Districts act locally to pursue these funds that may be used in a variety of ways to encourage accountability-based reforms at the local level.

All S.B. 91-94 programs also develop formal and informal collaborations with agencies in their communities to share resources. Such collaborations may include applying with other agencies for grants such as JAIBG or WRAP, or serving in an oversight capacity for these funds through other agencies or programs. One of the most effective mechanisms for blending funds or utilizing grant funds is the implementation of interagency case review teams, known by a variety of names such as Community Evaluation Teams (CET) or Interagency Staffing Committees (ISC).

Potential Policy Issues. The report discusses four major issues that have impacted S.B. 91-94 programs: (1) service availability; (2) screening youth; (3) placement of youth; and (4) local detention bed allocations. In addition, the report notes two overarching factors affecting these issues: (1) a second budget increase in FY 2006-07 after two years of budget reductions; and (2) detention caps. Discussion of the four issues follows.

- *Service Availability:* S.B. 91-94 program expenditures decreased from FY 2002-03 to FY 2004-05 in treatment services, restorative services, and direct support. However, in FY 2005-06 and FY 2006-07, funding was increased for S.B. 91-94 programs and the impact ratings reported by districts for service availability also continue to improve. Overall, more than half of all districts (59.1 percent) rated the service availability impact as positive in FY 2006-07, compared with only 19 percent in FY 2004-05.
- *Screening Youth:* District concerns in this area relate to the limitations in the ability of the screening process to translate into actual placement decisions, given relative availability of placements and services along the detention continuum. However, positive ratings of the impact of screening youth have increased to 90.9 percent, up from 52.4 percent in FY 2004-05.
- *Placing Youth.* Comments from the districts support the conclusion that district perceptions in this area are changing along with those of the districts' ability to translate screening recommendations into actual placement decisions. Additionally, positive ratings of the impact of placing youth has increased to 77.3 percent, up from 19 percent in FY 2004-05.
- *Local Detention Bed Allocations:* Ratings of the impact of detention bed allocations have remained negative at 59.1 percent. However, given that districts are rating a mandate that many perceive to limit their ability to manage their populations, a high number of positive ratings may be an unrealistic expectation.

Emergency release is the process districts must employ when a new youth is brought into the detention system when there is no excess capacity under the cap for that youth. In FY 2006-07, the total number of emergency releases reported by districts totaled approximately 414. Therefore, of the 9,051 youth that were detained in secure or staff secure detention, 4.6 percent were released prior to their scheduled release. However, the number of emergency releases reported may not represent an accurate estimate of the actual number because there is no standard reporting mechanism for releases other than the past two district surveys.

**FY 2008-09 Joint Budget Committee Staff Budget Briefing
DEPARTMENT OF HUMAN SERVICES:
DIVISION OF YOUTH CORRECTIONS**

ISSUE:

The Division of Youth Corrections (DYC) has been given flexibility to spend a percentage of the Purchase of Contract Placements line item on its Continuum of Care Initiative, which includes services for youth transitioning from residential to non-residential care. This flexibility has contributed to the reduction of commitment average daily population (ADP) the past two fiscal years. As a result, it may be appropriate to change the funding calculation for this particular line item, or for the Division as a whole, in order to maintain the Continuum of Care Initiative.

SUMMARY:

- ❑ The Purchase of Contract Placements line item within DYC has historically been funded according to projected increases in commitment ADP. However, DYC was given flexibility to spend up to 15 percent of this line item on services for youth that are transitioning from residential to non-residential settings. This flexibility is at least partially responsible for the commitment ADP reductions that occurred in FY 2005-06 and FY 2006-07.
- ❑ The Division of Youth Corrections has used the flexibility within the Purchase of Contract Placements line item to implement the Continuum of Care Initiative, which includes evidence-based practices to help transition youth from residential to community-based programs.
- ❑ Because of the conflict between funding the Purchase of Contract Placements line item according to projected commitment ADP and allowing flexibility within the line item for transitional services, which is expected to reduce commitment ADP, it may be necessary to reevaluate the funding structure for this line item. Additionally, based on the current funding mechanism for the Purchase of Contract Placements line item (commitment ADP), the Division potentially faces a significant negative supplemental for FY 2007-08.

RECOMMENDATION:

Staff recommends that the Committee discuss the following questions with the Department during its budget hearing:

- Does the Department believe it will see negative growth in the commitment ADP for FY 2007-08? If so, what is the Division's current estimate for FY 2007-08?
- How does the Department envision funding for the Purchase of Contract Placements line item given the declining commitment ADP?
- How does the Department envision funding for all of the Division of Youth Corrections given the declining commitment ADP?

DISCUSSION:

Background -- Commitment Population Projections Used to Calculate DYC Budget. The General Assembly annually receives commitment population projections from the Division of Criminal Justice (DCJ) in the Department of Public Safety and the Legislative Council Staff (LCS). These population projections have historically been taken into consideration by the General Assembly when determining the appropriations for the Division of Youth Corrections.

DYC Over-Appropriated for FY 2006-07. The December 2006 LCS juvenile commitment population projections indicated that the DYC commitment population would total 1459.7 ADP in FY 2006-07. In comparison, the December 2005 LCS projections, which were used to calculate the FY 2006-07 appropriation to the Purchase of Contract Placements line item, indicated a total commitment ADP of 1498.2 (a difference of 38.5 ADP). This difference equated to an over-appropriation of \$1,949,784 General Fund, which was transferred from the Purchase of Contract Placements line item to the Parole Program Services line item during the supplemental period last year. This amount was intended to provide a continued and consistent funding source for the Continuum of Care Initiative by transferring the amount that would typically be reduced from the Purchase of Contract Placements line item through a negative supplemental to the Parole Program Services line item. The following table illustrates how this amount was calculated:

	Commitment ADP	FY 2006-07 Avg. Funded Daily Rate	Total Appropriation
December 2005 LCS Projections (Less State Facilities and Boulder IMPACT)	974.9	\$138.75	\$49,372,592
December 2006 LCS Projections (Less State Facilities and Boulder IMPACT)	<u>936.4</u>	138.75	<u>47,422,808</u>
Total Over-Appropriation	38.5		\$1,949,784

Additionally, the JBC approved a bed mix adjustment to the Purchase of Contract Placements line item that increased that appropriation by \$329,164. The bed mix and rate differences are shown in the following tables.

