

This file contains the following documents that were presented to the Joint Budget Committee:

1. FY 2008-09: Staff Late Supplemental Recommendations for the Division of Youth Corrections
2. FY 2009-10: Staff Figure Setting Recommendations for the Division of Youth Corrections

MEMORANDUM

TO: Joint Budget Committee

FROM: Patrick Brodhead, JBC Staff (303-866-4955)

SUBJECT: FY 2008-09 Late Supplemental Request for the Division of Youth Corrections

DATE: February 18, 2009

The Department requests several adjustments to the FY 2008-09 appropriations for the Purchase of Contract Placements line item and the Parole Program Services line item, resulting in no change to the *net* General Fund. The adjustments include: (1) a reduction of \$1,247,601 reappropriated funds (Medicaid funds) in the Purchase of Contract Placements line item based on an anticipated underutilization of Medicaid funds; (2) a transfer of an amount equal to the General Fund portion of those Medicaid funds (\$623,800) to the Parole Program Services line item; and (3) a transfer of an additional \$397,775 General Fund from the Purchase of Contract Placements line item to the Parole Program Services line item. The Department is requesting these transfers in order to continue a stable source of funding for the Continuum of Care Initiative.

Staff has concerns about the amount that is being transferred to the Parole Program Services line item because the request indicates that the shortfall in the Purchase of Contract Placements line item as a result of these transfers will be \$483,702 *net* General Fund. As such, staff has calculated a smaller transfer from the Purchase of Contract Placements line item to the Parole Program Services line item. Staff's calculations for the caseload need in the Purchase of Contract Placements line item can be found on the last page of this document (Appendix A).

The current reappropriated funds appropriation in the supplemental bill for the Purchase of Contract Placements line item is \$2,793,569, which includes a provider rate reduction of \$13,848. Staff has calculated a FY 2008-09 need for \$1,545,969 reappropriated funds; therefore, \$1,247,600 could be reduced from the reappropriated funds appropriation. This would allow the transfer of \$623,800 (the equivalent of the Medicaid General Fund portion) from the Purchase of Contract Placements line item, as requested by the Department.

In addition, the current General Fund appropriation in the supplemental bill for the Purchase of Contract Placements line item is \$41,502,084, which includes a provider rate reduction of \$205,760. Staff has calculated a FY 2008-09 need for \$41,335,986 General Fund; therefore, \$166,098 General Fund could be transferred from the Purchase of Contract Placements line item.

Staff recommends that the Committee approve: (1) a reduction of \$1,247,600 reappropriated funds (Medicaid funds) in the Purchase of Contract Placements line item; (2) a transfer of an amount equal

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to the General Fund portion of those Medicaid funds (\$623,800) to the Parole Program Services line item; and (3) a transfer of an additional \$166,098 General Fund from the Purchase of Contract Placements line item to the Parole Program Services line item.

APPENDIX A

	Commitment	Detention	Total
Forecasted Beds	1,206.0	479.0	1,685.0
Minus Boulder Impact	(7.0)		(7.0)
<u>Minus State Capacity*</u>	<u>(454.1)</u>	<u>(447.3)</u>	<u>(901.4)</u>
Contract Beds	744.9	31.7	776.6

* Includes a reduction of 46 beds related to realignment at Lookout Mountain.

	Contract Beds	Estimated Rate	General Fund	Medicaid CF	Total	Net GF
PRTF (0.0%)	0.0	\$385.00	0	0	0	0
TRCCF (30.94%) Treatment	230.5	\$175.26	14,745,062	0	14,745,062	14,745,062
TRCCF (30.94%) Fee-for-Service		\$18.54	0	1,559,817	1,559,817	779,908
CPA (2.23%)	16.6	\$103.45	626,804	0	626,804	626,804
<u>RCCF (66.83%)</u>	<u>497.8</u>	<u>\$135.48</u>	<u>24,616,310</u>	<u>0</u>	<u>24,616,310</u>	<u>24,616,310</u>
Total Commitment Beds	744.9		39,988,175	1,559,817	41,547,992	40,768,084
Detention Beds	31.7	\$134.27	1,553,571	0	1,553,571	1,553,571
DYC Continuation Adjusted for Caseload			41,541,746	1,559,817	43,101,563	42,321,655
Provider Rate Decrease			<u>(205,760)</u>	<u>(13,848)</u>	<u>(219,608)</u>	<u>(212,684)</u>
JBC Staff Recommendation			41,335,986	1,545,969	42,881,955	42,108,971

Assumptions:

1. Assumes the December 2008 Legislative Council Staff (LCS) projection of 1,206 commitment beds for FY 2008-09.
2. Estimated beds for Boulder Impact Project reflect February 2009 DYC estimated capacity for FY 2008-09.
3. Assumes 479 detention beds pursuant to Section 19-2-1201, C.R.S. Of these, 447.3 are in state-operated facilities.
4. Assumes contract rates provided by the Division of Youth Corrections as a part of its FY 2008-09 bed plan as amended in February 2008.
5. The percentage of PRTF, TRCCF, and RCCF placements, as a percent of total commitment beds, is based on the estimated ratio provided by the Division of Youth Corrections as a part of its budget request for FY 2008-09.

COLORADO GENERAL ASSEMBLY

JOINT BUDGET COMMITTEE



FY 2009-10 STAFF FIGURE SETTING: 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
February 18, 2009**

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**DEPARTMENT OF HUMAN SERVICES
DIVISION OF YOUTH CORRECTIONS
FY 2009-10 FIGURE SETTING**

**JBC Working Document, Decisions Subject to Change
Staff Recommendation Does Not Reflect Committee Decision**

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**FY 2009-10 Joint Budget Committee Staff Figure Setting
Department of Human Services: Division of Youth Corrections**

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10		Change Requests
				Request	Staff Recommend.	
DEPARTMENT OF HUMAN SERVICES						
Executive Director: Karen L. Beye						
(1) EXECUTIVE DIRECTOR'S OFFICE						
(B) Special Purpose						
Juvenile Parole Board**	174,185	186,907	255,976	252,582	252,582	
FTE	<u>2.1</u>	<u>2.2</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	
General Fund	174,185	186,907	199,979	206,814	206,814	
Reappropriated Funds	0	0	55,997	45,768	45,768	
* All other line items in the Executive Director's Office are discussed in other briefing documents.						
** For FY 2008-09, includes an appropriation of \$55,997 reappropriated funds and 0.8 FTE as a result of H.B. 08-1156.						
(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	1,197,564	1,221,723	1,303,783	1,382,127	1,382,127	
FTE	14.6	15.0	15.4	15.4	15.4	
Operating Expenses - General Fund	30,294	30,071	30,294	30,432	30,294	DI #NP-2
Victims Assistance - Reappropriated Funds	26,816	25,294	28,298	29,599	29,599	
FTE	0.3	0.4	0.5	0.5	0.5	
(11) DIVISION OF YOUTH CORRECTIONS						
Subtotal - (A) Administration	1,254,674	1,277,088	1,362,375	1,442,158	1,442,020	
FTE	<u>14.9</u>	<u>15.4</u>	<u>15.9</u>	<u>15.9</u>	<u>15.9</u>	
General Fund	1,227,858	1,251,794	1,334,077	1,412,559	1,412,421	
Reappropriated Funds	26,816	25,294	28,298	29,599	29,599	

**FY 2009-10 Joint Budget Committee Staff Figure Setting
Department of Human Services: Division of Youth Corrections**

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10		Change Requests
				Request	Staff Recommend.	
(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	38,996,136	40,682,391	42,666,971	44,370,006	43,926,171	BA #51
FTE	759.9	776.9	794.3	794.3	794.3	
Operating Expenses	<u>3,451,834</u>	<u>3,485,826</u>	<u>3,411,434</u>	<u>3,576,490</u>	<u>3,411,434</u>	DI #17, NP-2
General Fund	2,019,152	2,078,067	2,081,234	2,246,290	2,081,234	
Reappropriated Funds	1,432,682	0	1,330,200	1,330,200	1,330,200	
Federal Funds	0	1,407,759	0	0	0	
Capital Outlay - General Fund	102,432	0	0	0	0	
Medical Services - General Fund	7,106,403	7,810,391	7,934,779	8,061,627	8,037,541	DI #NP-2
FTE	35.6	35.0	39.0	39.0	39.0	
Enhanced Mental Health Services Pilot for Detention - General Fund	257,743	261,533	265,927	261,997	261,997	BA #51
Educational Programs	5,689,341	5,837,378	5,697,368	5,883,062	5,857,067	BA #51
FTE	<u>32.5</u>	<u>33.8</u>	<u>40.8</u>	<u>40.8</u>	<u>40.8</u>	
General Fund	5,048,441	5,201,939	5,353,475	5,539,169	5,513,174	
Reappropriated Funds	29,802	0	343,893	343,893	343,893	
Federal Funds	611,098	635,439	0	0	0	
Prevention / Intervention Services	49,814	49,215	49,693	49,693	49,693	
FTE	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	
Reappropriated Funds	49,814	49,215	49,693	49,693	49,693	
Federal Funds	0	0	0	0	0	

