

COLORADO GENERAL ASSEMBLY

JOINT BUDGET COMMITTEE



FY 2007-08 FIGURE SETTING: DEPARTMENT OF PUBLIC SAFETY DIVISION OF CRIMINAL JUSTICE

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

**Prepared By:
Karl Spiecker, JBC Staff
March 13, 2007**

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)**

**Department of Public Safety
Division of Criminal Justice
FY 2007-08 Figure Setting Recommendations**

JBC Working Document – All Decisions Subject to Change
Staff Recommendation Does Not Reflect Committee Decision

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Summary of Figure Setting Recommendations
Division of Criminal Justice

Decription of Change	Recommended Changes					
	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Total	FTE
1. DI #4 - Add Transition Beds for Caseload	\$1,315,968	\$0	\$0	\$0	\$1,315,968	0.0
2. BA #7 - Diversion Community Corrections Beds Increase*	1,068,018	0	0	0	1,068,018	0.0
3. 2.0 Percent Provider Rate Increase (Common Policy)	892,342	14,809	0	0	907,151	0.0
4. BA #10 - General Fund Office of Research Statistics*	420,217	0	(35,438)	(184,779)	200,000	0.0
5. BA #1 - Transtion Mental Health Differential*	274,629	0	0	0	274,629	0.0
6. Leap Year Adjustment	128,350	1,680	0	0	130,030	0.0
7. BA #5 - Specialized Diversion Community Corrections Beds*	122,391	0	103,944	0	226,335	0.0
8. Annualize Salary Survey Awarded in FY 2006-07	31,117	14,443	16,918	3,255	65,733	0.0
9. Annualize 2006 Legislation (H.B. 06-1058)	0	132,000	0	0	132,000	(0.1)
10. Change in Indirect Cost Assessments	0	9,283	(15,478)	(50,133)	(56,328)	0.0
11. 0.5% Personal Services Reduction (common policy)	(5,443)	(2,565)	(4,595)	(1,240)	(13,843)	0.0
12. Federal Fund Reduction	0	0	0	(11,737,302)	(11,737,302)	(2.2)
13. BA #3 - Colo. Unified Supervision Program*	0	0	0	0	0	0.0
14. BA #8 - Comm. Corrections Sanctions and Incentives Model*	0	0	0	0	0	0.0
Total	\$4,247,589	\$169,650	\$65,351	(\$11,970,199)	(\$7,487,609)	(2.3)

* Denotes requests for the Governor's Recidivism Reduction Package.

Appropriation Summary	JBC Staff Recommendation					
	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Total	FTE
FY 2006-07 Appropriation	\$46,284,281	\$2,351,945	\$1,012,677	\$29,441,703	\$79,090,606	60.7
Recommended Changes	<u>4,247,589</u>	<u>169,650</u>	<u>65,351</u>	<u>(11,970,199)</u>	<u>(7,487,609)</u>	<u>(2.3)</u>
Recommended FY 2007-08 Appropriation	\$50,531,870	\$2,521,595	\$1,078,028	\$17,471,504	\$71,602,997	58.4

General Fund Percentage Change = 9.2%

The table below depicts the Long Bill structure for the Division of Criminal Justice. The pages that follow depict the actual expenditures for the two prior fiscal years, the appropriated amounts for the current year, and requested funds for next year.

Division of Criminal Justice – Long Bill Structure	
(A) Administration \$3.0 million (\$1.0 million General Fund) and 28.5 FTE	
Long Bill Lines	Personal Services Operating Expenses Indirect Cost Recoveries
(B) Victims Assistance \$9.4 million (No General Fund) and 0.5 FTE	
Long Bill Lines	Federal Victims Assistance & Compensation Grants State Victims Assistance & Law Enforcement Program
(C) Juvenile Justice & Delinquency Prevention \$2.3 million (\$1.2 million General Fund) and 0.0 FTE	
Long Bill Lines	Juvenile Justice Disbursements Juvenile Diversion Programs
(D) Community Corrections \$44.4 million (\$43.8 million General Fund) and 0.0 FTE	
Long Bill Lines	Boards Administration Transition Programs Diversion Programs Mental Health Bed Differential Day Reporting Center Substance Abuse Treatment Program
(E) Crime Control and System Improvement \$19.9 million (\$0.3 million General Fund) and 31.7 FTE	
Long Bill Lines	State and Local Crime Control & System Improvement Grants Sex Offender Surcharge Fund Program Sex Offender Supervision Treatment Providers Background Checks Colorado Regional Community Policing Institute Federal Grants (non-appropriated)

* The other divisions of the Department of Public Safety have been included in a separate figure setting document.

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Appropriated	FY 2007-08 Request	Recommend.	Change Requests
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DEPARTMENT OF PUBLIC SAFETY
Executive Director: Peter Weir
Division of Criminal Justice

(4) DIVISION OF CRIMINAL JUSTICE

(Primary Functions: Collect and analyze criminal justice system data for planning, research, coordination, and technical assistance to local and state criminal justice agencies. The Division manages several federal grants for juvenile justice, anti-drug programs, victim assistance and compensation. Additionally, the Division administers all community corrections contracts for both diversion and transition placements.)

(A) Administration

Personal Services	1,859,202	1,672,343	1,986,794	2,385,307	2,074,370	BA #8, #10
FTE	<u>27.3</u>	<u>24.2</u>	<u>28.5</u>	<u>34.1</u>	<u>28.8</u>	
General Fund	786,762	816,553	839,479	1,408,809	1,065,993	
FTE	13.5	13.4	13.5	21.3	15.5	
Cash Funds	347,715	359,807	369,696	380,092	378,950	
FTE	5.5	5.4	5.5	5.5	5.5	
Cash Funds Exempt	478,239	408,276	532,954	513,334	547,099	
FTE	4.8	4.1	6.0	6.0	6.5	
Federal Funds	246,486	87,707	244,665	83,072	82,328	
FTE	3.5	1.3	3.5	1.3	1.3	
Operating Expenses	<u>172,556</u>	<u>165,484</u>	<u>205,313</u>	<u>229,598</u>	<u>201,448</u>	BA #10
General Fund	112,893	112,893	112,893	156,043	127,893	
Cash Funds	26,037	26,037	26,037	26,037	26,037	
Cash Funds Exempt	14,669	22,177	43,141	43,141	43,141	
Federal Funds	18,957	4,377	23,242	4,377	4,377	
Recidivism Reduction and Offender Division Package Contract Analysis - GF				n/a	200,000	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08		
	Actual	Actual	Appropriated	Request	Recommend.	Change Requests
Indirect Cost Assessment	<u>709,030</u>	<u>544,602</u>	<u>801,907</u>	<u>745,579</u>	<u>745,579</u>	BA #10
Cash Funds	49,208	52,122	52,816	62,099	62,099	
Cash Funds Exempt	6,951	7,383	22,506	7,028	7,028	
Federal Funds	652,871	485,097	726,585	676,452	676,452	
TOTAL - (A) ADMINISTRATION	2,740,788	2,382,429	2,994,014	3,360,484	3,221,397	
FTE	<u>27.3</u>	<u>24.2</u>	<u>28.5</u>	<u>34.1</u>	<u>28.8</u>	
General Fund	899,655	929,446	952,372	1,564,852	1,393,886	
Cash Funds	422,960	437,966	448,549	468,228	467,086	
Cash Funds Exempt	499,859	437,836	598,601	563,503	597,268	
Federal Funds	918,314	577,181	994,492	763,901	763,157	
(B) Victims Assistance						
Federal Victims Assistance and Compensation Grants - FF	7,714,352	8,488,757	8,337,696	8,337,696	8,337,696	
State Victims Assistance and Law Enforcement Program	<u>837,849</u>	<u>834,768</u>	<u>879,178</u>	<u>879,178</u>	<u>879,178</u>	
Cash Funds	797,849	803,446	879,178	879,178	879,178	
Cash Funds Exempt	40,000	31,322	0	0	0	
Child Abuse Investigation - CF	N/A	N/A	187,000 a/	318,626	319,000	
FTE			0.5	0.4	0.4	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08		Change Requests
	Actual	Actual	Appropriated	Request	Recommend.	
TOTAL - (B) VICTIMS ASSISTANCE	8,552,201	9,323,525	9,403,874	9,535,500	9,535,874	
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.5</u>	<u>0.4</u>	<u>0.4</u>	
Cash Funds	797,849	803,446	1,066,178	1,197,804	1,198,178	
Cash Funds Exempt	40,000	31,322	0	0	0	
Federal Funds	7,714,352	8,488,757	8,337,696	8,337,696	8,337,696	

a/ House Bill 06-1058 appropriated \$187,000 cash funds (Child Abuse Investigation Surcharge Fund) and 0.5 FTE to the Division Criminal Justice in FY 2006-07.