Level of Care	Appropriated Avg. Weighted Rate	Actual/Projected Avg. Weighted Rate	Difference
RCCF	\$125.22	\$126.52	\$1.30
PRTF	300.00	385.00	85.00
TRCCF (Maintenance)	166.03	168.69	2.66
TRCCF (Treatment)	19.35	18.72	(0.63)

Level of Care	Appropriated Proportion of Total Contract Capacity	Actual/Projected Proportion of Total Contract Capacity	Difference
RCCF	65.9%	62.5%	(3.4)%
PRTF	1.4%	0.2%	(1.2)%
TRCCF	32.7%	37.3%	4.6%

Based upon these average weighted rates and the current contract bed mix, the JBC approved an additional \$329,164 (\$907,255 *net* General Fund) for the Purchase of Contract Placements line item to accommodate the placement needs of the Division's committed youth. The table below illustrates the funding calculations for the bed mix adjustment.

Level of Care	FY 2006-07 Appropriation	FY 2006-07 Request	Difference
RCCF	\$29,356,514	\$26,811,991	(\$2,544,523)
PRTF	1,554,900	281,050	(1,273,850)
TRCCF (Maintenance)	19,295,342	21,328,487	2,033,145
TRCCF (Treatment)	2,249,212	2,366,881	117,669
Detention	1,384,974	1,431,913	46,939
Supplemental Reduction	<u>(1,949,784)</u>	<u>0</u>	<u>1,949,784</u>
Total	\$51,891,158	\$52,220,322	\$329,164

Despite the FY 2006-07 supplemental adjustment from last year, the Division still appears to have been over-appropriated in its Purchase of Contract Placements line item. According to the Division's June 2007 Monthly Population Report, the year-to-date commitment ADP was 1424.5, compared with an adjusted funding level of 1459.7 ADP based on the December 2006 LCS commitment population projections. As a result, the Division was over-appropriated by approximately 35.2 ADP. This equates to approximately \$1,782,660, as can be seen in the following table.

	Commitment ADP	FY 2006-07 Avg. Funded Daily Rate	Total Appropriation
December 2006 LCS Projections (Less State Facilities and Boulder IMPACT)	936.4	\$138.75	\$47,422,808
DYC June 2007 Monthly Population Report (Less State Facilities and Boulder IMPACT)	<u>901.2</u>	138.75	<u>45,640,148</u>
Total Over-Appropriation	35.2		\$1,782,660

The Division did revert \$1,088,986 General Fund from the Purchase of Contract Placements line item in FY 2006-07. However, this is still below what staff is showing as the over-appropriation. This difference is likely due to the funding flexibility afforded the Division in its Purchase of Contract Placements line item.

Flexibility Within Purchase of Contract Placements Line Item. In the 2003 Long Bill, the Committee added a footnote to this line item authorizing the Division to spend up to 5.0 percent of the appropriation on treatment services for youth in state-operated facilities. In FY 2005-06, this percentage was increased to 10.0 percent, and last year this percentage was increased a second time to 15.0 percent. Given the FY 2006-07 appropriation to this line item, the Division was provided flexibility to spend up to approximately \$5,222,032 on treatment services for youth in state-operated facilities through this line item. The Division has used this flexibility to implement its Continuum of Care Initiative, which includes evidence-based practices to help transition youth from residential to community-based programs. According to the report provided by the

Division in response to Footnote #86, the Division expended \$3,790,116 on its Continuum of Care Initiative in FY 2006-07. This expenditure equates to approximately the amount that was transferred to the parole program last year to support the Continuum of Care Initiative plus the over-appropriation based on caseload for FY 2006-07.

DYC May Be Over-Appropriated for FY 2007-08. The December 2006 LCS juvenile commitment population projections indicate that the DYC commitment population will total 1489.4 ADP in FY 2007-08. These projections were used to calculate the FY 2007-08 appropriation to the Purchase of Contract Placements line item. However, although only the first quarter data for FY 2007-08 is available at this point, the DYC September 2007 Monthly Population Report indicates that the year-to-date commitment ADP is only 1336.9 (a difference of 161.5 ADP). This difference, if it continues for the remainder of the fiscal year, equates to an over-appropriation of \$8,673,349 General Fund. The following table illustrates how this amount was calculated:

	Commitment ADP	FY 2007-08 Avg. Funded Daily Rate	Total Appropriation
December 2006 LCS Projections (Less State Facilities and Boulder IMPACT)	968.4	\$147.14	\$52,007,869
DYC September 2007 Monthly Population Report (Less State Facilities and Boulder IMPACT)	<u>806.9</u>	147.14	<u>43,334,520</u>
Total Over-Appropriation	161.5		\$8,673,349

Given the increased level of flexibility (15 percent) and the FY 2007-08 appropriation to the Purchase of Contract Placements line item, the Division is provided flexibility to spend up to approximately \$8,217,000 in FY 2007-08 on treatment services for youth in state-operated facilities through this line item. However, if the JBC applies a negative supplemental to this line item in the amount shown above, almost the entire flexibility to support the Continuum of Care Initiative will be taken away.

Continuum of Care Initiative. The December 2006 LCS projection identifies the Division's Continuum of Care Initiative as a factor in reducing the commitment populations. The LCS projection states that "...continued and consistent funding of the initiative is expected to reduce growth in commitments, particularly in the near-term." In addition, the two consecutive years of commitment ADP reductions in FY 2005-06 and FY 2006-07 represent the first years in 14 years that the Division has seen a decrease in commitment ADP. The Division believes that these reductions are likely a result of the Division's Continuum of Care Initiative.

Flexibility of this type is somewhat similar to that allowed in the Division of Child Welfare, where footnote authorization allows the Department to spend funds in the most appropriate, least restrictive manner. The Division anticipates this funding flexibility, which it has used to implement the Continuum of Care Initiative, will reduce commitment ADP and length of stay (LOS), but it also may increase parole numbers because more juveniles may be transitioning to community-based programs under the Initiative.