**FY 2009-10 Joint Budget Committee Staff Figure Setting
Department of Human Services: Division of Youth Corrections**

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10		Change Requests
				Request	Staff Recommend.	
(11) DIVISION OF YOUTH CORRECTIONS						
Subtotal - (B) Institutional Programs	55,653,703	58,126,734	60,026,172	62,202,875	61,543,903	
FTE	828.0	845.7	875.1	875.1	875.1	
General Fund	53,530,307	56,034,321	58,302,386	60,479,089	59,820,117	
Reappropriated Funds	1,512,298	49,215	1,723,786	1,723,786	1,723,786	
Federal Funds	611,098	2,043,198	0	0	0	
(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	7,252,979	7,382,843	7,929,462	8,249,032	8,169,192	BA #50
FTE	109.5	114.4	118.8	117.0	117.0	
General Fund	6,915,661	7,053,403	7,585,467	7,885,820	7,805,980	
Cash Funds	47,561	48,728	48,850	51,607	51,607	
Reappropriated Funds	39,757	30,712	44,520	46,860	46,860	
Federal Funds	250,000	250,000	250,625	264,745	264,745	
*Medicaid Cash Funds	39,757	30,712	44,520	46,860	46,860	
*Net General Fund	6,935,540	7,068,759	7,607,727	7,909,250	7,829,410	
Operating Expenses	338,804	341,709	359,860	351,377	351,050	DI #NP-2, BA #50
General Fund	336,356	339,261	357,412	348,929	348,602	
Cash Funds	2,448	2,448	2,448	2,448	2,448	
Capital Outlay - General Fund	8,084	0	0	0	0	
Purchase of Contract Placements	51,131,337	45,508,487	53,665,253	42,972,178	41,826,583	BA #28, 51
General Fund	48,483,406	43,657,783	50,857,836	40,206,743	40,314,160	
Reappropriated Funds	2,647,931	1,850,704	2,807,417	2,765,435	1,512,423	
*Medicaid Cash Funds	2,647,931	1,850,704	2,807,417	2,765,435	1,512,423	
*Net General Fund	49,807,372	44,583,135	52,261,545	41,589,461	41,070,372	

**FY 2009-10 Joint Budget Committee Staff Figure Setting
Department of Human Services: Division of Youth Corrections**

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10		Change Requests
				Request	Staff Recommend.	
Managed Care Pilot Project	<u>1,336,507</u>	<u>1,365,094</u>	<u>1,390,441</u>	<u>1,369,892</u>	<u>1,369,892</u>	BA #51
General Fund	1,317,709	1,316,084	1,357,105	1,336,556	1,336,556	
Reappropriated Funds	18,798	49,010	33,336	33,336	33,336	
*Medicaid Cash Funds	18,798	49,010	33,336	33,336	33,336	
*Net General Fund	1,327,108	1,340,589	1,373,773	1,353,224	1,353,224	
S.B. 91-94 Programs - General Fund	10,407,695	12,458,030	13,297,406	13,101,046	13,100,893	DI #NP-2, BA #51
Parole Program Services	<u>3,310,521</u>	<u>5,134,846</u>	<u>5,453,754</u>	<u>5,876,851</u>	<u>5,906,614</u>	BA #50, 51
General Fund	2,248,529	4,235,526	4,543,898	4,980,441	5,010,204	
Federal Funds	1,061,992	899,320	909,856	896,410	896,410	
Juvenile Sex Offender Staff Training	<u>34,822</u>	<u>84,373</u>	<u>47,060</u>	<u>47,060</u>	<u>47,060</u>	
General Fund	0	52,243	8,810	8,810	8,810	
Cash Funds	34,822	32,130	38,250	38,250	38,250	
(11) DIVISION OF YOUTH CORRECTIONS						
Subtotal - (C) Community Programs	73,820,749	72,275,382	82,143,236	71,967,436	70,771,284	
FTE	<u>109.5</u>	<u>114.4</u>	<u>118.8</u>	<u>117.0</u>	<u>117.0</u>	
General Fund	69,717,440	69,112,330	78,007,934	67,868,345	67,925,205	
Cash Funds	84,831	83,306	89,548	92,305	92,305	
Reappropriated Funds	2,706,486	1,930,426	2,885,273	2,845,631	1,592,619	
Federal Funds	1,311,992	1,149,320	1,160,481	1,161,155	1,161,155	
*Medicaid Cash Funds	2,706,486	1,930,426	2,885,273	2,845,631	1,592,619	
*Net General Fund	71,062,599	70,025,300	79,450,571	69,291,161	68,721,515	

**FY 2009-10 Joint Budget Committee Staff Figure Setting
Department of Human Services: Division of Youth Corrections**

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10		Change Requests
				Request	Staff Recommend.	
TOTAL - (11) DIVISION OF YOUTH CORRECTIONS	130,729,126	131,679,204	143,531,783	135,612,469	133,757,207	
FTE	952.4	975.5	1,009.8	1,008.0	1,008.0	
General Fund	124,475,605	126,398,445	137,644,397	129,759,993	129,157,743	
Cash Funds	84,831	83,306	89,548	92,305	92,305	
Reappropriated Funds	4,245,600	2,004,935	4,637,357	4,599,016	3,346,004	
Federal Funds	1,923,090	3,192,518	1,160,481	1,161,155	1,161,155	
<i>*Medicaid Cash Funds</i>	2,706,486	1,930,426	2,885,273	2,845,631	1,592,619	
<i>*Net General Fund</i>	125,820,764	127,311,415	139,087,034	131,182,809	129,954,053	

* 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.

**DEPARTMENT OF HUMAN SERVICES
DIVISION OF YOUTH CORRECTIONS
FY 2009-10 FIGURE SETTING**

**JBC Working Document, Decisions Subject to Change
Staff Recommendation Does Not Reflect Committee Decision**

**(1) EXECUTIVE DIRECTOR'S OFFICE
(B) SPECIAL PURPOSE**

JUVENILE PAROLE BOARD

Pursuant to Section 19-2-206 (6), C.R.S., the Department of Human Services is responsible for providing clerical support for the Juvenile Parole Board (JPB). The juvenile parole board administrator is appointed by the executive director of the Department of Human Services.

The Juvenile Parole Board is a nine-member body responsible for reviewing and approving parole applications for adjudicated juveniles in the custody of the Division of Youth Corrections (DYC). Authority for the Juvenile Parole Board is established in Section 19-2-206, C.R.S. The full board is required to meet no less than once per month (Section 19-2-206 (4), C.R.S.). Members of the Juvenile Parole Board are reimbursed for expenses incurred in the performance of their duties. In addition to the reimbursement of expenses, the four citizen board members and the local elected official member receive a per diem of one hundred fifty dollars per day spent transacting official business of the board.

Executive Director's Office - Juvenile Parole Board Staffing Summary	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommended
Board Administrator	1.3	1.4	1.4	1.4
Support Staff	0.9	0.8	0.8	0.8
H.B. 08-1156	<u>N/A</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>
TOTAL	2.2	3.0	3.0	3.0

The Department requests an appropriation of \$252,582, including \$206,814 General Fund and \$45,768 reappropriated funds, and 2.2 FTE for this line item. The request includes annualization of salary survey and performance-based pay awarded in FY 2008-09 as well as annualization of H.B. 08-1156. **Staff recommends that the Committee approve an appropriation of \$252,582, including \$206,814 General Fund and \$45,768 reappropriated funds, and 3.0 FTE for this line item.** Staff's recommendation was calculated pursuant to JBC common policy, which does not include a base reduction for FTE levels below 20. A summary of the staff recommendation can be found in the following table.