(C) Juvenile Justice and Delinquency Prevention

Juvenile Justice

Disbursements - FF	970,765	883,409	1,087,889	750,000	750,000	
Juvenile Diversion Programs - GF	0	0	1,241,851	1,241,851	1,241,851	

TOTAL - (C) JUVENILE JUSTICE	<u>970,765</u>	<u>883,409</u>	<u>2,329,740</u>	<u>1,991,851</u>	<u>1,991,851</u>	
General Fund	0	0	1,241,851	1,241,851	1,241,851	
Federal Funds	970,765	883,409	1,087,889	750,000	750,000	

(D) Community Corrections

Community Corrections Boards

Administration	<u>1,444,983</u>	<u>1,481,335</u>	<u>1,649,614</u>	<u>1,826,601</u>	<u>1,788,027</u>	DI #4, #6, BA#1
General Fund	1,444,983	1,481,335	1,649,614	1,822,443	1,788,027	BA #5, BA #7
Cash Funds Exempt	0	0	0	4,158	0	
Transition Programs - GF	16,988,958	18,637,680	22,183,120	23,863,353	23,699,268	DI #4 and #6
Diversion Programs - GF	18,485,981	19,152,188	18,689,690	20,140,070	20,140,344	DI #4, #6, BA#7
Colo. Unified Supervision Treatment - GF	0	0	0	67,607	0	BA #3

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Appropriated	FY 2007-08 Request	FY 2007-08 Recommend.	Change Requests
FTE	0.0	0.0	0.0	1.0	0.0	
Transition Mental Health Bed Differential - GF	248,345	226,080	467,930	1,016,986	743,371	DI #4, #6, BA#1
Diversion Mental Health Bed Differential - GF	0	0	0	239,291	117,684	BA #5
Joan Eachon Re-entry Program (JERP)	0	0	0	287,017	287,017	BA #1
Specialized Services - GF	55,000	53,021	55,000	55,000	55,000	
Day Reporting Center - GF	447,726	411,649	524,414	536,099	536,099	DI #4 and #6
Substance Abuse Treatment Program	<u>809,868</u>	<u>831,042</u>	<u>877,345</u>	<u>1,014,102</u>	<u>1,002,434</u>	DI #4, #6, BA#5
General Fund	0	195,637	203,232	207,888	207,888	
Cash Funds	809,868	635,405	674,113	702,270	690,602	
Cash Funds Exempt	0	0	0	103,944	103,944	
TOTAL - (D) COMMUNITY CORRECTIONS	38,480,861	40,792,995	44,447,113	49,046,126	48,369,244	
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>	<u>0.0</u>	
General Fund	37,670,993	40,157,590	43,773,000	48,235,754	47,574,698	
Cash Funds	809,868	635,405	674,113	702,270	690,602	
Cash Funds Exempt	0	0	0	108,102	103,944	

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Appropriated	FY 2007-08 Request	FY 2007-08 Recommend.	Change Requests
(E) Crime Control and System Improvement						
State and Local Crime Control and System Improvement Grants - FF	6,056,277	4,364,856	7,000,000	3,500,000	3,500,000	
Sex Offender Surcharge Fund Program - CF	123,980	120,683	139,605	142,626	142,229	
FTE	1.5	1.5	1.5	1.5	1.5	
Sex Offender Supervision - GF	276,800	283,009	317,058 a/	322,047	321,435	
FTE	3.2	3.2	3.2	3.2	3.2	
Criminal Background Checks for Sex Offender Treatment Providers - CF	1,900	11,600	23,500	23,500	23,500	
Colorado Regional Community Policing Institute - Total Funds	61,390	841,345	2,926,504	776,247	775,246	
FTE	<u>0.0</u>	<u>4.0</u>	<u>6.2</u>	<u>6.2</u>	<u>6.2</u>	
Cash Funds Exempt Federal Funds	61,390	41,756	378,484	377,817	376,816	
	0	799,589	2,548,020	398,430	398,430	
Office of Research Statistice - CFE	0	0	35,592	35,521	0	
FTE			0.5	0.5	0.0	
Federal Grants - non-appropriated	9,331,518	10,545,424	9,473,606	3,722,221	3,722,221	BA #10
FTE	23.9	20.0	20.3	18.3	18.3	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08		
	Actual	Actual	Appropriated	Request	Recommend.	Change Requests
TOTAL - (E) CRIME CONTROL	15,851,865	16,166,917	19,915,865	8,522,162	8,484,631	
FTE	<u>28.6</u>	<u>28.7</u>	<u>31.7</u>	<u>29.7</u>	<u>29.2</u>	
General Fund	276,800	283,009	317,058	322,047	321,435	
Cash Funds	125,880	132,283	163,105	166,126	165,729	
Cash Funds Exempt	61,390	41,756	414,076	413,338	376,816	
Federal Funds	15,387,795	15,709,869	19,021,626	7,620,651	7,620,651	

a/ Includes \$29,000 General Fund appropriated pursuant to the provisions of S.B. 06-22.

DEPARTMENT OF PUBLIC SAFETY,						
(4) DIVISION OF CRIMINAL JUSTICE						
TOTAL	66,596,480	69,549,275	79,090,606	72,456,123	71,602,997	
FTE	<u>55.9</u>	<u>52.9</u>	<u>60.7</u>	<u>65.2</u>	<u>58.4</u>	
General Fund	38,847,448	41,370,045	46,284,281	51,364,504	50,531,870	
Cash Funds	2,156,557	2,009,100	2,351,945	2,534,428	2,521,595	
Cash Funds Exempt	601,249	510,914	1,012,677	1,084,943	1,078,028	
Federal Funds	24,991,226	25,659,216	29,441,703	17,472,248	17,471,504	

Actual years reflect records of the State Controller. Appropriation year equals Long Bill, special bills, roll forwards, and other adjustments.

DI = Decision Item

S = Supplemental

BA = Budget Amendment

**DEPARTMENT OF PUBLIC SAFETY
DIVISION OF CRIMINAL JUSTICE ONLY
FY 2007-08 FIGURE SETTING**

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

(4) DIVISION OF CRIMINAL JUSTICE

The Division of Criminal Justice (DCJ) is a research and technical assistance oriented agency whose mission is to improve the public safety of the community, the quality of services to crime victims, and the effectiveness of services to offenders. To help carry out its mission, the Division is the recipient agency of more than 30 federal grants, and in turn administers these funds to several hundred recipient agencies.

(A) ADMINISTRATION

The Division has requested two budget amendments that affect the "Personal Services" line item in the Administration Section of the Division of Criminal Justice's budget.

1. \$82,240 General Fund and 1.5 FTE for Budget Amendment #8 to implement a community corrections sanctions and incentives model.
 2. \$250,692 total funds and 3.8 FTE for the Office of Research Statistics for Budget Amendment #10. This request includes an increase of \$506,347 General Fund, which is partially offset by a reduction of \$220,217 federal funds, and \$35,438 in cash funds exempt. The request is for research funds to study the impact of the recidivism reduction package.
- Budget Amendment #8 – Community Corrections Sanctions and Incentive Model.*** The Division has requested an appropriation of \$83,123 General Fund and 1.5 FTE to implement a Community Corrections Sanctions and Incentives model for private community corrections providers.

Budget Amendment #8 – Community Corrections Sanctions and Incentives Model Department of Public Safety – Division of Criminal Justice					
Division	Line Item	Request		Recommend.	
		General Fund	FTE	General Fund	FTE
Executive Director's Office	Amort. Eq. Disbursement	883		0	
Div. of Criminal Justice	Personal Services	<u>82,240</u>	<u>1.5</u>	<u>0</u>	<u>0.0</u>
Total		83,123	1.5	0	0.0

Through the implementation of this model, DCJ expects that there may be an increase in the performance level by community corrections providers. The Division proposes to use an existing objective measurement of performance to determine a tiered rate structure by which community corrections programs are reimbursed.

According to the Department, DCJ currently ranks providers into one of three categories: low risk, medium risk, and high risk. DCJ uses this ranking to determine the frequency of program audits in an effort to ensure that all providers are meeting DCJ standards for community corrections providers. This request proposes to use the current rankings to reimburse high risk providers at a lower rate, medium risk providers at the rate approved in the Long Bill, and low risk providers at a rate higher than the rate contained in the Long Bill.

Staff Analysis. Staff makes the following observations with respect to this request.

1. *Statutory Changes Necessary.* According to the request, statutory changes would be necessary to implement this program. The Long Bill must be set to current law.
2. *Unclear Why Funds Are Needed to Administer the Program.* DCJ currently categorizes and ranks providers. DCJ currently monitors and audits providers. DCJ currently tracks completion rates for providers. DCJ currently monitors recidivism rates. It is not clear why additional resources would be required to implement the program.
3. *Potential Fiscal Impact for Provider Reimbursement.* It is not clear how many providers would qualify for an enhanced per diem rate. It is possible that additional resources may be required for providers to implement this program.
4. *Programs May Reject More Offenders.* The proposed program will compare the completion rates, recidivism rates, and other outcome measures for providers. Providers have the ability to reject offenders into their programs. To the extent that providers may risk being penalized for accepting high risk offenders, this proposed program may motivate providers to reject marginal offenders that they would have accepted absent the sanctions and incentives model. These offenders may benefit from community corrections programming. If rejected by community corrections, these inmates would spend more time in prison (at a higher cost) and may be released to the community without the benefits of transitioning into a halfway house prior to being placed on parole.
5. *Potential Improvement in Outcomes.* Although it is not possible to measure the benefits from this proposal, there may be a business case to reward programs that have exceptional results. Furthermore, programs would have an incentive to work with offenders who may be at risk of failing community corrections. Programs may provide more services to the offenders who need more assistance to avoid failing or re-offending.