The Division of Youth Corrections did not fully utilize the footnote flexibility (10 percent) provided for FY 2006-07. The Division indicates that it spent about \$3,790,116 (or approximately 7.3 percent of the line item) during FY 2006-07 on its Continuum of Care Initiative.

Other Factors Affecting Caseload. Projecting the commitment population has been difficult, particularly in recent years given the significant budgetary reductions and policy changes to the juvenile justice system. Also, judges have a great deal of discretion in their ability to sentence adjudicated juvenile offenders. Thus, DYC does not control the population of juveniles that are entering the system. In addition, the Juvenile Parole Board must approve all transfers of juveniles from a residential placement setting to a non-residential placement setting. Therefore, DYC does not have control over juveniles leaving the system either. This predicament makes it difficult to accurately project the commitment population levels for the DYC system.

Options for Funding. The line item for Purchase of Contract Placements has historically been funded using commitment ADP projections from LCS. However, given the difficulty of accurately predicting the commitment ADP and the new funding flexibility provided to the Division through footnote, it may be appropriate to look at other options for funding this line item, and potentially the Division as a whole. The following are a list of options for the Committee to assess:

1. Create a new Continuum of Care Initiative line item in which savings that are generated from the program can be reinvested in the Division. Additionally, the Committee could consider appropriating the approximately \$1.9 million that was transferred to the Parole Program Services line item last year into this new line item. This approach would allow the JBC to see exactly how much savings was being generated by the Continuum of Care Initiative. Additionally, this option would continue the historical funding of the Purchase of Contract Placements line item according to projected commitment ADP. The disadvantage of this option is that the Division fears that such a line item would be prone to reductions by the General Assembly during the legislative process.
2. Eliminate the Parole Program Services line item and include those funds in the Purchase of Contract Placements line item. In addition, discontinue funding the Purchase of Contract Placements line item according to projected commitment ADP numbers, and instead, increase the line item each year according to a funding formula, similar to that used by Child Welfare to determine its annual block increase. This would provide the Division with more flexibility in its budget; however, this option would remove the historical funding mechanism for the Purchase of Contract Placements (projected commitment ADP). In addition, this approach would allow for less oversight by the JBC of the use of the funds. Finally, the Division has concerns about such an approach if its commitment population numbers begin to increase rapidly, given the Division's lack of control over new commitments as well as release to parole.
3. Allow the Division to have flexibility within its budget to spend funds in the most appropriate manner, including the potential exemption from FTE limitations. This option is similar to the Iowa Charter Agency Initiative (see http://charter.iowa.gov/docs/2006_ca_Booklet.pdf for more information on and initial results of the Iowa Charter Agency Initiative). Such an approach would allow more flexibility to the Division in the hopes of yielding additional cost-saving efficiencies from programs such as the Continuum of Care Initiative. However, this option would allow for less oversight by the JBC of the use of the funds and may potentially provide less accountability from the Division.

FY 2008-09 Joint Budget Committee Staff Budget Briefing
DEPARTMENT OF HUMAN SERVICES:
DIVISION OF YOUTH CORRECTIONS

ISSUE:

The Division of Youth Corrections has requested additional General Fund and staff to support its role in the H.B. 04-1451 (Collaborative Management) programs. Although DYC is not currently required by Section 24-1.9-102 (1) (a), C.R.S., to be a participant in all H.B. 04-1451 programs, it may be appropriate to change that statute in order to make DYC a mandatory participant, given its request for funding related to these programs.

SUMMARY:

- ❑ House Bill 04-1451 authorizes (but does not require) each county department of social services to enter into a memorandum of understanding (MOU) with local representatives of various agencies to promote a collaborative system of services to children and families. Although the bill does not require DYC to be a participant in the MOU, the bill specifies that nothing shall preclude a county from including other parties in the MOU.
- ❑ The Division of Youth Corrections is an important participant in local MOUs, even though the bill does not require the Division to be a participant. However, DYC is not provided with any resources to accommodate the additional workload associated with implementing and managing these local collaborations.
- ❑ The Division of Youth Corrections is requesting \$122,372 General Fund and 1.8 FTE in order to accommodate the growth in the H.B. 04-1451 programs. Since FY 2005-06, the number of counties participating in H.B. 04-1451 programs has grown from six to 18. As a result of this growth, the Division has indicated that it can no longer absorb the costs of participating in each of these local collaborations without additional resources.

RECOMMENDATION:

Staff recommends that the Committee discuss the following questions with the Department during its budget hearing:

- How did the Department determine its staffing need related to the H.B. 04-1451 programs, and what is the Department's estimate of its future need given the growth in these programs?
- What is the Department's opinion related to using the Performance-based Collaborative Management Incentive Cash Fund in order to support the DYC request?
- What is the Department's opinion related to making DYC a mandatory participant in all H.B 04-1451 programs, if its funding request is approved?

DISCUSSION:

House Bill 04-1451. This bill authorizes (but does not require) each county department of social services to enter into a memorandum of understanding (MOU) with local representatives of various agencies to promote a collaborative system of services to children and families. If a county department elects to enter into an MOU pursuant to this bill, the MOU is required to include local representatives from the following agencies:

- the local judicial districts, including probation services;
- the health department, whether a county, district, or regional health department;
- the local school district or school districts;
- each community mental health center; and
- each mental health assessment and service agency.

The bill specifies, however, that nothing shall preclude a county from including other parties in the MOU (e.g., the Division of Youth Corrections). The bill encourages local agencies to enter into MOUs by region, and recommends that the agencies seek input, support, and collaboration from key stakeholders in the private and non-profit sectors, as well as from parent advocacy or family advocacy organizations.

Parties to each MOU are required to establish collaborative management processes that are designed to: (1) reduce duplication and eliminate fragmentation of services; (2) increase the quality and effectiveness of services; and (3) encourage cost-sharing among service providers. The bill also authorizes departments and agencies that provide oversight to the parties to the MOU to issue waivers of state rules necessary for effective implementation of the MOUs that would not compromise the safety of children. Through the establishment of a local interagency oversight group, parties to an MOU are to create a procedure to allow any state General Fund savings realized as a result of the MOU to be reinvested in services for children and families. The sources of funding subject to this reinvestment process are to be specified in the MOU. However, the bill specifies that a county that underspends the General Fund portion of its "capped or targeted allocation" may use the savings to provide services to children and families.