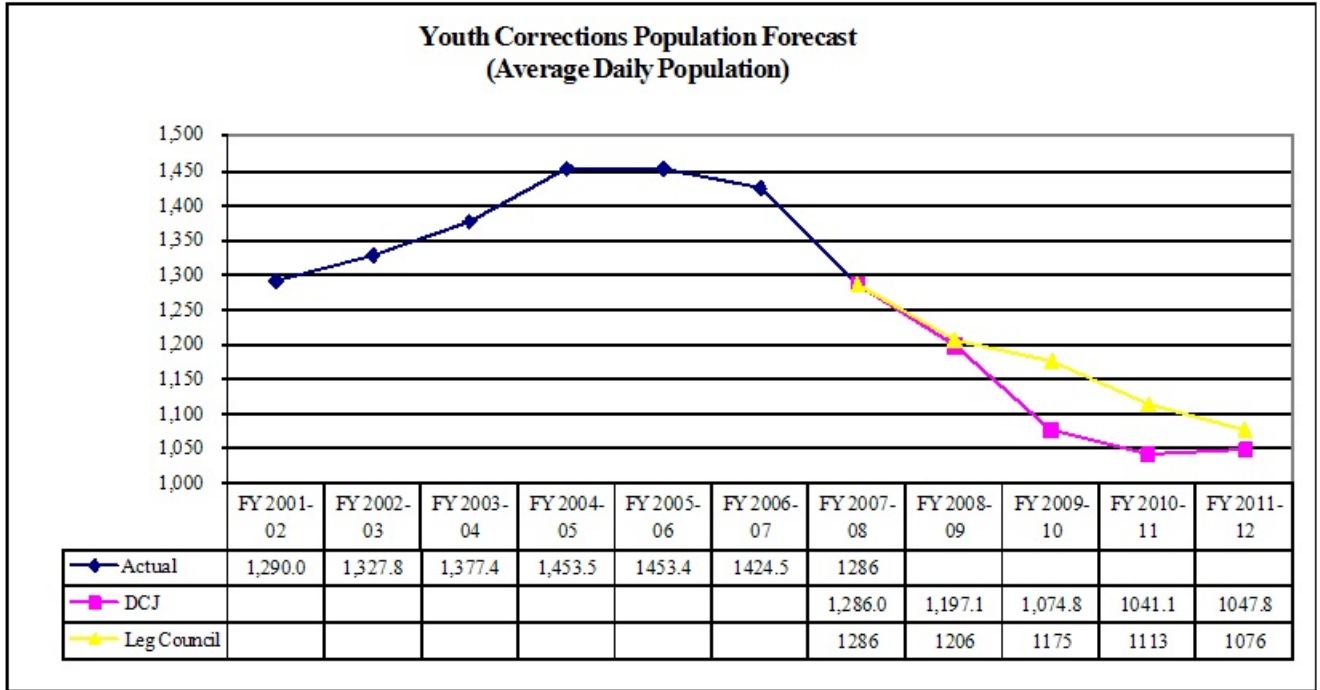
Summary of Recommendation — Department of Human Services (1) Executive Director's Office – (B) Special Purpose Juvenile Parole Board				
	General Fund	Reapprop. Funds	Total	FTE
FY 2008-09 Total Personal Services Appropriation	\$177,690	\$55,997	\$233,687	3.0
Annualize Salary Survey Awarded in FY 2008-09	5,263	0	5,263	0.0
Annualize Performance Pay Awarded in FY 2008-09	1,572	0	1,572	0.0
Annualize H.B. 08-1156	0	(10,229)	(10,229)	0.0
Base Reduction (1.0 Percent)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Subtotal - Personal Services	184,525	45,768	230,293	3.0
FY 2007-08 Long Bill (S.B. 07-239) Operating Expenses	<u>22,289</u>	<u>0</u>	<u>22,289</u>	<u>0.0</u>
TOTAL RECOMMENDATION	\$206,814	\$45,768	\$252,582	3.0

(11) DIVISION OF YOUTH CORRECTIONS (DYC)

The Division of Youth Corrections in the Department of Human Services is responsible for management and oversight of delinquent juveniles who are detained while awaiting adjudication, and for those who are committed to the Department after adjudication. In addition, juveniles may be sentenced as a condition of parole for up to 45 days to a detention facility.

The Division's responsibility for committed juveniles extends through a six-month mandatory parole period during which the youth is in the community. Finally, the Division allocates funds by formula to each judicial district in accordance with S.B. 91-94 for the development of local alternatives to incarceration.

Both the Division of Criminal Justice and the Legislative Council Staff provide population estimates for the Division of Youth Corrections. These estimates are considered by the Joint Budget Committee when determining appropriations, as population growth and inflation are the main factors in the need for additional appropriations. Below is a comparison of the projections.



The figure setting recommendations contained in the following sections of this document generally reflect estimated caseload (December 2008 population projections from Legislative Council Staff), which are driven by current law. **Staff recommends that the Committee use the Legislative Council Staff December 2008 average daily population projections for determining appropriations to the Division of Youth Corrections.**

(A) ADMINISTRATION

This section of the Division is responsible for establishing program policies and procedures for the treatment of juveniles in the custody of the Division and monitoring compliance with these standards. Also, this section collects data and provides strategic planning. Other duties include contract management and victim notification. Support for accounting, facility maintenance, and human resource functions is provided by other divisions within the Department of Human Services.

PERSONAL SERVICES

This line item funds salaries, PERA, and Medicare for administrative and management staff of the Division. The workload for the Personal Services line item in the Administration section is driven by the number of employees and programs in the Division that require supervision and strategic guidance, and by the amount and complexity of research and statistical data requested by the legislature, general public, and DYC's own management.

As the DYC commitment population changes, the number of youth in contract placements changes as well. Although the direct care of the youths is provided by the private sector, any caseload growth

requires DYC to manage a larger number of contracts with private providers (including contracts with licensed Psychiatric Residential Treatment Facilities and Therapeutic Residential Child Care Facilities, medical and mental health treatment providers, local school districts, and colleges).

Staffing Summary - (11)				
Division of Youth Corrections	FY 2007-08	FY 2008-09	FY 2009-10	FY 2009-10
(A) Administration	Actual	Appropriation	Request	Recommended
Management	2.8	3.0	3.0	3.0
Research / Statistics	10.3	9.4	9.4	9.4
Support Staff	<u>2.9</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
TOTAL	16.0	15.4	15.4	15.4

The Department requests an appropriation of \$1,382,127 General Fund and 15.4 FTE for this line item. The request is for a continuation level of funding calculated pursuant to OSPB's budget instructions. **Staff recommends that the Committee approve an appropriation of \$1,382,127 General Fund and 15.4 FTE for this line item.** This recommendation includes the application of Committee common policies. The total recommendation for this line item is summarized in the following table.

Summary of Recommendation — Department of Human Services		
(11) Division of Youth Corrections – (A) Administration		
Personal Services		
	General Fund	FTE
FY 2008-09 Long Bill (H.B. 08-1375)	\$1,303,783	15.4
Annualize Salary Survey Awarded in FY 2008-09	60,893	0.0
Annualize Performance Pay Awarded in FY 2008-09	17,451	0.0
Base Reduction (1.0%)	<u>0</u>	<u>0.0</u>
TOTAL RECOMMENDATION	\$1,382,127	15.4

OPERATING EXPENSES

This line item provides operating funds for the administrative and management staff of the Division. Expenditures are for general office supplies; office equipment maintenance, purchases, and repairs; and travel.

☐ Decision Item #NP-2 - Postage Increase and Mail Equipment Upgrade

The Department requests \$1,542 General Fund, which reflects the Department's share of a prioritized decision item in the Department of Personnel and Administration. That decision item will be discussed in the figure setting presentation for the Department of Personnel and Administration. The request includes increases related to postage costs and mail equipment upgrades. For this line item,

the request includes an increase of \$138 General Fund.

Staff's recommendation for this request is pending the Committee's action in the Department of Personnel and Administration related to Decision Item #NP-2.

Request for Line Item. The Department requests an appropriation of \$30,432 General Fund for this line item. The request includes an increase of \$138 General Fund related to Decision Item #NP-2 (Postage Increase and Mail Equipment Upgrade). **Staff recommends that the Committee approve an appropriation of \$30,294 General Fund for this line item, which does not include an increase associated with Decision Item #NP-2. Staff also asks permission to include in the FY 2009-10 Long Bill any amount that is approved for this line item related to Decision Item #NP-2.**

VICTIM ASSISTANCE

This line item provides spending authority and 0.5 FTE to help DYC fulfill its obligation to keep victims informed. For victims of qualifying charges (crimes against persons), DYC provides notification of all movements and status changes of the perpetrator within the youth corrections system, such as escapes and return to custody, eligibility for visits to the community and cancellation of visits, hearings involving the perpetrator, re-commitments, transfer to the adult system, death, and expiration of commitment. The victim has the right at any of these events to provide statements for review.