Staff recommendation. Staff recommends that the JBC reject the request. According to the request, statutory changes would be necessary to implement this program. The Long Bill must be set to current law. If the General Assembly wishes to implement this type of program, the program and any correlated funding should be contained in separate legislation.

- **Budget Amendment #10 – General Fund for Research Functions.** The Division of Criminal Justice in the Department of Public Safety requested an increase of \$250,692 total funds and 3.8 FTE for the Office of Research Statistics. This request includes an increase of \$506,347 General Fund, which is partially offset by a reduction of \$220,217 federal funds, and \$35,438 in cash funds exempt.

Budget Amendment #10 – General Fund for Research Functions Department of Public Safety – Division of Criminal Justice					
Division of Criminal Justice Line Item	Request				
	General Fund	Cash Funds Exempt	Federal Funds	Total Funds	FTE
Personal Services	463,197	(35,438)	0	427,759	5.8
Operating Expenses	43,150	0	0	43,150	
Indirect Cost Assessment	0	0	(35,438)	(35,438)	
Crime Control and System Improvement	<u>0</u>	<u>0</u>	<u>(184,779)</u>	<u>(184,779)</u>	<u>(2.0)</u>
Total	506,347	(35,438)	(220,217)	250,692	3.8

The request was justified for two reasons: (a) an increase of \$220,217 General Fund so that DCJ could continue research previously funded with federal funds that supported 2.4 FTE; (b) an increase of \$286,130 General Fund and 3.8 FTE to pay for research to evaluate the impact of the recidivism reduction package.

Request to Research the Recidivism Reduction Package						
	Personal Services		Operating Expense*	Contract	Total	
CUSP	30,659	0.5 FTE	3,505	7,500	41,664	0.5 FTE
STIRRT	15,329	0.3 FTE	3,130	7,885	26,344	0.3 FTE
Other	<u>186,607</u>	<u>3.0 FTE</u>	<u>21,515</u>	<u>10,000</u>	<u>218,122</u>	<u>3.0 FTE</u>
Total	232,595	3.8 FTE	28,150	25,385	286,130	3.8 FTE

* Includes \$15,025 in one-time costs for computer and office furnishings.

Staff Analysis. Staff makes the following observations with respect to this request.

Research Beneficial. Staff believes that there is value in conducting research of the state's criminal justice system. The state benefits from having outcome studies on programs within the criminal justice system. The Division of Criminal Justice also provides forecasts of juvenile and adult offender populations. In recent years, funding for prison bed growth has been provided based on the Legislative Council Staff population projections. However, staff believes that there is value in having competing projections to identify a range of potential population changes.

Federal Funds Have Declined. The Division of Criminal Justice has indicated through its request that federal funds will decline by \$220,217. These funds previously supported 2.4 FTE used by the Division to conduct research.

Statutory Requirements. In response to the questions from the JBC regarding declining federal funds, the Division of Criminal Justice provided a list of statutorily required functions that would not be feasible because of the decline in federal funds. The following is an excerpt from the Division's hearing responses dated January 15, 2007.

"The following efforts have been already or will be eliminated after the current legislative session:

1. CRS 24-33.5-503 (a) – We can no longer commit to undertaking the collection and dissemination of research information concerning crime and criminal justice. (Example: *The Crime and Justice Report*).
2. CRS 24-33.5-503 (b) – The analysis of this State's activities in the administration of criminal justice and the nature of the problems confronting it and accompanying recommendations. (Example: Outcome evaluations of community corrections).
3. CRS 24-33.5-503 (e) – To do all things necessary to apply for, qualify for, accept...state, federal, or other RESEARCH funds made available to improve the administration of justice.
4. CRS 24-33.5-503 (k) – To carry out the duties prescribed in Article 11.5. This means we will no longer participate in the IAC research subcommittee, a collaboration among criminal justice and ADAD researchers.
5. CRS 24-33.5-503 (m) – This mandate pertains to the DOC and DYC population projections. The ORS will no longer project the DYC population, nor will it be able to respond to any other requests for information from the director of research of the legislative council. It will provide the adult projections for at least one more year.

6. CRS 24-33.5-503 (n) – This pertains to the development and validation of the Sexually Violent Predator actuarial risk scale. This is the scale used to identify SVPs in Colorado. The current instrument requires validation and updating. This will not be undertaken.
7. CRS 16-11.7-103 (4)(c.5) – This mandate involves working with Judicial to track the proper implementation of the sexually violent predator risk assessment screening instrument. Judicial and DOC send to DCJ all completed SVP for data entry and analysis. This activity will cease.
8. CRS 17-22.5-404 (6)(b) – The parole board risk assessment scale identifies low, medium and high risk offenders. The statute requires validation every five years; it needs to be validated to assure accuracy. This mandate also requires that the division collect data on parole decisions, and this effort will be eliminated. Training efforts will continue.
9. CRS 16-20.5-101.1.5 (1)(b) – Continued development and maintenance of the CICJIS research database. This allows the Division to conduct recidivism research and profile offenders as they move through the criminal justice system. This work will be eliminated.
10. CRS 16-8-205(3) – This statute pertains to the staffing of the Task Force for the Study of the Mentally Ill in the Criminal Justice System and the evaluation of several Task Force initiatives targeting this population. This work will be eliminated."

Useful to Examine the Recidivism Reduction Package. Staff believes that it is useful to research the components of the recidivism reduction package that are approved by the JBC. It is useful to understand the impact of the package. In particular, there is value in identifying the components of the package that provided a good return on the investment, in contrast with components of the package may not have yielded the level benefits intended. Given the one-time nature of examining the package, it may be more appropriate to approve contract dollars for this purpose.

Staff Recommendations. Staff makes the following recommendations with respect to this request.

1. Staff recommends that the JBC approve the request for \$220,217 General Fund to backfill the loss of federal funding. Staff believes that there is value in continuing the research functions previously funded with federal funds.
2. Staff recommends that the JBC approve an appropriation of \$200,000 General Fund for contract services to study the recidivism reduction package in a separate line item entitled "Recidivism Reduction Package Contract Analysis". Staff believes that there is value in researching the recidivism reduction package. Staff does not believe that there is an ongoing need for researching the impact of the Governor's recidivism reduction package, once the package has been evaluated. Hence, an appropriation for a contract study may be

more appropriate. The staff recommendation is for a lower amount than the request for two reasons. First, the Department will not need the start-up costs for FTE because a contract will be used. Second, staff is not recommending the Colorado Unified Supervision Treatment Program (CUSP). As such a savings of approximately \$50,000 can be realized in FY 2007-08.

3. Staff recommends that the JBC approve the following footnotes to clarify the legislative intent with respect to the recidivism reduction and offender diversion package

N1 Department of Corrections; Department of Human Services, Alcohol and Drug Abuse Services and Division of Youth Corrections; Judicial Department; 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 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 efficacy 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 the programs.

N2 Department of Public Safety, Division of Criminal Justice, Administration, Recidivism Reduction and Offender Diversion Package Contract Analysis -- The appropriation for this line item is intended to fund a contract analysis of the Governor's Recidivism Reduction and Offender Diversion Package funded by the General Assembly in 2007. Any portion of the appropriation in this line item that is not expended prior to July 1, 2008, shall be rolled forward for expenditure in FY 2008-09.

The recommendations, by line item, are summarized in the following table.

Budget Amendment #10 – General Fund for Research Functions Department of Public Safety – Division of Criminal Justice					
Division of Criminal Justice Line Item	RECOMMENDATION				
	General Fund	Cash Funds Exempt	Federal Funds	Total Funds	FTE
Personal Services	205,217	(35,438)	0	169,779	2.0
Operating Expenses	15,000	0	0	15,000	
RECIDIVISM REDUCTION AND OFFENDER DIVERSION PACKAGE CONTRACT ANALYSIS (new line)	200,000	0	0	200,000	
Indirect Cost Assessment	0	0	(35,438)	(35,438)	
Crime Control and System Improvement	<u>0</u>	<u>0</u>	<u>(184,779)</u>	<u>(184,779)</u>	<u>(2.0)</u>
Total	420,217	(35,438)	(220,217)	164,562	0.0

Personal Services:

Staffing Summary	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	FY 2007-08 Recomm.
Management	1.2	2.0	1.0	1.0
Professional Staff	14.0	15.7	16.4	15.9
Budget, Audit, Statistics, and Accounting Staff	3.8	4.0	4.5	4.5
Information Technology Staff	1.0	1.0	1.0	1.0
Support Staff	4.2	5.8	3.9	3.9
Budget Amendment #8 (Comm. Corr. Incentives/Sanctions Model)	0.0	0.0	1.5	0.0
Budget Amendment #10 (Gen. Fund Research Staff)	0.0	0.0	5.8	2.0
JBC Staff Recommendation (line item consolidation)	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.5</u>
Total	24.2	28.5	34.1	28.8

* The Department requested an increase of 0.5 FTE that was not supported by a decision item. This increase is not recommended. No funds were requested to support this requested increase in spending authority.