Parties to an MOU may agree to attempt to meet certain performance measures, specified by the Department and the Board of Human Services. Local interagency groups that choose this option are eligible to receive incentive moneys from the Performance-based Collaborative Management Incentive Cash Fund, beginning in FY 2005-06. Incentive moneys, which will be allocated by the Department to those interagency groups that meet or exceed the specified performance measures, are to be reinvested in services for children and families.

Growth of H.B. 04-1451 Programs. The number of H.B. 04-1451 programs has grown significantly in the past three years. In FY 2005-06, there were six counties¹ that were taking advantage of these collaborative programs. In FY 2006-07, the number of counties participating grew to 10.² For FY 2007-08, the number of H.B. 04-1451 programs is expected to grow to 18. As a result of this growth, DYC has indicated that it can no longer absorb the cost of participating in each of these local programs. Consequently, the Division has requested 1.8 FTE and \$122,372 for FY 2008-09 to accommodate the growth in the H.B. 04-1451 programs.

¹These counties were Boulder, Denver, El Paso, Larimer, Mesa, and Weld.

²These counties were Boulder, Chaffee, Denver, El Paso, Elbert, Jefferson, Larimer, Mesa, Teller, and Weld.

The Division states that while the number of H.B. 04-1451 programs has increased, the resources available to DYC to support these programs have remained constant. As a result, the Division claims its four regional management offices are often unable to allocate staff time to participate in the ongoing and periodic workload requirements these programs demand. According to the Division, DYC regional directors and other regional staff are unable to participate in all of these efforts given other job duties, the number of H.B. 04-1451 programs, and the travel time required in the rural areas of the State. The budget request states that if the DYC request is not funded, the Division will not be able to actively participate in the growing number of H.B. 04-1451 across the State.

Funding for the H.B. 04-1451 Program. House Bill 04-1451 amended a number of existing statutory provisions to change the destination of approximately \$2.1 million in civil docket fee revenue (currently \$2.8 million in civil docket fee revenue is being redirected). Starting in FY 2007-08, the Performance Incentive Cash Fund is repealed and all moneys in the fund shall be transferred into the Performance-based Collaborative Management Incentive Cash Fund (in addition, the fund will receive transfers from the family stabilization services fund and from docket fees in civil actions - dissolution of marriage - as specified in Section 13-32-101 (1) (a), C.R.S.). All revenue will be available to provide incentives for those groups that choose to enter into MOUs.

The Performance-based Collaborative Management Incentive Cash Fund (PCMICF), created in Section 24-1.9-104, C.R.S., is projected to have an ending year balance of only \$1,377,243 in FY 2009-10, down from \$3,543,493 in FY 2006-07. The projected FY 2008-09 revenue for the PCMICF is estimated at \$2.8 million, while the Department is requesting \$3,688,750 for FY 2008-09. Given the growing number of counties participating in the H.B. 04-1451 programs and the increasing level of expenditures from the PCMICF, staff has concerns about the long-term solvency of this cash fund. Having said that, the JBC does have an opportunity to use this cash fund to support DYC's functions as they pertain to H.B. 04-1451 programs. This, however, would require a statutory change as described below.

Funding DYC Request Through the Performance-based Collaborative Management Incentive Cash Fund. Funding the FY 2008-09 DYC budget request through the Performance-based Collaborative Management Incentive Cash Fund may require a statutory change to the statute created by H.B. 04-1451. That statute, Section 24-1.9-104, C.R.S., requires that all expenditures from the PCMICF be used to provide services to children and families who would benefit from integrated multi-agency services. Each MOU is required to include a functional definition of "children and families who would benefit from integrated multi-agency services." The following is the statutory language to Section 24-1.9-104, C.R.S., with pertinent language highlighted by JBC staff.

(1) On July 1, 2005, there shall be created in the state treasury the performance-based collaborative management incentive cash fund, which shall be referred to in this section as the "fund". The moneys in the fund shall be subject to annual appropriation by the general assembly to the department of human services for state fiscal year 2005-06 and each fiscal year thereafter. On July 1, 2006, the state treasurer shall transfer the moneys in the performance incentive cash fund created pursuant to section 26-5-105.5 (3.2) (a), C.R.S., to the fund. In addition, on July 1, 2006, the state treasurer shall transfer the moneys remaining in the family stabilization services fund created pursuant to section 19-1-125, C.R.S., to the fund. The fund shall also consist of moneys received from docket fees in civil actions as specified in section 13-32-101 (1) (a), C.R.S.

(2) The executive director of the department of human services is authorized to accept and expend on behalf of the state any grants, gifts, or donations from any private or public source for the purposes of this section. All private and public funds received through grants, gifts, or donations shall be transmitted to the state treasurer, who shall credit the same to the fund in addition to moneys credited pursuant to subsection (1) of this section and any moneys that may be appropriated to the fund directly by the general assembly. All investment earnings derived from the deposit and investment of moneys in the fund shall remain in the fund and shall not be transferred or revert to the general fund of the state or any other fund at the end of any fiscal year.

(3) (a) On and after July 1, 2005, **the executive director of the department of human services shall allocate the moneys in the fund to provide incentives to parties to a memorandum of understanding** who have agreed to performance-based collaborative management pursuant to section 24-1.9-102 (2) (i) and who have successfully implemented the elements of collaborative management specified by rule of the state board and also met or exceeded the performance measures specified by the department of human services. **The incentives shall be used to provide services to children and families who would benefit from integrated multi-agency services**, as such population is defined by the memorandum of understanding pursuant to section 24-1.9-102 (2), C.R.S.

(b) For purposes of allocating incentive moneys in the fund pursuant to this subsection (3), the executive director of the department of human services shall submit an accounting of moneys in the fund available for incentives and a proposal for the allocation of incentive moneys to the state board of human services for review and approval prior to the allocation of the moneys. The state board of human services shall approve the proposal not later than thirty days after receipt of the proposal from the executive director of the department of human services.