Fund Source Overview. The source of reappropriated funds for the victim assistance program is a grant from the Division of Criminal Justice in the Department of Public Safety, made pursuant to Section 24-33.5-506, C.R.S. The State Victims Assistance and Law Enforcement Advisory Board (State VALE Board), created in Section 24-33.5-508, C.R.S., advises the Division of Criminal Justice on what grants to make. Revenue for the State VALE fund comes from a percentage of surcharges on criminal offenders levied at the judicial district level, with a small amount coming from the Department of Corrections' Prison Industry Enhancement Program (federal) of which a certain amount must be used to provide direct services to crime victims.

The Department requests an appropriation of \$29,599 reappropriated funds (VALE funds transferred from the Division of Criminal Justice) and 0.5 FTE for this line item. The request is based on a continuation level of funding incorporating the OSPB common policies. **Staff recommends that the Committee approve an appropriation of \$29,599 reappropriated funds (VALE funds transferred from the Division of Criminal Justice) and 0.5 FTE for this line item.** The staff recommendation for this line item is summarized in the following table.

Summary of Recommendation — Department of Human Services (11) Division of Youth Corrections – (A) Administration Victim Assistance		
	Reappropriated Funds	FTE
FY 2008-09 Personal Services (H.B. 08-1375)	\$25,073	0.5
Annualize Salary Survey Awarded in FY 2008-09	1,031	0.0
Annualize Performance Pay Awarded in FY 2008-09	270	0.0
Base Reduction (1.0%)	<u>0</u>	<u>0.0</u>
Subtotal - Personal Services	26,374	0.5
FY 2007-08 Operating Expenses (S.B. 07-239)	<u>3,225</u>	<u>0.0</u>
TOTAL RECOMMENDATION	\$29,599	0.5

(B) INSTITUTIONAL PROGRAMS

This section of the Division funds state-operated detention and commitment facilities, and diagnostic and program services for juveniles while they are in a DYC institution. Additional services for juveniles who leave an institutional setting, for example to a community placement or parole, are funded through the Community Programs section.

PERSONAL SERVICES

This line item pays salaries for the majority of program, supervisory, and support staff at DYC institutions. Educational and medical staff are funded in separate line items, and physical plant staff are funded through the Office of Operations.

Institutional Programs Staffing Summary	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommended
Management / General Professional	17.6	19.0	19.0	19.0
YS Counselors	91.8	97.5	97.5	97.5
Security Officers	575.8	584.0	584.0	584.0
Food Services	40.1	41.6	41.6	41.6
Support Staff	<u>54.6</u>	<u>52.2</u>	<u>52.2</u>	<u>52.2</u>
TOTAL	779.9	794.3	794.3	794.3

Budget Amendment #51 - Provider Rate Decrease

The Department requests a reduction of \$1,101,045 *net* General Fund in the Division of Youth Corrections related to a provider rate decrease. This decrease keeps provider rates at the FY 2007-08

levels for FY 2009-10. The Committee has already voted to approve the Department's request related to FY 2009-10 provider rates; therefore, staff has included those reductions in this figure setting document.

Request for Line Item. The Department requests an appropriation of \$44,370,006 General Fund and 794.3 FTE for this line item. The request includes a reduction of \$13,500 General Fund related to Budget Amendment #51 (Provider Rate Decrease).

Staff Recommendation for Line Item. Staff recommends that the Committee approve an appropriation of \$43,926,171 General Fund and 794.3 FTE for this line item. Staff's recommendation, which is summarized in the following table, incorporates the amount discussed above regarding the provider rate decrease.

Summary of Recommendation — Department of Human Services (11) Division of Youth Corrections – (B) Institutional Programs Personal Services		
	General Fund	FTE
FY 2008-09 Long Bill (H.B. 08-1375)	\$42,666,971	794.3
Annualize Salary Survey Awarded in FY 2008-09	1,234,957	0.0
Annualize Performance Pay Awarded in FY 2008-09	481,578	0.0
Base Reduction (1.0%)	<u>(443,835)</u>	<u>0.0</u>
Subtotal - Personal Services	43,939,671	794.3
Budget Amendment #51 - Provider Rate Decrease	<u>(13,500)</u>	<u>0.0</u>
TOTAL RECOMMENDATION	\$43,926,171	794.3

OPERATING EXPENSES

This line item funds the operation of DYC facilities, including such expenses as uniforms for staff and juveniles, custodial and laundry supplies, telephone fees, office equipment, and counseling supplies. Nearly half of the appropriation is for food and food service supplies, but food costs are paid primarily by the federal school breakfast and lunch program. Reappropriated funds in the line item are funds transferred from the Department of Education for the federal school breakfast and lunch program.

Decision Item #17 - Inflationary Increase

The Department requests a 1.5 percent increase (\$113,547 total funds, including \$96,515 net General Fund) in the utilities line item to assist in covering higher costs for electricity, natural gas, water, sewage, and coal used in its direct care facilities. The request also includes an 8.5 percent increase (\$447,604 total funds, including \$415,024 net General Fund) to address inflation in the cost of food provided at Department residential facilities. For DYC, the total amount requested is \$164,179 General Fund related to the 8.5 percent increase for food.

As mentioned above in the description of this line item, it is staff's understanding that food costs are paid primarily by the federal school breakfast and lunch program. Given the current economic situation and the understanding that a majority of the Division's food costs are federally-supported, **staff does not recommend that the Committee approve an increase related food and utilities inflation.**

Request for Line Item: The Department requests an appropriation of \$3,576,490, including \$2,246,290 General Fund and \$1,330,200 reappropriated funds, for this line item. The request includes an increase of \$164,179 General related to Decision Item #17 (Inflationary Increase), and \$877 General Fund related to Decision Item #NP-2 (Postage Increase and Mail Equipment Upgrade). **Staff recommends that the Committee approve an appropriation of \$3,411,434, including \$2,081,234 General Fund for this line item. Staff also asks permission to include in the FY 2009-10 Long Bill any amount that is approved for this line item related to Decision Item #NP-2.** This recommendation is summarized in the following table.

Summary of Recommendation — Department of Human Services (11) Division of Youth Corrections – (B) Institutional Programs Operating Expenses				
	General Fund	Reapprop. Funds*	Federal Funds	Total
FY 2008-09 Long Bill (H.B. 08-1375)	\$2,081,234	\$1,330,200	\$0	\$3,411,434
Decision Item #17 - Inflationary Increase	0	0	0	0
Decision Item #NP-2 - Postage Increase and Mail Equipment Upgrade	-----	-----	-----	<u>Pending</u>
TOTAL RECOMMENDATION	\$2,081,234	\$1,330,200	\$0	\$3,411,434

* The source is federal dollars transferred from the Colorado Department of Education for the federal school breakfast and lunch program.

MEDICAL SERVICES

Personnel, contract, and operating costs associated with providing medical services to DYC youth were consolidated into one line item several years ago to enable better tracking of costs and to provide the Division with more flexibility in managing medical expenses. Because this is a program line item, there are three distinct components to the recommendation: (1) personal services; (2) contract services; and (3) operating expenses. At the end of the discussion for this line item, staff has provided a summary delineating the components of the staff recommendations for this line item.

Medical Services Staffing Summary	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommended
Support Staff	2.4	3.0	3.0	3.0
Physicians / Dentists	1.0	1.0	1.0	1.0
Mid-level Providers	14.9	16.0	16.0	16.0
Nurses / Health Professional	11.9	14.0	14.0	14.0
Psychologist / Social Worker / Counselor	<u>4.1</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
TOTAL	34.3	39.0	39.0	39.0

The Department requests an appropriation of \$8,061,627 General Fund and 39.0 FTE for this line item. The request includes an increase of \$47 General Fund related to Decision Item #NP-2 (Postage Increase and Mail Equipment Upgrade). The medical services line item is comprised of several distinct cost centers: (1) personal services; (2) contract services; and (3) operating expenses.

(1) Personal Services

Description. This portion of the line item pays for staff in state-operated facilities who provide routine medical care and administer medications, especially psychotropics. Youth in contract facilities are eligible for Medicaid.