(A) ADMINISTRATION

Personal Services:

The request is for an appropriation of \$2,385,307 total funds to support 34.1 FTE. **Staff recommends an appropriation of \$2,074,370 total funds and 28.8 FTE (see the following table).** During the 2003 session, the JBC approved base reductions of \$205,003 General Fund and 3.0 FTE.

Summary of Personal Services Recommendation						
Department of Public Safety – (4) Division of Criminal Justice – (A) Administration						
	GF	CF	CFE	FF	Total	FTE
FY 2006-07 Long Bill (H.B. 06-1385)	839,479	369,696	532,954	244,665	1,986,794	28.5
Annualize Salary Survey Awarded in FY 2006-07	<u>25,623</u>	<u>11,158</u>	<u>16,918</u>	<u>3,255</u>	<u>56,954</u>	<u>0.0</u>
Continuation Estimate	865,102	380,854	549,872	247,920	2,043,748	28.5
JBC Common Policy Reduction (0.5%)	(4,326)	(1,904)	(2,749)	(1,240)	(10,219)	0.0
BA #8 (\$82,240 and 1.5 FTE requested)						
Comm. Corr. Incentives and Sanctions Model	0	0	0	0	0	0.0
BA #10 (\$427,759 and 5.8 FTE requested)						
General Fund Office of Research Statistics	205,217	0	(35,438)	0	169,779	2.0
Reduction in Federal Funds	0	0	0	(164,352)	(164,352)	(2.2)
JBC Staff Recommendation to Combine Lines	<u>0</u>	<u>0</u>	<u>35,414</u>	<u>0</u>	<u>35,414</u>	<u>0.5</u>
Total Recommendation	1,065,993	378,950	547,099	82,328	2,074,370	28.8

The source of cash funds is from the State Victims Assistance and Law Enforcement Fund established in Section 24-33.5-506 (1), C.R.S.

The sources of exempt cash funds are as follows: (1) \$439,720 from indirect cost recoveries; (2) \$71,965 from reserves in the Drug Offender Surcharge Fund established pursuant to Section 18-19-103 (4), C.R.S.; and (3) \$35,414 from gifts, grants and donations.

(A) Administration

Operating Expenses:

The Department is requesting \$229,598 total funds, which includes \$43,150 General Fund for Budget Amendment #10, and a reduction of \$18,865 federal funds to reflect the anticipated level of federal funds. Staff recommends an appropriation of \$201,448 total funds (see the following table).

Department of Public Safety – (4) Division of Criminal Justice (A) Administration - Operating Expenses					
	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Total Funds
FY 2006-07 Long Bill (H.B. 06-1385)	112,893	26,037	43,141	23,242	205,313
Reduction in federal funds	0	0	0	(18,865)	(18,865)
BA #10 (\$43,150 requested) General Fund Office of Research Statistics	<u>15,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,000</u>
JBC Staff Recommendation	127,893	26,037	43,141	4,377	201,448

The source of \$26,037 cash funds is from the State Victims Assistance and Law Enforcement Fund established in Section 24-33.5-506 (1), C.R.S.

The sources exempt cash funds are as follows: (1) \$35,451 in indirect cost recoveries; and (2) \$7,690 in reserves from the Drug Offender Surcharge Fund established in Section 18-19-103 (4), C.R.S.

(A) Administration

RECIDIVISM REDUCTION AND OFFENDER DIVERSION PACKAGE CONTRACT ANALYSIS
(new line item)

Staff recommends an appropriation of \$200,000 General Fund for Budget Amendment #10, which was discussed previously. This line item is recommended to fund a contract analysis of the recidivism reduction and offender diversion package.

(A) Administration

Indirect Cost Assessment:

The request is for an increase in funding based on the Department's calculation of statewide and departmental indirect assessments. The request is summarized in the following table.

Department of Public Safety - Division of Criminal Justice (A) Administration - Indirect Cost Assessments				
	Cash Funds	Cash Funds Exempt	Federal Funds	Total Funds
FY 2006-07 Long Bill (H.B. 06-1385)	52,816	22,506	726,585	801,907
November 2006 requested adjustment	<u>9,283</u>	<u>(15,478)</u>	<u>(14,695)</u>	<u>(20,890)</u>
November 2005 Budget Request	62,099	7,028	711,890	781,017
BA #10 (a reduction of \$35,438 requested) Comm. Corr. Incentives and Sanctions Model	<u>0</u>	<u>0</u>	<u>(35,438)</u>	<u>(35,438)</u>
Request / Recommendation	62,099	7,028	676,452	745,579

Staff recommends the request for an appropriation of \$745,579 for this line item . This recommendation includes a *reduction* of \$35,438 for Budget Amendment #10. It is possible that the JBC may approve changes that will affect indirect cost collections. If this occurs, staff will recalculate the indirect cost recoveries. This calculation could affect the amount of General Fund appropriations in line items that receive funding from indirect cost recoveries.

The sources of cash funds are as follows: (1) \$46,105 from the State Victims Assistance and Law Enforcement Fund established in Section 24-33.5-506 (1), C.R.S., and (2) \$15,994 from the Sex Offender Surcharge Fund established in Section 18-21-103 (3), C.R.S.

The source of cash funds exempt is reserves from the Drug Offender Surcharge Fund established in Section 18-19-103 (4), C.R.S.

(B) VICTIMS ASSISTANCE

This program provides assistance to victims of crimes and responds to requests for assistance in implementing the Constitutional Amendment for victim's rights. Additionally, the Division staffs the Governor-appointed Victims' Compensation and Assistance Coordinating Committee which is responsible for enforcing compliance with the Amendment.

(B) Victims Assistance

Federal Victims Assistance and Compensation Grants:

This program was established by the federal Victims of Crime Act (VOCA) of 1984, which initiated cash revenues generated from fines attached to federal convictions. The Division administers two block grant programs supported by these federal funds:

1. Victim Compensation Grants Program – This grant provides assistance to the states in compensating individual victims of crime. All federal funds are awarded to the 22 District Attorneys who administer the decentralized programs according to Colorado statutes.
2. Victim Assistance Grants Program – This federal program provides financial support to crime victim assistance programs which directly improve the health and well-being of victims of crime. Some examples include rape crisis centers, domestic violence shelters, child abuse and other combination programs.

The request is for a continuation in federal funds. **Staff recommends the request for a total of \$8,337,696 in federal funds** which represents the total amount of federal grants anticipated for FY 2007-08.

(B) Victims Assistance

State Victims Assistance and Law Enforcement Program:

The State Victims Assistance and Law Enforcement (VALE) program was initiated by the Assistance to Victims and Witnesses to Crimes Aid to Law Enforcement Act of 1984. The Act authorizes the collection of criminal assessments to support implementing and coordinating statewide or multi-jurisdictional victim services and the constitutional Victim Rights Amendment. The Governor appoints a board which makes recommendations to the Division on funding for various local and state programs. Of the total fees collected by each local VALE board, 11.7 percent is credited to the State VALE account to fund this program.

The request is for a continuing level of funding. **The total staff recommendation of \$879,178 cash funds spending authority** reflects the maximum anticipated VALE grants for FY 2007-08. This amount is from the state Victims and Law Enforcement Fund created in Section 24-33.5-506, C.R.S.

(B) Victims Assistance

Child Abuse Investigation Surcharge Program:

This program was created pursuant to H.B. 06-1058 (Rep. Pommer / Sen. Williams). This bill created a schedule of surcharges to be paid by offenders convicted of crimes against children, including sex offenses against children, incest, child abuse, or contributing to the delinquency of a minor. Of the funds collected, 5.0 percent are credited to the Judicial Stabilization Fund, and 95.0 percent are credited to the Child Abuse Investigation Surcharge Fund, which was created by the bill. Revenue collected pursuant to the surcharges created by the bill are to be appropriated to provide training and enhanced services in programs that coordinate multi-disciplinary team response for child sexual abuse intervention for children who have been victims of certain crimes. The types of services supported by the program include: forensic interviews, therapeutic intervention, medical evaluations, victim advocacy, case tracking, and case review.

The Department requests an appropriation of \$318,626 cash funds. The amount requested was calculated to be \$319,000, minus \$374 for a 0.2 percent reduction in personal services. The Legislative Council Staff Fiscal Note for the bill estimated \$319,000 would be available in

FY 2007-08 for program administration. Of the amount requested, \$20,695 is to support 0.4 FTE. The remaining amount is for the training and enhanced services, pursuant to the provisions of the bill.

Staff recommends an appropriation of \$319,000 cash funds (Child Abuse Investigation Surcharge Fund created in Section 18-24-103 (2), C.R.S.) and 0.4 FTE. This recommendation does not include a reduction of 0.5 percent pursuant to the JBC common policy. This recommendation is consistent with the estimated funds available pursuant to the Legislative Council Staff Fiscal Note assumptions for H.B. 06-1058. Because this is a "program" line, staff believes that a reduction is not justified because it reduces the funds available for services to child victims.