Although it appears that the statute would preclude using funds from the PCMICF in order to fund staff within DYC to coordinate the expansion of H.B. 04-1451 programs, the Governor has indicated in his memo to the JBC, which preceded his Recidivism Reduction and Offender Diversion Package, that he intends to initiate additional legislation to use \$200,000 from the PCMICF for an evaluation of current H.B. 04-1451 programs. Therefore, the statute may be changed in the future to authorize more uses of the PCMICF.

At this point, staff does not recommend using the PCMICF to support DYC's request for additional funding and staff. Because of questions about the solvency of this cash fund, staff has concerns about funding FTE from it. If the cash fund does become insolvent, staff has concerns about having to backfill the FTE positions with General Fund. Additionally, staff is aware of county concerns with using this incentive money to support FTE within DYC. The intent of this cash fund is to provide incentives to counties to participate in these collaborative efforts, and staff believes that most counties would not see DYC falling into the realm of recipients eligible for this funding.

DYC As Mandatory Participant in H.B. 04-1451 Programs. Staff believes that if the JBC decides to fund the DYC request with General Fund, the Committee should also consider requiring DYC to be a participant

in all MOUs of local H.B. 04-1451 programs. Currently under Section 24-1.9-102, C.R.S., DYC is not mandated to be a participant in all MOUs; however, the statute does not preclude non-mandated agencies from participating in the MOUs, which is why DYC has to this point been a participant. Section 24-1.9-102 (1) (a), C.R.S., states the following (with emphasis added by staff):

(1) (a) Local representatives of each of the agencies specified in this paragraph (a) and county departments of social services may enter into memorandums of understanding that are designed to promote a collaborative system of local-level interagency oversight groups and individualized service and support teams to coordinate and manage the provision of services to children and families who would benefit from integrated multi-agency services. The **memorandums of understanding entered into pursuant to this subsection (1) shall be between interested county departments of social services and local representatives of each of the following agencies:**

(I) The local judicial districts, including probation services;

(II) The health department, whether a county, district, or regional health department;

(III) The local school district or school districts;

(IV) Each community mental health center; and

(V) Each mental health assessment and service agency.

In order to make DYC a mandatory participant in all MOUs, the JBC would need to change the above statutory section to include the Division of Youth Corrections. In staff's opinion, adding DYC as a mandatory participant would ensure that the appropriation is used for the purpose in which it was appropriated.

Staff has concerns about DYC not participating in the H.B. 04-1451 programs. The Division is an important participant in these programs, and staff has concerns about slowing the growth of H.B. 04-1451 programs because of DYC's inability to participate. However, staff also has concerns about why the Division is now asking for resources and whether additional resources will be requested in the future if the H.B. 04-1451 programs continue to grow. Consequently, staff would recommend that if the JBC votes to approve the Division's request, that the Committee also require DYC to be a mandatory participant in all MOUs, pursuant to Section 24-1.9-102 (1) (a), C.R.S.

**FY 2008-09 Joint Budget Committee Staff Budget Briefing
DEPARTMENT OF HUMAN SERVICES:
DIVISION OF YOUTH CORRECTIONS**

ISSUE:

The commitment bed capacity for the Division of Youth Corrections is comprised of 65 percent contract placements. As the commitment population increases, this percentage will also rise due to the lack of state-operated commitment capacity. However, because the commitment population has progressively become more difficult to manage, the split between state-operated commitment capacity and contract placements may need to be reexamined.

SUMMARY:

- ❑ As the commitment population has grown, the State has increasingly relied upon contract placements to accommodate the growth. Currently, approximately 65 percent of DYC's commitment bed capacity is with contract placements. Based on Legislative Council December 2006 juvenile population projections, DYC reliance on the private sector for commitment capacity will continue to increase if no additional state commitment capacity is added.
- ❑ Youth entering the commitment system are increasingly more difficult to manage due to their greater need for mental health, substance abuse, and sex offender treatment. From FY 1999-00 to FY 2005-06, DYC experienced almost a 300 percent increase in committed youth assessed as having high moderate or severe mental health problems. Over that same period, the number of committed sex offenders has increased almost 40 percent, and committed youth requiring intervention or treatment for substance abuse has risen more than 25 percent.
- ❑ The problem facing DYC is that its capacity demand in the coming years will largely be high-level placement settings that are not offered by private providers. As a result, increased capacity in the private sector to account for growth in the commitment population may not alleviate the need for more state-operated capacity. However, the Department's FY 2008-09 Five-Year Capital Construction Plan does not add a significant number of commitment beds until FY 2012.

RECOMMENDATION:

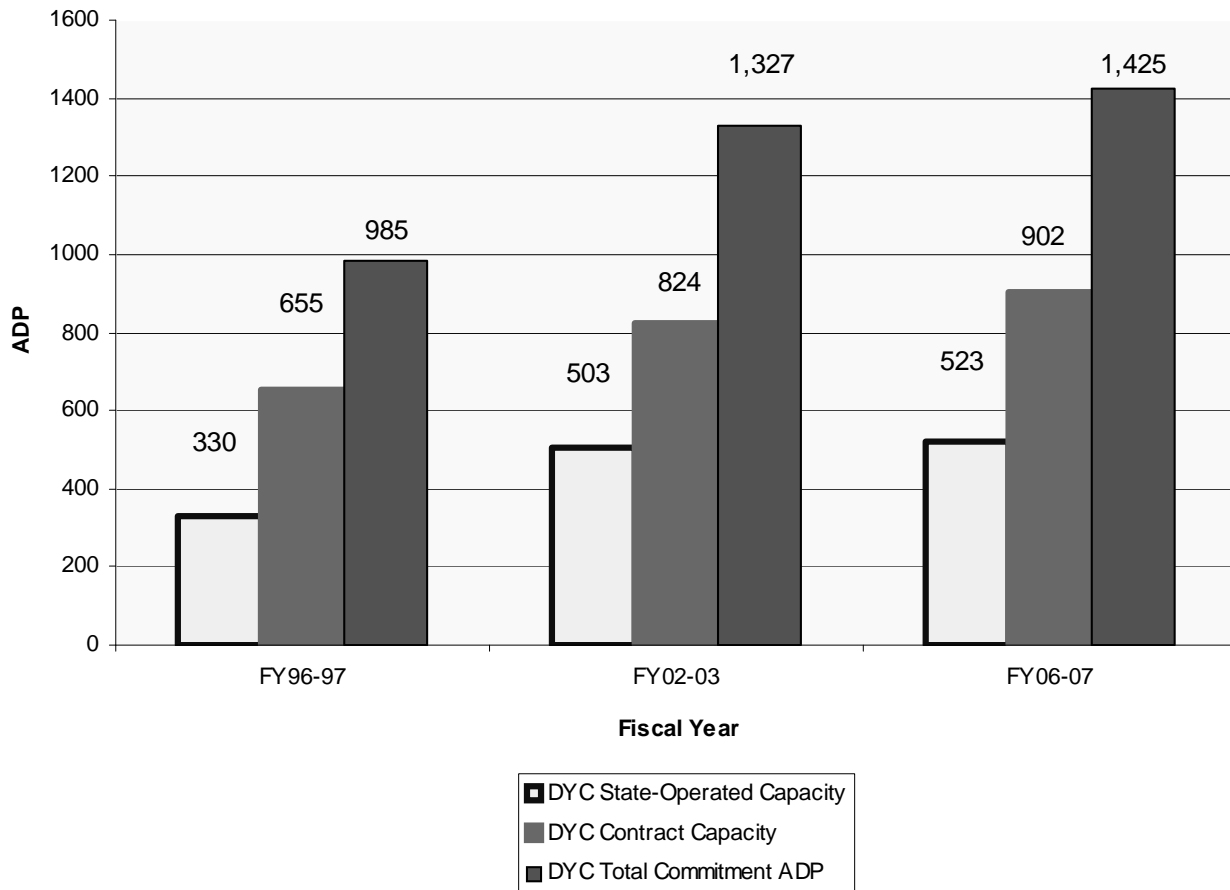
Staff recommends that the Committee discuss the following questions with the Department during its budget hearing:

- How does the Department plan to accommodate and manage its projected commitment population in the coming years given that additional state-operated commitment beds will not become available until 2012?
- What is the Department's estimate for its future commitment capacity needs given the implementation of the Colorado Juvenile Risk Assessment (CJRA)?

DISCUSSION:

Contract Placement Percentage. Currently, approximately 65 percent of the DYC commitment bed capacity is with contract placements. The graph below shows the historical growth of the state-operated capacity and the contract placement capacity.

DYC Commitment Population



Over the past 10 years, the percentage of contract placement beds has remained fairly steady at between 62 and 65 percent. Since the construction of Spring Creek, Platte Valley, and the Marvin W. Foote Youth Services Centers in the late 1990's until the opening of the Sol Vista Youth Services Center in FY 2006-07, the Division's capacity growth has primarily been addressed through additional contract placements.

Future Growth of Contract Placements. Under both the LCS and DCJ projections, the commitment ADP population is anticipated to rise steadily over the next few years. Unless more state capacity is built to accommodate this growth, all of this increase will occur in contract placements. Therefore, if there is no additional state capacity, the percentage of contract placements under the LCS and DCJ projections will continue to rise through FY 2010-11.

December 2006 Commitment ADP Projections DCJ vs. LCS						
	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11
Division of Criminal Justice						
December 2006 Projection	1,453.4	1,445.4	1,470.8	1,501.4	1,521.5	1,566.7
ADP Growth From Prior Year	n/a	(8.0)	25.4	30.6	20.1	45.2
Percent Growth From Prior Year	n/a	-0.6%	1.8%	2.1%	1.3%	3.0%
Legislative Council Staff						
December 2006 Projection	1,453.4	1,459.7	1,489.4	1,522.1	1,551.0	1,586.7
ADP Growth From Prior Year	n/a	6.3	29.7	32.7	28.9	35.7
Percent Growth From Prior Year	n/a	0.4%	2.0%	2.2%	1.9%	2.3%

Additionally, according to these projections, by FY 2009-10 the Division's commitment ADP will likely have reached the commitment capacity for DYC (see Appendix A for the estimated commitment capacity for the Division). However, the Department's FY 2008-09 Five-Year Capital Construction Plan does not add a significant number of commitment beds until FY 2011-12. The projects identified in the Five-Year Capital Construction Plan as increasing commitment capacity are as follows:

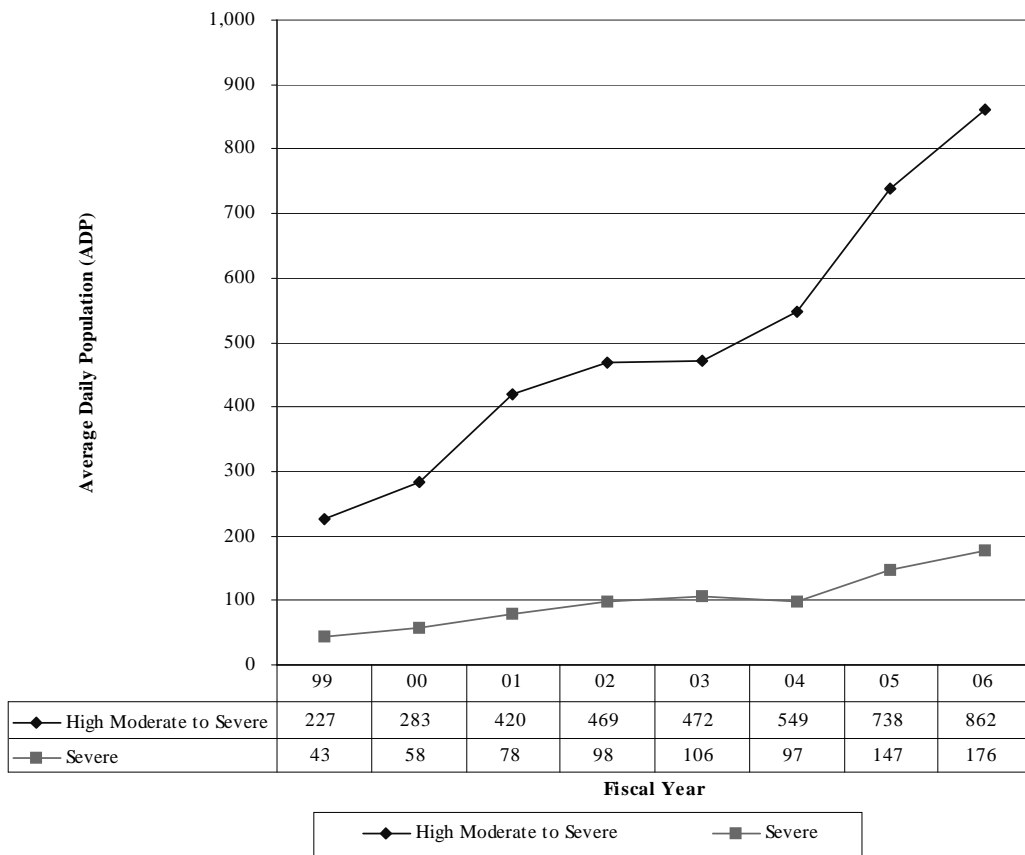
- Expansion of the Sol Vista Youth Services Center (20 beds - November 2010)
- Replacement and expansion of the Adams Youth Services Center (60 commitment beds and 40 detention beds - January 2012)
- Assessment, Diagnostic and Classification Center (92 beds - April 2012)
- Replacement of commitment beds at the Lookout Mountain Youth Services Center (72 beds - June 2012)