Staff Recommendation for Personal Services. Staff recommends that the Committee approve an appropriation of \$2,379,845 General Fund and 39.0 FTE for personal services. This recommendation includes the JBC common policy of a 1.0 percent reduction.

Summary of Personal Services Staff Recommendation for Medical Services		
	General Fund	FTE
FY 2008-09 Long Bill (H.B. 08-1375)	\$2,277,083	39.0
Annualize Salary Survey Awarded in FY 2008-09	93,329	0.0
Annualize Performance Pay Awarded in FY 2008-09	33,472	0.0
Base Reduction (1.0%)	<u>(24,039)</u>	<u>0.0</u>
Total Recommended for Personal Services	\$2,379,845	39.0

(2) Contract Services

Description. The Division's primary contract for medical services is with Devereaux Cleo Wallace to provide acute mental health services at Lookout Mountain Youth Services Center in the Cypress Unit. Also, the Division uses contract dollars to pay Colorado Access for managing specialty off-site medical needs. The Division spends smaller amounts on contracts for infrequently used on-site medical services, such as psychiatrists, and on contracts for medical services in areas where it is difficult to recruit state FTE.

Staff Recommendation for Contract Services. Staff recommends that the Committee approve the Department's request for a continuation level of funding of \$2,050,000 for contract services.

(3) Operating Expenses

Description. The majority of medical operating expenses are for youth in state-owned or state-operated commitment facilities. Federal rules prohibit youth in state-owned or state-operated institutions from accessing Medicaid. However, juveniles in contract facilities can typically meet Medicaid eligibility requirements because they are considered a family of one for the income criteria. Exceptions exist for youth placed out-of-state and youth in secure contract facilities. Detained youth who have not been committed, and therefore are not officially a ward (legal custody) of the State, may retain the Medicaid status they had prior to detention for the short duration of their stay.

Staff Recommendation for Operating Expenses. Staff recommends that the Committee approve a continuation level of funding of \$3,607,696 for operating expenses. This recommendation does not include the Department's request for an increase related to Decision Item #NP-2 (Postage Increase and Mail Equipment Upgrade) because that decision item is pending a Committee common policy decision.

Staff Recommendation for Line Item. Staff recommends that the Committee approve an appropriation of \$8,037,541 General Fund and 39.0 FTE for this line item. Staff also asks permission to include in the FY 2009-10 Long Bill any amount that is approved for this line item related to Decision Item #NP-2. Staff's recommendation is summarized below.

Summary of Recommendation — Department of Human Services (11) Division of Youth Corrections – (B) Institutional Programs Medical Services		
	General Fund	FTE
Personal Services	\$2,277,083	39.0
Contracts	2,050,000	0.0
Operating Expenses	<u>3,607,696</u>	<u>0.0</u>
Total FY 2008-09 Appropriation	7,934,779	39.0
Annualize Salary Survey Awarded in FY 2008-09	93,329	0.0
Annualize Performance Pay Awarded in FY 2008-09	33,472	0.0
Decision Item #NP-2 - Postage Increase and Mail Equipment Upgrade	Pending	0.0
Base Reduction (1.0 Percent)	<u>(24,039)</u>	<u>0.0</u>
TOTAL RECOMMENDATION	\$8,037,541	39.0

ENHANCED MENTAL HEALTH SERVICES PILOT FOR DETENTION

The funding in this line item is intended to examine the efficacy of providing intensive mental health services for detained youth. At the time this line item was added to the budget, DYC had a system-wide problem with readmissions to detention. The Division believed that a disproportionate share

of the juveniles getting readmitted had a mental health problem that was not being treated in the community. The appropriation in the line item provided for assessment by DYC of youth in detention at the Mount View and Grand Mesa facilities. A companion piece of funding in the Division of Children's Health and Rehabilitation provided community treatment upon release.

Due to the shortage of General Fund dollars, this line item was eliminated in FY 2003-04. In FY 2005-06, the General Assembly provided \$250,000 General Fund to reestablish this program. The Department requests an appropriation of \$261,997 General Fund for this line item. The request includes a reduction of \$3,930 General Fund associated with Budget Amendment #51 (Provider Rate Decrease). **Staff recommends that the Committee approve an appropriation of \$261,997 General Fund for this line item.** The staff recommendation for this line item is summarized in the following table.

Summary of Recommendation — Department of Human Services (11) Division of Youth Corrections – (B) Institutional Programs Enhanced Mental Health Services Pilot for Detention	
	General Fund
FY 2008-09 Long Bill (H.B. 08-1375)	\$265,927
Budget Amendment #51 - Provider Rate Decrease	<u>(3,930)</u>
TOTAL RECOMMENDATION	\$261,997

EDUCATIONAL PROGRAMS

This line item funds personal services and operating expenses associated with education, primarily in state-operated commitment facilities. In contract commitment facilities, and in detention facilities, education is the responsibility of local school districts and paid for with the help of state per pupil operating revenue (PPOR). A limited portion of the Educational Programs line item is used to supplement PPOR-funded services at detention facilities with health education, such as AIDS prevention and substance abuse prevention.

There are three sources of federal funds for this line item that appear as reappropriated funds because the money is transferred from the Department of Education: (1) the Carl D. Perkins Vocational Education Act for vocational training (\$30,000); (2) Title I of the Elementary and Secondary Education Act for disadvantaged youth (\$206,336); and (3) the Individuals with Disabilities Education Act for special education (\$107,557).

Educational Programs Staffing Summary	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommended
Support Staff	1.5	2.5	2.5	2.5
Teachers	<u>30.6</u>	<u>38.3</u>	<u>38.3</u>	<u>38.3</u>
TOTAL	32.1	40.8	40.8	40.8

The Department requests an appropriation of \$5,883,062, including \$5,539,169 General Fund and \$343,893 reappropriated funds, and 40.8 FTE for this line item. This request includes a reduction

of \$31,004 General Fund associated with Budget Amendment #51 (Provider Rate Decrease).

Staff recommends that the Committee approve an appropriation of \$5,857,067, including \$5,513,174 General Fund and \$343,893 reappropriated funds, and 40.8 FTE for this line item. Staff's calculations for the line item are below.

Summary of Staff Recommendation — Department of Human Services (11) Division of Youth Corrections – (B) Institutional Programs Educational Programs				
	General Fund	Reapprop. Funds	Total Funds	FTE
Personal Services	\$2,468,938	\$207,806	\$2,676,744	40.8
Operating Expenses	<u>2,884,537</u>	<u>136,087</u>	<u>3,020,624</u>	<u>0.0</u>
FY 2008-09 Long Bill (H.B. 08-1375)	5,353,475	343,893	5,697,368	40.8
Annualize Salary Survey Awarded in FY 2008-09	186,149	0	186,149	0.0
Annualize Performance Pay Awarded in FY 2008-09	30,549	0	30,549	0.0
Base Reduction (1.0 Percent)	<u>(25,995)</u>	<u>0</u>	<u>(25,995)</u>	<u>0.0</u>
Subtotal - Personal Services	5,544,178	343,893	5,888,071	40.8
Budget Amendment #51 - Provider Rate Decrease	<u>(31,004)</u>	<u>0</u>	<u>(31,004)</u>	<u>0.0</u>
TOTAL RECOMMENDATION	\$5,513,174	\$343,893	\$5,857,067	40.8

PREVENTION/INTERVENTION SERVICES

This line item provides spending authority for an intra-agency agreement between DYC and the Alcohol and Drug Abuse Division (ADAD) located in the Division of Mental Health. Historically, the funds have supported drug and alcohol assessment and training for substance abuse counselors in DYC facilities. Prior to FY 2002-03, the funds were originally appropriated in ADAD as General Fund dollars. Because the funds are transferred to DYC, they were reflected as reappropriated funds in DYC's budget. However, as a result of budget reductions, no General Fund dollars are transferred from ADAD. The dollars transferred to DYC (reappropriated funds) are federal funds from ADAD.

The Department requests a continuation appropriation of \$49,693 reappropriated funds and 1.0 FTE, for this line item. **Staff recommends that the Committee approve an appropriation of \$49,693 reappropriated funds (federal funds transferred from ADAD) and 1.0 FTE for this line item.** This recommendation is calculated *without* including the Committee common policy of a 1.0 percent base reduction because the line item has fewer than 20.0 FTE.

(C) COMMUNITY PROGRAMS

This section of the Division funds contract placements of juveniles typically in community settings with lower security levels than state-operated institutions. This section also supports case management that begins during a juvenile's stay in commitment and continues through the end of parole. Finally, this section funds S.B. 91-94 programs intended to divert juveniles from detention and commitment, or reduce their length of stay.