(C) JUVENILE JUSTICE AND DELINQUENCY PREVENTION

Juvenile Justice Disbursements:

The Division provides grants to local law enforcement agencies to help ensure that juvenile suicides are reduced in lockup, to prevent assaults by adults on juveniles in locked facilities, and to monitor the over representation of minorities in the juvenile justice system. The request is for a continuation appropriation. **Staff recommends the request for a total of \$750,000 in federal funds**, which represents the total anticipated amount of federal funds available for this program in FY 2007-08. These funds are from the federal Office of Juvenile Justice and Delinquency Prevention. The request and the recommendation reflect a reduction of \$337,889 in federal funds (a 31.1 percent reduction from the amount reflected in the 2006 Long Bill).

(C) Juvenile Justice and Delinquency Prevention

Juvenile Diversion Programs:

The Juvenile Diversion programs were supported jointly by state and local sources to provide community-based programs that served as (1) an alternative to filing in juvenile court; (2) a supplement to high risk or high need juveniles on probation; or (3) a treatment/supervision resource for youth placed in communities by the Division of Youth Services. Over 3,500 youth were served annually by the programs. All programs that received state diversion funds are required to provide at least 25 percent local matching funds.

The Juvenile Diversion program lines were vetoed in FY 2002-03 (\$2,483,702 General Fund had been included in the Long Bill, H.B. 02-1420). In FY 2003-04, \$500,000 cash funds exempt (Tobacco Settlement Fund) were appropriated on a one-time basis pursuant to S.B. 03-282 (Sen. Teck / Rep. Witwer). No appropriation was made for FY 2004-05 or FY 2005-06. In FY 2006-07, the JBC voted to restore \$1,241,851 General Fund dollars to this line item. The Department requests a continuation appropriation. **Staff recommends that the JBC approve the Department's request for a continuation appropriation of \$1,241,851 in FY 2007-08.**

(D) COMMUNITY CORRECTIONS

This section provides contract administration and monitoring of the approximately 35 community corrections facilities statewide. The Department submitted six decision items/budget amendments for community corrections.

1. \$1,322,887 General Fund for Decision Item #4 for 86 additional transition residential beds based on projected caseload growth in the prison population.
 2. \$898,691 General Fund for Decision Item #6 to increase the provider rates to community corrections providers by 2.0 percent.
 3. \$858,438 General Fund for Recidivism Reduction Package Budget Amendment #1 for mental health treatment costs for 45 mental health beds, and funding for 15 beds at the Joan Eachon Re-Entry Program.
 4. \$67,607 General Fund and 1.0 FTE for Recidivism Reduction Package Budget Amendment #3 to implement a collaborative interdisciplinary pilot programs in four judicial districts. The FTE in the Division of Criminal Justice would oversee the pilot programs.
 5. \$356,965 total funds for Recidivism Reduction Package Budget Amendment #5 for 20 mental health diversion beds, and 20 therapeutic community beds. Of the amount requested, \$248,863 is General Fund and \$108,102 is cash funds exempt from reserves in the Drug Offender Surcharge Fund established in Section 18-19-103 (4), C.R.S.
 6. \$1,066,268 General Fund for Recidivism Reduction Package Budget Amendment #7 for 75 additional diversion residential community corrections placements.
- Decision Item #6 – Provider Rate Increase.** The Division has requested an appropriation of \$898,691 General Fund for a 2.0 percent increase in the provider rates for community corrections. Pursuant to the JBC common policy, the staff recommendation for these programs was calculated with a 2.0 percent increase. The specific rates recommended for each of the affected programs are discussed separately.

Staff notes that in 2003, the provider rates for community corrections programs were reduced by 8.0 percent. No provider rate increase was approved in 2004. In 2005, the JBC approved a 2.0 percent provider rate increase. In 2006, the JBC approved a 3.5 percent provider rate increase for community corrections programs — the statewide common policy in 2006 was for a 3.25 percent provider rate increase. **Staff recommends that the JBC approve the request for a 2.0 percent provider rate increase.**

(D) Community Corrections
Community Corrections Boards – Administration:

This line item is used by DCJ to reimburse the 23 Community Corrections Boards for their administrative costs. This line item was created in the 2003 Long Bill. In prior years, DCJ reimbursed community corrections boards with appropriations made to the "Diversion Programs" and "Transition Programs" line items. This line item was intended to enable better tracking of administrative costs for community corrections boards.

Pursuant to Section 17-27-108, C.R.S., the Division is authorized to allocate up to 5.0 percent of appropriations for community corrections programs to the 23 Community Corrections Boards to offset their administrative costs. Pursuant to the provision of S.B. 03-177, the maximum reimbursement rate for the community corrections boards was reduced to 4.0 percent from April 1, 2003, through July 1, 2006. In FY 2006-07, the appropriation was set at 4.0 percent. For FY 2007-08, the Division of Criminal Justice requested a continuation of 4.0 percent. The JBC has the authority to appropriate any amount *up to* 5.0 percent — as such, a lower level of reimbursement is allowed.

The request is for an appropriation of \$1,826,601 total funds (see the following table):

(4) Division of Criminal Justice – (D) Community Corrections Community Corrections Boards Administration			
Community Corrections Boards Administration	Request		
	General Fund	Cash Funds Exempt*	Total Funds
FY 2006-07 Long Bill (H.B. 06-1385)	1,649,614	0	1,649,614
Decision Item #4 (86 additional transition slots)	54,665	0	54,665
Decision Item #6 (2.0 percent provider rate increase)	34,565	0	34,565
Recidivism Budget Amendment #1 (mental health treatment beds / Joan Eachon Re-entry Prgm.)	33,017	0	33,017
Recidivism Budget Amendment #5 (mental health diversion and therapeutic community beds)	9,572	4,158	13,730
Recidivism Budget Amendment #7 (75 additional diversion beds)	<u>41,010</u>	<u>0</u>	<u>41,010</u>
Total	1,822,443	4,158	1,826,601

* The source of cash funds exempt is reserves in the Drug Offender Surcharge Fund established pursuant to Section 18-19-103 (4), C.R.S.

Staff recommends that the JBC approve the request for an appropriation equal to 4.0 percent of the appropriations for community corrections programs. Staff believes that the local jurisdictions have made the necessary adjustments to manage the 20.0 percent budget reductions

approved in the 2003 session. It is not clear what benefit, if any, would be achieved from restoring funds that are appropriated for administrative purposes. This line is adjusted for caseload increases and provider rate increases. In FY 2006-07, this line was appropriated 4.0 percent of the appropriation for community corrections appropriations.

Staff recommends an appropriation of \$1,788,027 General Fund, which is calculated as 4.0 percent of the recommended appropriations for the community corrections programs (see the following table). This recommendation is less than the request for four reasons:

1. The most recent inmate population projections are lower than those used by the Division at the time that its November 2006 budget request was submitted to the JBC.
2. The JBC staff recommendation assumed a reduction of inmates based on the Governor's recidivism reduction package.
3. Staff only partially recommended the request for additional mental health beds.
4. The Department requested an appropriation for the community corrections boards based on the request for additional treatment funds requested for the "Substance Abuse Treatment" program line through Budget Amendment #5, and the request for reimbursing community corrections boards for the JERP program in Budget Amendment #1. These amounts are not recommended. Historically, only the transition programs, diversion programs, and mental health differential line items have been used to calculate the estimated reimbursement for administrative costs for the community corrections boards.

(4) Division of Criminal Justice – (D) Community Corrections Community Corrections Boards Administration		
Community Corrections Program	Recommended Appropriation	4.0 Percent of Recommended Appropriation
Transition Programs	23,699,268	947,971
Diversion Programs	20,140,344	805,614
Transition Mental Health Differential	743,371	29,735
Diversion Mental Health Differential	<u>117,684</u>	<u>4,707</u>
Total	44,700,667	1,788,027

* If the JBC approves a different amount for any of the Community Corrections Programs listed in this table, staff recommends that this line item be adjusted to reflect 4.0 percent of the total appropriation approved by the JBC for community corrections programs.

Note: If the JBC were to approve an amount equal to the maximum allowed by law (5.0 percent of community corrections appropriations), an additional 25 percent (\$449,743 General Fund) would be needed above the amount recommended by JBC staff.

**(D) Community Corrections
Transition Programs:**

These funds support a variety of contract services to supervise, house, and provide treatment services for Department of Corrections inmates and parolees placed in community-based halfway houses and non-residential programs. The majority of the funds provide residential placements in approximately 25 halfway houses throughout the state and two substance abuse treatment facilities. Over 1,000 DOC offenders are served daily by the programs. Most of these offenders are still under the jurisdiction of the Department of Corrections since they have not yet been paroled.

Request. The Division of Criminal Justice requests a total appropriation of \$23,863,353 General Fund. This request includes \$1,213,741 General Fund for Decision Item #4 (transition bed increase) and \$466,492 General Fund for Decision Item #6 (2.0 percent provider rate increase).

- **Decision Item #4 — Community Corrections Transition Bed Increase.** The request is for an additional appropriation of \$1,322,887 General Fund based on the need for additional community corrections residential beds. The request also includes a leap year adjustment to account for 366 days in FY 2007-08. The request by line item is summarized in the following table.

Decision Item #4	
Community Corrections Line Item	Request
Community Corrections Boards Administration	\$54,665
Transition Programs*	1,213,741
Diversion Programs	51,205
Transitional Mental Health Differential	1,282
Day Reporting Center	1,437
Substance Abuse Treatment Program	<u>557</u>
Total	\$1,322,887

* The request for transition programs includes two components: (a) a leap year adjustment, and (b) an adjustment for 86 additional transition placements. In addition to the requests shown in this table, the Division requested provider rate increases through Decision Item #6.