Staff also has concerns that even these projects, which will barely meet the projected growth in the committed population, will not be funded and therefore the commitment beds will not come online as planned. For FY 2008-09, the Division's highest capital construction priority (Sol Vista) was 40th on the Governor's capital construction request list, with only 23 projects anticipated to be funded. Additionally, there are over \$103 million of project requests that are prioritized ahead of the Sol Vista project. As a result, staff has concerns about the ability of the Division to manage and house its future population.

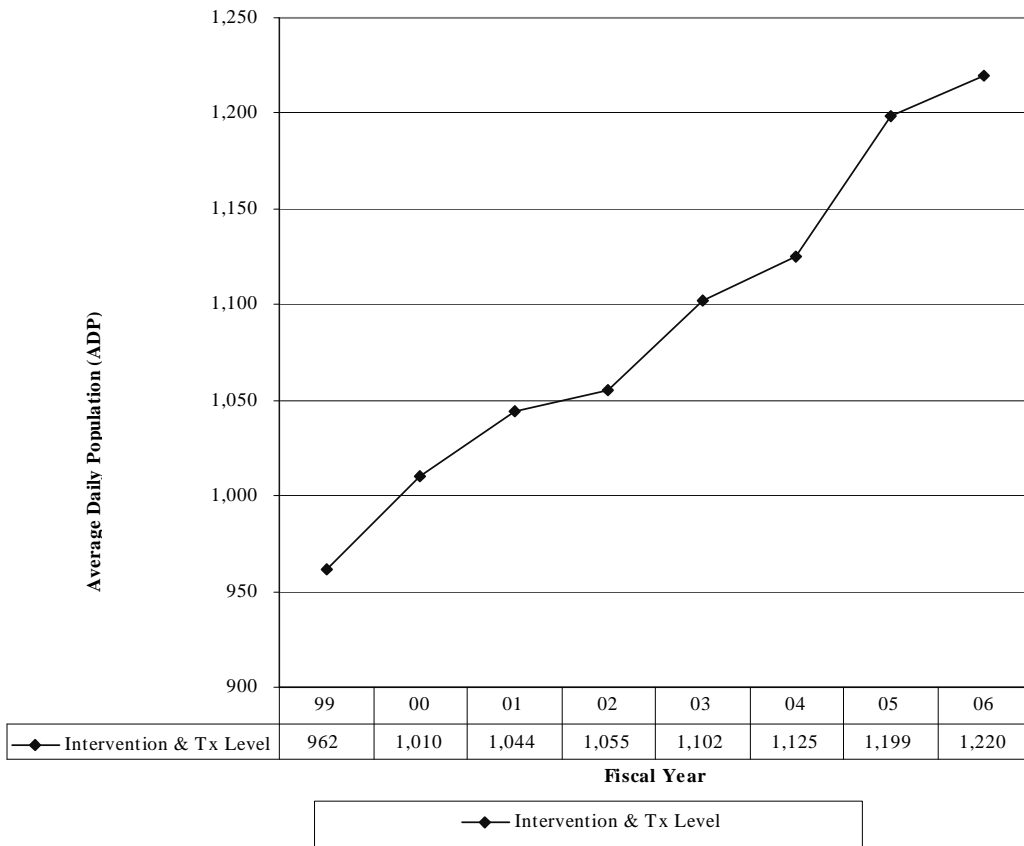
Trends in Youth Population. The population of youth entering the DYC system have become increasingly more difficult to manage. Historical data shows that a greater number of youth are entering the system as a

result of sex offenses. In addition, the number of youth who require substance abuse and/or mental health treatment has grown significantly over the past five years. For example, during FY 2005-06, over 50 percent of committed youth had treatment level substance abuse problems. The following graphs illustrate the growth in mental health, substance abuse, and sex offender trends within the NYC committed youth population.