PERSONAL SERVICES

This line item supports personal services for case managers, support staff, and regional administrators, who are responsible for overseeing contract placements and the overall operation of DYC services in the area. Beginning in FY 1997-98, the Division combined the role of case manager and parole officer, so the same individual tracks a juvenile through the system from commitment to the end of parole.

The source of cash funds in this line item is a reimbursement by the operator of the Ridge View facility to offset the cost of monitoring the facility pursuant to Section 19-2-411.5 (2) (e), C.R.S.

Community Programs Staffing Summary	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommended
Management	3.8	4.0	4.0	4.0
Case Managers	96.1	99.8	99.8	99.8
General Professional	1.2	1.0	1.0	1.0
Support Staff	13.3	14.0	14.0	14.0
Budget Amendment #50 - Eliminate Expansion of Functional Family Parole	<u>0.0</u>	<u>0.0</u>	<u>(1.8)</u>	<u>(1.8)</u>
TOTAL	114.4	118.8	117.0	117.0

Budget Amendment #50 - Eliminate Expansion of Functional Family Parole

The Department requests a reduction of \$356,994 General Fund and 1.8 FTE related to eliminating the expansion of Functional Family Parole (FFP). The request includes \$98,184 General Fund and 1.8 FTE in the Personal Services line item, \$8,810 General Fund in the Operating Expenses line item, and \$250,000 General Fund in the Parole Program Services line item. This request would eliminate the statewide expansion of the FFP program, which is currently being piloted in the DYC Central Region.

Request for Line Item. The Department requests an appropriation of \$8,249,032, including \$7,909,250 *net* General Fund, and 117.0 FTE for this line item. The request includes a reduction of \$98,184 General Fund and 1.8 FTE associated with Budget Amendment #50 (Eliminate Expansion of Functional Family Parole). **Staff recommends that the Committee approve an appropriation of \$8,169,192, including \$7,829,410 *net* General Fund, and 117.0 FTE for this line item.** Staff's calculations for the line item are below.

Summary of JBC Staff Recommendation — Department of Human Services (11) Division of Youth Corrections – (C) Community Programs Personal Services						
	General Fund	Cash Funds*	Reapprop. Funds**	Federal Funds***	Total	FTE
FY 2008-09 Long Bill (H.B. 08-1375)	\$7,585,467	\$48,850	\$44,520	\$250,625	\$7,929,462	118.8

Summary of JBC Staff Recommendation — Department of Human Services (11) Division of Youth Corrections – (C) Community Programs Personal Services						
	General Fund	Cash Funds*	Reapprop. Funds**	Federal Funds***	Total	FTE
Annualize Salary Survey Awarded in FY 2008-09	309,805	2,143	1,819	10,976	324,743	0.0
Annualize Performance Pay Awarded in FY 2008-09	88,732	614	521	3,144	93,011	0.0
Base Reduction (1.0 Percent)	<u>(79,840)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(79,840)</u>	<u>0.0</u>
Subtotal - Personal Services	7,904,164	51,607	46,860	264,745	8,267,376	118.8
Budget Amendment #50 - Eliminate Expansion of Functional Family Parole	<u>(98,184)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(98,184)</u>	<u>(1.8)</u>
TOTAL RECOMMENDATION	\$7,805,980	\$51,607	\$46,860	\$264,745	\$8,169,192	117.0

* The source of cash funds is fee revenue received by the Division pursuant to Section 19-2-411.5 (2) (e), C.R.S., from the Rights of Passage Program to offset the cost of monitoring the Ridgeview Facility.

** These amounts shall be from Medicaid funds transferred from the Department of Health Care Policy and Financing.

*** The source of federal funds is Title IV-E funds.

OPERATING EXPENSES

This line item provides operating funds for the FTE in the personal services line item above. The single largest expenditure category from this line item is fuel expenditures, reflecting the mobile nature of case management work. The source of cash funds is fees collected from the Ridge View contractor to offset the cost of monitoring operations in DYC facilities, which is required pursuant to Section 19-2-411.5 (2) (e), C.R.S.

The Department requests an appropriation of \$351,377, including \$348,929 General Fund and \$2,448 cash funds, for this line item. The request includes an increase of \$327 General Fund associated with Decision Item #NP-2 (Postage Increase and Mail Equipment Upgrade), and a decrease of \$8,810 General Fund associated with Budget Amendment #50 (Eliminate Expansion of Functional Family Parole). **Staff recommends that the Committee approve an appropriation of \$351,050, including \$348,602 General Fund and \$2,448 cash funds, for this line item. Staff also asks permission to include in the FY 2009-10 Long Bill any amount that is approved for this line item related to Decision Item #NP-2.** Staff's calculations for the line item are below.

Summary of JBC Staff Recommendation — Department of Human Services (11) Division of Youth Corrections – (C) Community Programs Operating Expenses			
	General Fund	Cash Funds*	Total Funds
FY 2008-09 Long Bill (H.B. 08-1375)	\$357,412	\$2,448	\$359,860
Decision Item #NP-2 - Postage Increase and Mail Equipment Upgrade			Pending
Budget Amendment #50 - Eliminate Expansion of Functional Family Parole	(8,810)	0	(8,810)
TOTAL RECOMMENDATION	\$348,602	\$2,448	\$351,050

* The source of cash funds is fee revenue received by the Division pursuant to Section 19-2-411.5 (2) (e), C.R.S., from the Rights of Passage Program to offset the cost of monitoring the Ridgeview Facility.

PURCHASE OF CONTRACT PLACEMENTS

This line item provides funding for the Division to contract with private for-profit and non-profit organizations to house and treat youth. All of the contracts funded through this line item are for residential services. Non-residential services are paid for through other line items.

The source of reappropriated funds is Medicaid funds transferred from the Department of Health Care Policy and Financing.

Long Bill Footnote. 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 and transition services for youth in state-operated facilities. In FY 2005-06, this percentage was increased to 10.0 percent, in FY 2007-08 the percentage was increased to 15.0 percent, and for this year (FY 2008-09) the percentage was increased to 20.0 percent. 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.

☐ Budget Amendment #7 - Purchase of Contract Placements - Continuum of Care

The Department requests a transfer of \$750,000 General Fund from the Purchase of Contract Placements line item to the Parole Program Services line item. The request seeks to use this money to fund the Continuum of Care Initiative. The requested transfer is intended to separate contract residential placements from funding of nonresidential services provided to committed youth.

Staff has calculated the need for the Purchase of Contract Placements line item and has concluded that \$779,763 General Fund can be transferred to the Parole Program Services line item. Therefore, **staff recommends that the Committee approve a transfer of \$779,763 General Fund from the Purchase of Contract Placements line item to the Parole Program Services line item.**

☐ Budget Amendment #28 - Reduction Based on Flexibility Allowed in Long Bill Footnote

The Department requests a reduction of \$9,149,992 General Fund to the Purchase of Contract Placements line item. This line item provides funding for the Division of Youth Corrections to contract with private for-profit and non-profit organizations to house and treat youth.

The Department's request removes much of the funding flexibility allowed in the FY 2009-10 Long Bill. However, the request does not seek to true up the Purchase of Contract Placements line item with the average daily population (ADP) projections. Instead the request calculates the reduction based on delayed implementation of the following projects: (1) \$3,500,000 to re-activate the 40-bed Community Accountability Program; (2) \$1,326,000 for physical plant improvements; (3) \$2,000,000 for H.B. 04-1451 Collaborative Management programs; (4) \$600,000 for Digital Trunked Radios; and (5) \$1,123,992 of additional flexible funds. The remaining funding flexibility is requested for the Division to maintain the Continuum of Care Initiative.

Staff recommends that the Committee approve a reduction of \$9,149,992 General Fund to the Purchase of Contract Placements line item.

Request for Line Item. The Department requests an appropriation of \$42,972,178, including \$41,589,461 *net* General Fund. The request includes a decrease of \$750,000 associated with Budget Amendment #7 (Purchase of Contract Placements - Continuum of Care), a decrease of \$9,149,992 General Fund associated with Budget Amendment #28 (Reduction Based on Flexibility Allowed by Long Bill Footnote), and a decrease of \$793,083, including \$772,092 *net* General Fund, associated with Budget Amendment #51 (Provider Rate Decrease) The following table summarizes the request.