The request for additional transition beds was based on the October 2006 OSPB inmate population projections. The following two tables summarize how the *request* was calculated.

Decision Item #4 – Assumptions Used in the Request		
Line Item	Average Population	Residential Population
FY 2007-06 (OSP Est.)	23,837	1,609 (6.75%)
Minus FY 2006-07 Long Bill	(22,554)	(1,523) (6.75%)
Difference	1,283	86 (6.75%)

Recommendations. Staff makes the following recommendations with respect to the funding of the "Transition Programs" line item:

1. Use the December 2006 Legislative Council Staff inmate population projections; this approach is consistent with the approach used in prior years and is consistent with the figure setting recommendations for the Department of Corrections.
2. Assume an average DOC bed savings of 96 beds in FY 2007-08 for the recidivism reduction package.
3. Provide funding to place 11.25 percent of the inmate population in Community Corrections in FY 2007-08. Of this percentage, JBC staff recommends funding for 6.75 percent to be placed in residential programs and 4.5 percent to be placed in non-residential programs.
4. Approve a 2.0 percent provider rate increase for all programs funded by this line item pursuant to the JBC common policy.
5. Approve an appropriation of \$23,699,268 General Fund for FY 2007-08.

1. Use 2006 LCS Inmate Population Projection. The inmate population is the most significant factor driving the budget for transition programs. The inmate population projections from the Legislative Council Staff (LCS) and the Division of Criminal Justice (DCJ) are shown in the following table. **Staff recommends using the December 2006 Legislative Council Staff inmate population projections.** This recommendation is consistent with the historical practice. However, this recommendation will increase the need for General Fund dollars for the 2006 Long Bill. Regardless of which projection is used, a supplemental appropriation will likely be necessary for line items that are directly correlated with the inmate population. The supplemental appropriation will more accurately reflect need given the first six months of actual data that will be available at that time. In FY 2006-07, the LCS population projections have tracked quite closely to the actual inmate population.

Comparison of Inmate Population Projections				
	Request*	December 2006 Projections		
		LCS Recommended	DCJ	Difference
June 30, 2007	23,159	23,065	22,888	177
June 30, 2008	24,529	24,448	23,880	568
Avg. Daily Pop. (ADP)	23,844	23,757	23,384	373

* The request was based on the December 2005 Legislative Council Staff Projections.

2. **Bed Savings for the Recidivism Reduction Package.** For purposes of calculating the bed need for transition offenders and DOC inmates, JBC staff has assumed that there will be a bed savings of 96 beds for the recidivism reduction package in FY 2007-08. The justification for the estimated savings are discussed in the JBC staff analysis of the components of the recidivism reduction package.

Note: Regardless of the bed savings that are used to determine the Long Bill appropriation for FY 2007-08, the appropriation for prison beds will be need to be adjusted through the supplemental process based on actual population figures for the first six months of FY 2007-08. If the estimated savings is too high, additional funds may be required through a supplemental appropriation.

Estimated Bed Savings for the Recidivism Reduction Package			
Recidivism Reduction Package	OSPB Estimate	JBC Staff Estimate	Difference
#2 STIRRT Funding	108 beds	21 beds	(87) beds
#5 Additional Mental Health Beds	20 beds	0 beds	(20) beds
#7 Additional Diversion Beds	<u>38</u> beds	<u>75</u> beds	<u>37</u> beds
Total	166 beds	96 beds	(70) beds

3. **Recommendation for 11.25 Percent of Inmates in Community.** For FY 2006-07, the JBC approved a policy of placing 11.25 percent of the inmate population in community corrections (6.75 percent in residential community placements and 4.5 percent in non-residential community placements). It was assumed that the residential placements would increase from 6.5 percent at the beginning of the year to 7.0 percent at the end of the year.

The Division is currently below the target (10.3 percent as of January 31, 2007, including 6.2 percent in residential placements and 4.1 percent in non-residential placements). Staff believes it may feasible increase the percentage of inmates in community corrections in the future. If additional funds are provided, staff believes that the community may be able to

increase the number of transition placements. In the future, any changes should be made gradually to allow the community corrections programs sufficient time to bring beds online.

Although the placement of offenders remains below the target of 11.25 percent, **staff recommends continuing the target of placing 11.25 percent of the inmate population in community corrections in FY 2007-08.** This is consistent with the request for Decision Item #4. Based on information provided by the Department of Corrections, 385 DOC had been approved for placement and were awaiting an available community placement in December 2006 (compared with 297 inmates in 2005 and 261 inmates in 2004). This would suggest that it would be feasible to place more inmates in community placements in FY 2007-08.

Recommended Community Corrections Residential ADP			
	Dec. LCS Projection	Comm. Corr. ADP	Percent
June 30, 2007	23,065		
June 30, 2008	24,448		
Avg. Daily Pop. (ADP)	23,757	1,604	6.75%
Minus Recidivism Reduction Package Bed Savings	(96)	(7)	6.75%
Recommended ADP	23,661	1,597	6.75%
Minus Current Allocation		(1,523)	
Net Change		74	

4. **Provider Rates.** The following table reflects the requested and recommended provider rates for the transition line item.

Summary of Daily Transition Program Rates		
	FY 2006-07	Request / Recommendation (2% Increase)
Residential Beds	\$36.63	\$37.36
CIRT slots (diff. rate)	\$17.26	\$17.61

5. **Recommended Appropriation.** Staff recommends an appropriation of **\$23,699,268 General Fund for the "Transition Programs" line item.** The staff recommendation is \$164,085 lower than the request for two reasons: (a) the recommendation was based on a different inmate population projection (5 fewer beds based on the December 2006 LCS

projection), and (b) the recommendation included an adjustment for the impact of the recidivism reduction package (7 fewer beds).

(4) Division of Criminal Justice – (D) Community Corrections Transition Programs (Residential Placements)						
Type of Placement	Request			Recommendation		
	Beds/Slots	Daily Rate	Cost	Beds/Slots	Daily Rate	Cost
Continuation Beds	1,523	\$37.36	20,825,136	1,523	\$37.36	20,825,136
Add'l Beds for Caseload	<u>86</u>	<u>\$37.36</u>	<u>1,175,943</u>	<u>74</u>	<u>\$37.36</u>	<u>1,011,858</u>
Sub-total Beds	1,609		22,001,079	1,597		21,836,994
Parole Beds	80	\$37.36	1,093,901	80	\$37.36	1,093,901
Sex Offender Beds	10	\$37.36	136,738	10	\$37.36	136,738
CIRT Slots (diff. rate)	98	\$17.61	<u>631,635</u>	98	\$17.61	<u>631,635</u>
Total	1,699		23,863,353	1,687		23,699,268

**(D) Community Corrections
Diversion Programs:**

The diversion programs treat an average daily population of approximately 2,400 offenders placed in Community Corrections by District Court Judges. Thirty-three halfway houses and non-residential programs, under subcontract to Community Corrections boards, manage offenders as an alternative to commitment to the Department of Corrections. The request is for a 2.0 percent increase to support a continuation in the number of community corrections slots.

Summary of Diversion Rates		
	FY 2006-07 Base Rates	FY 2007-08 Request / Recommendation
Residential Beds	\$36.63	\$37.36
Non-residential Slots	\$4.97	\$5.07

* The recommendation is in accordance with the JBC common policy.

- Budget Amendment #7 — Additional Diversion Beds.** The Department of Public Safety requests an appropriation of \$1,066,268 General Fund for 75 additional diversion residential beds in the Division of Criminal Justice's Community Corrections budget. Diversion beds are intended to provide judges with a sentencing option in lieu of a prison sentence. Diversion offenders are sentenced to community corrections by judges, pursuant to Section 18-1.3-301 (1) (a), C.R.S., which authorizes such sentences for certain offenders.