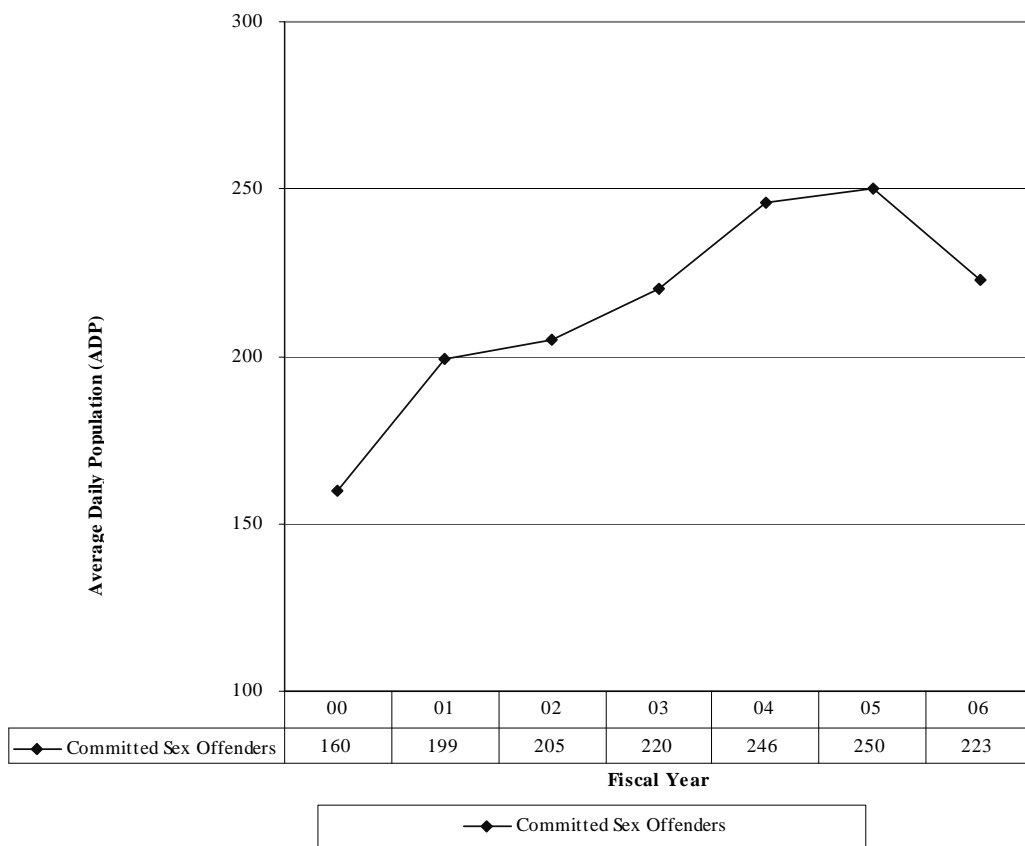
**Division of Youth Corrections - Commitment
Mental Health Trends**



**Division of Youth Corrections - Commitment
Substance Abuse Trends**



**Division of Youth Corrections - Commitment
Sex Offender Trends**



Another dilemma facing DYC is that its capacity demand in the coming years will largely be high-level placement settings that are not offered by private providers. As a result, increased capacity in the private sector to account for growth in the commitment population may not alleviate the need for more state-operated capacity. The Department indicated at its FY 2007-08 hearing that it will be a better position this year to assess its capacity needs by placement level because of the implementation of the Colorado Juvenile Risk Assessment, which was anticipated to provide better scientifically- and research-based data on which types of placements the Division needs.

Problems with Privatization. While privatization has proven helpful to the Division in managing the increasing specialized populations, it has also resulted in a greater degree of difficulty for DYC in addressing consistency and alignment throughout its system. For example, a majority of the private programs that the DYC contracts with also serve clients that are referred by county departments of human/social services. Therefore, the Division is not necessarily always in a position to influence whether or not these programs are in alignment with the DYC mission. The Division can describe the services it requires in a request for proposals (RFP), and it executes contracts that also describe the services it requires; however, often times those contracts contain compromises by both parties, particularly if DYC does not receive proposals that exactly match the specific services it requires. Thus, a highly privatized system necessarily requires compromise on the part of the Division, and on the part of the providers with which the Division contracts.

Another important consideration regarding the question of privatization is that the private sector has not proven successful at providing secure placement services. Thus, the Division has relied solely upon its state-operated facilities to provide secure placements for committed youth. However, the state-operated capacity has been limited by the need to also provide secure detention capacity for the detention continuum.

In addition, there are often times hidden costs associated with private placements. The Division has struggled with sufficient resources to effectively manage such a large percentage of contract placements. There are significant workloads associated with the entire procurement and contract management processes. For example, a well-crafted RFP process takes approximately 4-6 months to complete. There are then contract negotiations, start-up technical assistance, ongoing monitoring for both contract compliance and program quality, and ongoing contract management issues, including billing verification, budget and capacity usage tracking, and problems related to lack of access to capacity.

Finally, these private contracts do not necessarily guarantee DYC's access to a particular bed at any given time. There are instances in which the Division has contracted for a certain number of beds with a private vendor; however, if a county department places a youth in a bed prior to DYC placing a youth in that same bed, then the Division must look elsewhere for available capacity.

Appendix A
Division of Youth Corrections Bed Capacity

Division of Youth Corrections – FY 2007-08 Bed Capacity				
Facility Name	Location	Detention Capacity	Commitment Capacity	Total Capacity
State-owned and Operated				
Adams YSC	Brighton	29	0	29
Gilliam YSC	Denver	73	0	73
Grand Mesa YSC	Grand Junction	24	44	68
Lookout Mountain YSC*	Golden	0	214	214
Marvin W. Foote YSC	Englewood	96	22	118
Mount View YSC	Lakewood	60	73	133
Platte Valley YSC	Greeley	69	66	135
Pueblo YSC	Pueblo	40	0	40
Sol Vista	Pueblo	0	20	20
Spring Creek YSC	Colorado Springs	58	45	103
Zebulon Pike	Colorado Springs	<u>0</u>	<u>40</u>	<u>40</u>
Subtotal:		449	524	973
State-owned – Contract Operated				
Ridgeview YSC*	Aurora	0	500	500
Betty K. Marler YSC**	Lakewood	0	40	40
Robert Denier YSC	Durango	<u>9</u>	<u>19</u>	<u>28</u>
Subtotal:		9	559	568
Private Provider Detention Beds [†]	Various	22	0	22
Private Provider Commitment Beds ^{††}	Various	0	440.7	440.7
Grand Total – Bed Capacity		480.0	1,523.7	2,003.7

* Boys only programs.

** Girls only program.

† A roll up of six different programs/providers that contract with the Division for detention beds.

†† A roll up of 37 different programs / providers that contract with the Division for commitment beds. This number is an estimate because DYC is not the only client for some providers.