Summary of Request — Department of Human Services (11) Division of Youth Corrections – (C) Community Programs Purchase of Contract Placements					
	General Fund	Reapprop. Funds	Total Funds	Medicaid Cash	Net General Fund
FY 2008-09 Long Bill (H.B. 08-1375)	\$50,857,836	\$2,807,417	\$53,665,253	\$2,807,417	\$52,261,545
Budget Amendment #7 - Purchase of Contract Placements - Continuum of Care	(750,000)	0	(750,000)	0	(750,000)
Budget Amendment #28 - Reduction Based on Flexibility Allowed in Long Bill Footnote	(9,149,992)	0	(9,149,992)	0	(9,149,992)
Budget Amendment #51 - Provider Rate Decrease	<u>(751,101)</u>	<u>(41,982)</u>	<u>(793,083)</u>	<u>(41,982)</u>	<u>(772,092)</u>
Total Request	\$40,206,743	\$2,765,435	\$42,972,178	\$2,765,435	\$41,589,461

Staff Recommendation for Line Item. Staff recommends that the Committee approve an appropriation of \$41,826,583, including \$41,070,372 *net* General Fund, for this line item. The calculation for this recommendation is summarized in the following table.

Summary of JBC Staff Recommendation — Department of Human Services (11) Division of Youth Corrections – (C) Community Programs Purchase of Contract Placements					
	General Fund	Reapprop. Funds*	Total Funds	Medicaid Cash Funds	Net General Fund
FY 2008-09 Long Bill (H.B. 08-1375)	\$50,857,836	\$2,807,417	\$53,665,253	\$2,807,417	\$52,261,545
Budget Amendment #7 - Purchase of Contract Placements - Continuum of Care	(779,763)	(1,271,962)	(2,051,725)	(1,271,962)	(1,415,744)
Budget Amendment #28 - Reduction Based on Flexibility Allowed by Long Bill Footnote	(9,149,992)	0	(9,149,992)	0	(9,149,992)
Budget Amendment #51 - Provider Rate Decrease	(613,921)	(23,032)	(636,953)	(23,032)	(625,437)
TOTAL RECOMMENDATION	\$40,314,160	\$1,512,423	\$41,826,583	\$1,512,423	\$41,070,372

* These amounts shall be from Medicaid funds transferred from the Department of Health Care Policy and Financing.

MANAGED CARE PILOT PROJECT

This line item is used to fund the Boulder County Impact Project, which is a managed care agreement between the Division of Youth Corrections and Boulder County for handling delinquent youth. The agreement caps the dollars that can be used for detained and committed youth in Boulder County.

The Department requests an appropriation of \$1,369,892, including \$1,353,224 *net* General Fund, for this line item. The request includes a decrease of \$20,549 General Fund associated with Budget Amendment #51 (Provider Rate Decrease). **Staff recommends that the Committee approve an appropriation of \$1,369,892, including \$1,353,224 *net* General Fund, for this line item.** Staff's calculations for the line item are below.

Summary of Recommendation — Department of Human Services (11) Division of Youth Corrections – (C) Community Programs Managed Care Pilot Project (Boulder IMPACT)					
	General Fund	Reapprop. Funds*	Total Funds	Medicaid Cash Funds	Net General Fund
FY 2008-09 Long Bill (H.B. 08-1375)	\$1,357,105	\$33,336	\$1,390,441	\$33,336	\$1,373,773
Budget Amendment #51 - Provider Rate Decrease	(20,549)	0	(20,549)	0	(20,549)
TOTAL RECOMMENDATION	\$1,336,556	\$33,336	\$1,369,892	\$33,336	\$1,353,224

* These amounts shall be from Medicaid funds transferred from the Department of Health Care Policy and Financing.

SENATE BILL 91-94 PROGRAMS

Senate Bill 91-94 authorized the creation of local, judicial-district based programs designed to provide alternatives to incarceration for pre-adjudicated and adjudicated youth. These programs work to reduce the incarcerated population by impacting the number of admissions into DYC facilities, or by reducing the length of stay for youths placed in DYC facilities. Senate Bill 91-94 funds are also used in each judicial district to implement a uniform intake screening and assessment of all youth taken into custody by law enforcement. The goal of this intake screening is to determine the most appropriate placement for youth. Four levels of placement are identified on the screening instrument, including secure detention, staff secure detention, residential/shelter, and home detention with monitoring.

Of the funds appropriated to this line item, the Division reserves three percent for research, evaluations, technical assistance, and audits. The remainder of the money is allocated by formula to programs in each judicial district. Historical funding has been based on approximately 25 percent for committed youth and 75 percent for detained youth. However, because of recent budget reductions and because of the statutory cap on juvenile detention beds, the funds are currently used for detention services only.

The Department requests an appropriation of \$13,101,046 General Fund for this line item. The request includes an increase of \$153 General Fund associated with Decision Item #NP-2 (Postage Increase and Mail Equipment Upgrade), and a decrease of \$196,513 General Fund associated with Budget Amendment #51 (Provider Rate Decrease). **Staff recommends that the Committee approve an appropriation of \$13,100,893 General Fund for this line item. Staff also asks permission to include in the FY 2009-10 Long Bill any amount that is approved for this line item related to Decision Item #NP-2.** Staff's calculations for the line item are below.

Summary of Recommendation — Department of Human Services (11) Division of Youth Corrections – (C) Community Programs S.B. 91-94 Programs	
	General Fund
FY 2008-09 Long Bill (H.B. 08-1375)	\$13,297,406
Decision Item #NP-2 - Postage Increase and Mail Equipment Upgrade	Pending
Budget Amendment #51 - Provider Rate Decrease	<u>(196,513)</u>
TOTAL RECOMMENDATION	\$13,100,893

PAROLE PROGRAM SERVICES

This line item was created in FY 1998-99 through the consolidation of several line items providing wrap-around services to parolees and pre-parolees. The funds are designed to assist in a successful transition from commitment to parole, and in successful completion of parole. In addition, some of the services, such as electronic monitoring, create conditions in the community that may make the Parole Board more comfortable with releasing a juvenile to parole sooner.

The Department requests an appropriation of \$5,876,851, including \$4,980,441 General Fund. The request includes an increase of \$750,000 General Fund associated with Budget Amendment #7 (Purchase of Contract Placements - Continuum of Care). In addition, the request includes a decrease of \$250,000 General Fund associated with Budget Amendment #50 (Eliminate Expansion of

Functional Family Parole), and a decrease of \$76,903, including \$63,457 General Fund, related to Budget Amendment #51 (Provider Rate Decrease).

Staff recommends the Committee approve an appropriation of \$5,906,614, including \$5,010,204 General Fund and \$896,410 federal funds (Title IV-E), for this line item. The following table summarizes the staff recommendation.

Summary of Recommendation — Department of Human Services (11) Division of Youth Corrections – (C) Community Programs Parole Program Services			
	General Fund	Federal Funds	Total Funds
FY 2008-09 Long Bill (H.B. 08-1375)	\$4,543,898	\$909,856	\$5,453,754
Budget Amendment #7 - Purchase of Contract Placements - Continuum of Care	779,763	0	779,763
Budget Amendment #50 - Eliminate Expansion of Functional Family Parole	(250,000)	0	(250,000)
Budget Amendment #51 - Provider Rate Decrease	<u>(63,457)</u>	<u>(13,446)</u>	<u>(76,903)</u>
TOTAL RECOMMENDATION	\$5,010,204	\$896,410	\$5,906,614

Source of Federal Funds. The source of federal funds is Title IV-E funding. Title IV-E provides assistance to states in paying a portion of the cost associated with maintaining certain youth in out-of-home placements. The youth must meet eligibility criteria based on family income and committing circumstances (best interests of the child and reasonable efforts to avoid out-of-home placement). The placement must be in a non-institutional, non-secure, community-based setting. Many of DYC's youth and placements meet the criteria.

The Division uses random moment sampling (RMS), a federally approved method of accounting for personal services time spent on Title IV-E eligible activities. Under RMS, an automated system calls client managers arbitrarily to determine what they are doing at that moment and for the preceding hour, and whether that activity qualifies for Title IV-E reimbursement. Then, based on the percentage of Title IV-E eligible youth in the system, the agency can claim the federal funds.