Staff Analysis. Staff believes that there may be a benefit to increasing the number of diversion slots for the following reasons:

1. ***No Increase in Diversion Beds in Recent Years.*** The number of funded residential diversion beds (1,231 beds) is less than the number of funded beds in FY 1999-00 (1,248 beds). During this time, the inmate population has grown by approximately 7,000 inmates (44.2 percent).
2. ***Reduction in the Inmate Population.*** Increasing the number of diversion beds should reduce the number of inmates entering the Department of Corrections. Diversion placements are intended to provide judges with a sentencing option for offenders who would otherwise be sentenced to prison. However, it is possible that the additional diversion slots could result in some offenders being placed in a diversion placement that would have otherwise been placed in an even lower cost placement such as probation (i.e., "net widening"). It is not possible to determine to what extent increasing diversion slots will result in net widening. However, the Division of Criminal Justice reports that the "net widening" percentage for diversion placements was 2.3 percent in FY 2004-05 and 3.9 percent in FY 2005-06. The Division believes that this reflects probationers who were sentenced to 30 days in community corrections as a condition of probation.
3. ***Lower Costs.*** Community corrections programs offer a lower cost sentencing option for judges. A diversion bed costs \$38.85 per bed per day (including community corrections boards administrative costs). A private prison costs \$52.95 per bed per day (37.4 percent more than a diversion bed).
4. ***Recent Transfers to Diversion Programs.*** DCJ has demonstrated a need for additional slots through the transfer of funds from other line items. Pursuant to Section 17-27-108 (5), C.R.S., the Division of Criminal Justice is authorized to transfer up to 10.0 percent of the annual appropriation among or between line items for community corrections programs. DCJ used this flexibility in the past two years to fund additional diversion slots, suggesting that there is a demand for additional diversion beds.
 1. In FY 2004-05, \$780,199 were transferred to the "Diversion Programs" line item to support an average daily population of 61.6 inmates in residential community corrections beds.
 2. In FY 2005-06, \$999,112 were transferred to the "Diversion Programs" line item to pay for an average daily population of 84.8 inmates in residential community corrections beds.
5. ***Diversion Backlog in County Jails.*** Increasing diversion slots could alleviate overcrowding of local jails and eliminate any backlog that may exist for diversion placements. In 2005, staff was advised by some county sheriffs that a backlog of diversion offenders in county jails was contributing to problems of overcrowding. A 2005 survey indicated that there was a backlog of 290 offenders awaiting placement into a diversion program. JBC staff does not have current estimates of the backlog.

6. **Backlog of Transition Inmates.** It is possible that transition inmates are backing up in prison as a result of local community corrections programs deciding to use transition funds for diversion placements. The Department of Corrections reported a backlog of 385 inmates awaiting placement in community corrections as of December 14, 2006. Funding diversion beds to the estimated need should enable the transition appropriation to be used to reduce the transition backlog.

Staff Recommendation. Staff recommends that the JBC approve an appropriation of **\$1,066,553 General Fund for Budget Amendment #7 for 75 additional diversion beds in FY 2007-08.** The recommendation includes \$1,025,532 for the beds, plus \$41,021 for costs associated with administration of the additional beds.

Budget Amendment #7 – Additional Diversion Beds Department of Public Safety – Division of Criminal Justice				
Line Item	Recommendation			
	Beds	Daily Cost Per Bed	Days Per Year	Total Cost
Diversion Programs	75	\$37.36	366	\$1,025,532
Community Corrections Boards Administration (4% of Program Appropriations)				<u>41,021</u>
Total				\$1,066,553

* *Note:* the request assumed a daily rate of \$37.35 per bed. The rate recommended pursuant to the JBC common policy for provider rates is \$37.36 per day. As such, the recommendation is \$285 *higher* than the amount requested.

Staff recommends an appropriation of \$20,140,344 General Fund for Diversion Programs, which includes the recommendation to increase the number of residential diversion beds by 75 bed pursuant to Budget Amendment #7. Offenders sentenced to diversion beds would, in all likelihood, be sentenced to the Department of Corrections if this sentencing option were not available. As such, staff believes that this appropriation saves General Fund dollars.

(4) Division of Criminal Justice – (D) Community Corrections Diversion Programs – Request and Recommendation			
	Slots	Request / Recommendation	
		Daily Rate	Annual Cost
Base Residential Beds	1,231	\$37.36	\$16,832,399
Budget Amendment #7	<u>75</u>	\$37.36	<u>\$1,025,532</u>
Subtotal - Residential Beds	1,306		\$17,857,931
Non-residential Placements	<u>1,230</u>	\$5.07	<u>\$2,282,413</u>
Total	2,536		\$20,140,344

* The annual cost was computed assuming 366 days in FY 2007-08. In FY 2008-09, there will be a reduction associated with leap year adjustment recommended for FY 2007-08.

(D) Community Corrections
CUSP Treatment Program:

- ***Budget Amendment #3 — CUSP Treatment Program.*** The Division has requested an appropriation of \$67,607 General Fund and 1.0 FTE for FY 2007-08. Of the amount requested, \$3,800 General Fund is for one-time expenses associated with start-up costs. This request is for a person to coordinate the interagency efforts with the Judicial Department (probation), the Department of Corrections (parole officers), and the Department of Human Services (alcohol and drug abuse and mental health staff). The position is designed to provide an independent manager to assume a lead role in coordinating the demonstration programs.

Staff Recommendation. Based on concerns regarding the cost-effectiveness of this program, staff recommended against the request for Budget Amendment #3 (see the JBC staff analysis of the Governor's recidivism package). Based on the recommendation against the entire project, **staff recommends that the JBC reject the request for \$67,607 General Fund and 1.0 FTE for the "CUSP Program Costs" line item.**

(D) Community Corrections
Transition Mental Health Bed Differential:

- ***Budget Amendment #1 — Transition Mental Health Differential.*** The Division of Criminal Justice (DCJ) in the Department of Public Safety requested an appropriation of \$538,404 General Fund for 45 mental health beds for transition inmates who are stepping down from prison to a halfway house, at a cost of \$32.69 per inmate per day, plus \$21,536 General Fund for administrative costs for community corrections boards.

The Department requested funding to increase the capacity of mental health community corrections beds from 40 beds to 85 beds. The "Mental Health Differential" line item was added to DCJ's budget in FY 2002-03 to provide mental health services for offenders in

community corrections beds. The current appropriation supports a differential cost of \$32.05 per day for 40 existing beds in the Transition Program specifically for mentally ill offenders. The amount provided by this line item is in addition to the \$36.63 per inmate per day that community corrections providers receive for their base operating expenses. The request is summarized in the following table.

Budget Amendment #1 — REQUEST					
(4) Division of Criminal Justice – (D) Community Corrections					
Transition Mental Health Bed Differential					
	Beds	Transition Differential		Community Corrections Boards Administration (4% of Approp.)	Total Cost
		Daily Rate	Annual Cost		
Base Approp.	40	\$32.69	\$478,582	\$19,143	\$497,725
Budget Amend. #1	45	\$32.69	\$538,404	\$21,536	\$559,940
Total	85		\$1,016,986	\$40,679	\$1,057,665

* The requested rate reflects a 2.0 percent increase from the \$32.05 per inmate per day rate in FY 2006-07.

The Division justified the request for an expansion of this program based on lower expected recidivism rates for offenders who receive mental health treatment coupled with the growing population of inmates who have significant mental health treatment needs.

Staff Analysis. Staff makes the following observations with respect to this request.

1. *Increase in Mentally Ill Inmates.* This request was justified based on the high percentage of offenders with a serious mental illness. In 1990, the Department of Corrections estimated that only 3.0 percent of the inmate population was mentally ill. More recently, the Department has estimated that 18.9 percent of the population is mentally ill.
2. *Need for Mental Health Beds.* Of the 1,523 transition community corrections beds funded in FY 2006-07, only 40 beds provide enhanced mental health services for offenders (2.6 percent of the total beds). Prior to FY 2006-07, only 20 transition mental health beds were funded.
3. *Potential for Reduced Recidivism.* The Division cited a 2004 study that indicate providing this service for mentally ill offenders makes them much less likely to re-offend. The study indicated that recidivism rates were lower for offenders who received this type of community-based mental health treatment following treatment in a prison-based therapeutic community. Of the mentally ill offenders who were treated in therapeutic communities who also received after care treatment, the study estimated only 5.0 percent re-offended within two years. This is compared to the study's estimated two-year recidivism rate of 16.0 percent for offenders who only received prison-based treatment in a therapeutic community.

4. *Potential Cost Avoidance in Out Years.* This program will not have any cost avoidance in the short-term. After offenders are released from this program, there may be a cost avoidance for those offenders who would have failed on community ISP or parole without the services provided by this program.
5. *Ramp Up Time Necessary.* DCJ requested funding for an additional 45 beds for an entire year. Based on conversations with providers and the Division, it is staff's understanding that DCJ will not be able to bring the additional beds online at the beginning of the fiscal year.

Staff Recommendation. Staff recommends that the JBC provide funding for the requested 45 beds. However, based on the necessary ramp up time, staff recommends that the beds be funded for only 180 days in FY 2007-08. If this recommendation is approved by the JBC, this line item will require annualization in FY 2008-09. **Staff recommends an appropriation of \$275,381 General Fund for 45 additional mental health beds in FY 2007-08 (see the following table), including administrative costs.**

Budget Amendment #1 — JBC STAFF RECOMMENDATION (4) Division of Criminal Justice – (D) Community Corrections Transition Mental Health Bed Differential						
	Beds	Days	Transition Differential		Community Corrections Boards Administration (4% of Approp.)	Total Cost
			Daily Rate	Annual Cost		
Base Approp.	40	366	\$32.69	\$478,582	\$19,143	\$497,725
Budget Amend. #1	<u>45</u>	180	\$32.69	<u>\$264,789</u>	<u>\$10,592</u>	<u>\$275,381</u>
Total	85			\$743,371	\$29,735	\$773,106

* The recommended rate reflects a 2.0 percent increase from the \$32.05 per inmate per day rate in FY 2006-07 pursuant to the JBC common policy.