JUVENILE SEX OFFENDER STAFF TRAINING

This line item was added through a supplemental appropriation in FY 2002-03 for the purpose of funding training costs for DYC staff. Pursuant to the provisions of H.B. 00-1317 (Tool / Anderson), the Sex Offender Management Board (SOMB) was required to develop standards for the evaluation and identification of juvenile sex offenders. The standards developed by the SOMB are founded on best practices, which include an emphasis on informed supervision. Implementing this concept involves a list of supervisory roles and duties for all individuals who have a direct care or custodial relationship with a juvenile sex offender, which includes facility staff, case managers, parents, teachers, coaches, etc. The Division estimates that, on average, approximately 250 youth in its custody either have been adjudicated for a sexual offense or have charges that include an underlying factual basis for a sexual offense. This estimate includes the population in residential treatment or under parole supervision.

The Department requests a continuation appropriation of \$47,060 total funds, including \$38,250 cash funds (Sex Offender Surcharge Fund) to train Department staff and contractors so that they can continue the process of complying with standards developed by the Sex Offender Management Board. The remaining \$8,810 General Fund is annualization from H.B. 07-1093, which requires DYC to develop policies and procedures regarding sexual assaults that occur in facilities for which they are responsible.

Staff recommends that the Committee approve an appropriation of \$47,060, including \$8,810 General Fund and \$38,250 cash funds, for this line item. The source of cash funds is the Sex Offender Surcharge Fund established in Section 18-21-103 (3), C.R.S.

**DEPARTMENT OF HUMAN SERVICES
DIVISION OF YOUTH CORRECTIONS
FY 2009-10 LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION**

Long Bill Footnotes

Staff recommends the following footnotes be **continued**.

- 2 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: Staff believes this footnote is useful because there have been historical difficulties with coordinating multi-agency programs. As such, staff believes this footnote provides helpful information for the General Assembly to ensure the sustainability of cash funds that are appropriated to multiple agencies.

- 41 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 20.0 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.

Comment: Staff believes this footnote is useful because it provides the Division of Youth Corrections with the flexibility to fund its Continuum of Care Initiative. Because the Continuum of Care Initiative has been shown to reduce the youth commitment population, staff believes this funding flexibility is justified.

Requests for Information

Staff recommends the following information requests be **continued as modified**.

Department of Human Services, Division of Youth Corrections, Administration -- The Department is requested to provide a report to the Joint Budget Committee on January 1, ~~2009~~ 2010 that tracks and compares recidivism rates between those juveniles receiving drug and alcohol treatment and those not receiving treatment, while sentenced to commitment.

Comment: Staff believes that this footnote is useful because of the importance placed on the reduction

of recidivism by the General Assembly. This request was added as a footnote in FY 2007-08; therefore, staff believes it would be helpful to have a few years of data before contemplating removing this request.

Department of Human Services, Division of Youth Corrections, Community Programs, Purchase of Contract Placements -- The Division is requested to provide a report to the Joint Budget Committee on November 1, ~~2008~~: 2009. 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 ~~2007-08~~; 2008-09; (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: Staff believes that this written request for information is useful because it provides departmental accountability for the funding flexibility that is provided. The requested report allows the General Assembly to see how the funding flexibility was used by the Division of Youth Corrections.

Staff recommends the following information requests be **continued**.

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 Joint Budget Committee 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 (STIRRT) 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: This footnote was added through the FY 2007-08 Long Bill (S.B. 07-239) to account for the efficacy of the Governor's Recidivism Reduction and Offender Diversion Package. Staff believes the requested reports will provide the General Assembly with useful information regarding which programs are effective at reducing recidivism.

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: Staff believes this written request for information is useful because the annual report provides information regarding length of stay and recidivism. This information allows the General Assembly to see trends in the Division of Youth Corrections.

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: Staff believes this written request for information is useful because it provides data that allows the General Assembly to determine the effectiveness of the S.B. 91-94 programs. This requested report provides additional accountability to the S.B. 91-94 programs.

**DEPARTMENT OF HUMAN SERVICES
DIVISION OF YOUTH CORRECTIONS**

Other Balancing Options

These options are presented without staff recommendation in order to maximize the Committee's choices. The Committee may wish to consider these options now or in the future.

Numbering does not indicate priority.

Options with <i>Appropriation</i> Impacts	GF	CF	RF	FF	Total	FTE
<p>1</p> <p style="text-align: center;">Reduce or Eliminate Mandatory Parole</p> <p>Currently, all youth offenders committed to the Division are required to complete six months of mandatory parole under Section 19-2-1002, C.R.S. The length of mandatory parole could be reduced to three months, or it could be eliminated altogether. Elimination of mandatory parole would not mean that juvenile parole ceases to exist, but rather only those youth determined by the Juvenile Parole Board to need parole supervision would be given it. In addition, the Juvenile Parole Board may extend the period of parole supervision up to an additional 15 months under Section 19-2-1002, C.R.S. This discretion could be reduced or eliminated by the General Assembly.</p>					0	0.0
<p>2</p> <p style="text-align: center;">Reduce or Eliminate Special Offender Sentencing Options</p> <p>Under the Children's Code, a juvenile is considered a special offender if he/she has been adjudicated a juvenile delinquent three times, has been previously adjudicated a juvenile delinquent and is adjudicated a second time for an act that constitutes a felony, or has been adjudicated for a crime of violence. For these special offenders, a one-year out of home placement is required by statute. In addition, an aggravated juvenile offender as defined in Section 19-2-516, C.R.S., can be committed to the Division for up to seven years. These mandatory and discretionary sentences could be reduced or eliminated.</p>					0	0.0
<p>3</p> <p style="text-align: center;">Reduce Maximum Period for Determinate Sentences or Increase Minimum Age of Jurisdiction</p> <p>A majority of sentences are for a determinate period of up to two years. These determinate sentences mean that the Division cannot transfer custody until the youth has completed the period of commitment, although the Division may release the youth to parole prior to completion of the determinate sentence. The maximum determinate sentence of two years could be reduced or the Division could be allowed flexibility to transfer custody prior to the end of the determinate sentence. In addition, the Division has jurisdiction over youth 10-20 years of age. The minimum age jurisdiction could be increased, although the savings may not be great because very few youth age 10 are in commitment facilities.</p>					0	0.0

APPENDIX A

Table 1 - Legislative Council Staff December 2008 Projections for FY 2009-10			
	Commitment	Detention	Total
Forecasted Beds	1,175.0	479.0	1,654.0
Minus Boulder Impact	(7.0)		(7.0)
<u>Minus State Capacity*</u>	<u>(434.5)</u>	<u>(447.3)</u>	<u>(881.8)</u>
Contract Beds	733.5	31.7	765.2

* Includes a reduction of 46 beds related to realignment at Lookout Mountain.

Table 2 - Estimated Need Based on LCS Projections						
	Contract Beds	Estimated Rate	General Fund	Medicaid CF	Total	Net GF
PRTF (0.0%)	0.0	\$385.00	0	0	0	0
TRCCF (30.94%) Treatment	226.9	\$175.26	14,514,770	0	14,514,770	14,514,770
TRCCF (30.94%) Fee-for-Service		\$18.54	0	1,535,455	1,535,455	767,727
CPA (2.23%)	16.4	\$103.45	619,252	0	619,252	619,252
<u>RCCF (66.83%)</u>	<u>490.2</u>	<u>\$135.48</u>	<u>24,240,488</u>	<u>0</u>	<u>24,240,488</u>	<u>24,240,488</u>
Total Commitment Beds	733.5		39,374,510	1,535,455	40,909,965	40,142,237
Detention Beds	31.7	\$134.27	1,553,571	0	1,553,571	1,553,571
DYC Continuation Adjusted for Caseload			40,928,081	1,535,455	42,463,536	41,695,809
Provider Rate Change			<u>(613,921)</u>	<u>(23,032)</u>	<u>(636,953)</u>	<u>(625,437)</u>
JBC Staff Recommendation			40,314,160	1,512,423	41,826,583	41,070,372

Assumptions:

1. Assumes the December 2008 Legislative Council Staff (LCS) projection of 1,175 commitment beds for FY 2009-10.
2. Estimated beds for Boulder Impact Project reflect January 2009 DYC estimated capacity for FY 2009-10.
3. Assumes 479 detention beds pursuant to Section 19-2-1201, C.R.S. Of these, 448 are in state-operated facilities.
4. Assumes contract rates provided by the Division of Youth Corrections as a part of its FY 2009-10 bed plan as amended in February 2009.
5. The percentage of PRTF, TRCCF, and RCCF placements, as a percent of total commitment beds, is based on the estimated ratio provided by the Division of Youth Corrections as a part of its budget request for FY 2009-10.