(D) Community Corrections
Diversion Mental Health Bed Differential:

- Budget Amendment #5 — Specialized Diversion Community Corrections Beds.** The Department has requested funding to add a new line item to the budget entitled "Diversion Mental Health Differential" to fund 20 diversion mental health community corrections beds. DCJ requested an appropriation \$248,863 of General Fund. Of the amount requested, \$239,291 General Fund is for 20 mental health beds for diversion inmates who are sentenced directly to a halfway house pursuant to the provisions of Section 18-1.3-301 (1) (a), C.R.S., at a cost of \$32.69 per inmate per day, and \$9,572 General Fund is for administrative costs for community corrections boards.

Staff Analysis. Staff makes the following observations with respect to this request.

1. *Increase in Mentally Ill Inmates.* This request was justified based on the high percentage of offenders with a serious mental illness. In 1990, the Department of Corrections estimated that only 3.0 percent of the inmate population was mentally ill. More recently, the Department has estimated that 18.9 percent of the population is mentally ill. The request, if approved, may divert offenders prior to entering the prison.
2. *Need for Mental Health Beds.* There are no mental health beds specifically targeted specifically to serve diversion clients.
3. *Potential for Reduction in Prison Population.* To the extent that this program stabilizes offenders, it is possible that they may be released from community corrections and avoid going to prison. The potential impacts cannot be quantified at this time.
4. *Potential Cost Avoidance in Out Years.* This program will not have any cost avoidance in the short-term. This request will not add any additional capacity to the system. Rather, it will provide additional treatment services to a sector of the offender population that may need these services.
5. *Ramp Up Time Necessary.* DCJ requested funding for 20 beds for an entire year. Based on conversations with providers and the Division, it is staff's understanding that DCJ will not be able to bring the additional beds online at the beginning of the fiscal year.

Staff Recommendations. Staff makes the following recommendations regarding the diversion mental health differential.

1. Staff recommends that the beds be funded for only 180 days based on the necessary ramp up time. If this recommendation is approved by the JBC, this line item will require annualization in FY 2008-09.
2. Staff recommends that the JBC provide funding for 20 beds, as requested. Staff recommends an appropriation of \$122,391 General Fund for 20 additional mental health beds in FY 2007-08 (see the following table).

Budget Amendment #5 — Request and Recommendation – Diversion Mental Health Beds						
(4) Division of Criminal Justice – (D) Community Corrections						
	Beds	Days	Diversion Differential		Community Corrections Boards Administration (4% of Approp.)	Total Cost
			Daily Rate	Annual Cost		
Request	20	366	\$32.69	\$239,291	\$9,572	\$248,863
Recommendation	20	180	\$32.69	\$117,684	\$4,707	<u>\$122,391</u>
Difference						\$126,471

- **Budget Amendment #1 — JERP Program.** The Department requested a new line item in the budget for the Joan Eachon Re-entry Program (JERP). The JERP program is a pilot program for offenders with mental illness who are in Community Corrections programs. Many offenders with mental illness are denied community corrections placements because of their illnesses. This pilot program was created in 2005 with a Federal Bureau of Justice Assistance grant and multiple agency collaboration. This federal grant will end on June 30, 2007, before program outcomes can be fully determined. The area of serving offenders with mental illness is especially interesting since the recidivism rate is significantly higher than other populations. This higher recidivism rate translates into prison bed utilization. To the degree that this population could be successfully served in the community after their sentences are complete, it would be useful to determine if the recidivism rate could be reduced with the provision of mental health and substance abuse services.

Staff Recommendation. Staff believes that there is a benefit to providing the wrap around services currently provided by federal funds. Staff believes that it is useful to determine the impact of the intensive wrap around services that are provided by the JERP program before it is discontinued. **Staff recommends that the JBC approve an appropriation of \$287,017 General Fund. Staff recommends that the JBC reject the request for an appropriation to reimburse the community corrections boards for this program.** This program already is up and running. Continuing this program with a different source of funds will not drive a workload for the community corrections boards.

Budget Amendment #1 — Request and Recommendation (4) Division of Criminal Justice – (D) Community Corrections Joan Eachon Re-entry Program (JERP)						
	Beds	Days	Transition Differential		Community Corrections Boards Administration (4% of Approp.)	Total Cost
			Daily Rate	Annual Cost		
Request	15	366	\$52.28	\$287,017	\$11,481	\$298,498
Recommendation	15	366	\$52.28	\$287,017	\$0	<u>\$287,017</u>
Difference						\$11,481

**(D) Community Corrections
Specialized Services:**

The specialized services portion of this line item supports the purchase of sex offender counseling, mental health treatment, cognitive training, or other specialized services that are not typically provided for high risk offenders referred to Community Corrections. The Division attempts to avoid duplication of services, and restricts spending to the highest risk offenders in order to increase probability of successful community placement. The request is for a continuing level of funding for this line item. This line provides services to approximately 275 offenders at an average annual cost of \$200 per offender.

Because of the significant shortage of General Fund dollars, this line was reduced by 50.0 percent in the 2003 session. The Department believes that some offenders in the community may return to prison as a result of this budget reduction. However, it is not possible to measure this impact. **The total staff recommendation is \$55,000 General Fund, based on a continuation appropriation for this line item.**

Given that this line item funds services to high risk offenders in the community, staff recommends against further reductions to this line item. The risk of approving a reduction to this line item is that an offender will stay in prison longer. Typically, treatment is required as a condition of being placed in the community. If an offender cannot pay for treatment, they could be denied placement in a community corrections program.

(D) Community Corrections
Day Reporting Center

Overview of Line Item. This line item is used for day reporting services to provide structured programs to monitor offenders on a daily basis. The centers serve as a point for delivery of services such as employment assistance and substance abuse monitoring/treatment for offenders who are at risk of violating terms of community placement. Of the money appropriated to this line item, approximately 90 percent has been used historically for probation clients and 10 percent for parole clients.

Day reporting is cheaper than residential community programs, and it is cheaper than prison. To the extent that day reporting prevents offenders from being placed in a more secure custody setting (prison or residential community corrections), it is possible that it could save the state money. However, offenders who do not receive day reporting services are still supervised in the community. Furthermore, the appropriation to this program is discretionary. It is possible that increasing appropriations to this line will merely result in net widening – increase the number of offenders in the system with services.

Request. The Division requests an appropriation of \$536,099 General Fund. This request would fund a continuation of 175 slots at a cost of \$8.37 per client per day (a 2.0 percent increase over the daily rate of \$8.21 per offender for 175 slots in FY 2006-07). **Staff recommends an appropriation of \$536,099**, which includes a 2.0 percent provider rate increase in accordance with JBC policy. The staff recommendation also includes a one-time adjustment for FY 2007-08 for a leap year adjustment. In FY 2008-09, the appropriation should be reduced to reflect 365 days in FY 2008-09.

(4) Division of Criminal Justice – (D) Community Corrections Day Reporting Center – Request and Recommendation			
	FY 2006-07	FY 2007-08	
		Request	Recommendation
Number of Slots	175	175	175
Daily Rate	\$8.21	\$8.37	\$8.37
General Fund	\$524,414	\$536,099	\$536,099

**(D) Community Corrections
Substance Abuse Treatment Program:**

- Budget Amendment #5 — Therapeutic Community Beds.** The Department requested \$103,944 cash funds exempt (reserves in the Drug Offender Surcharge Fund) for the Substance Abuse Treatment Program as a part of the Governor's Recidivism Reduction Package. The request would provide a differential increase for therapeutic community substance abuse treatment beds for 20 diversion clients. Given the significant percentage of offenders in the criminal justice system with substance abuse needs, staff believes that there is merit in attempting to expand the services provided to serve this population. It is possible that there will be long term cost avoidance from funding these programs. Staff believes that the program should be evaluated by the research requested and recommended through budget amendment #10 associated with the Governor's Recidivism Reduction Package. **Staff recommends approval of the request for an increase of \$103,944 cash fund exempt to the Substance Abuse Treatment Program.** Historically, appropriations to the Substance Abuse Treatment Program have not been used to reimburse community corrections boards. **Staff recommends against the request for an appropriation of \$4,158 cash funds exempt to the "Community Corrections Boards Administration" line item.**

Note: This request for cash funds exempt is only possible due to the fund balance in the drug offender surcharge fund. This request, if approved, may require General Fund in the future base on the projection by the Judicial Department, which manages this fund.

Budget Amendment #5 — Request and Recommendation – Substance Abuse Treatment Program (4) Division of Criminal Justice – (D) Community Corrections						
	Beds	Days	Diversion Differential		Community Corrections Boards Administration (4% of Approp.)	Total Cost
			Daily Rate	Annual Cost		
Request	20	366	\$14.20	\$103,944	\$4,158	\$108,102
Recommendation	20	366	\$14.20	\$103,944	\$0	<u>\$103,944</u>
Difference						\$4,158

* The source of funds for this request and recommendation is reserves in the Drug Offender Surcharge Fund.

Staff recommends an appropriation of \$1,002,434, which includes \$207,888 General Fund and \$690,602 cash funds (Drug Offender Surcharge Fund), and \$103,944 cash funds exempt (reserves in the Drug Offender Surcharge Fund). The following table summarizes the programs that will be funded with the recommended appropriation. The recommended adjustment reflects a leap year adjustment that should be annualized in FY 2008-09. The staff recommendation corrects a technical error with respect to the requested increase for cash funds for the leap year and the provider rate increase. As such, the cash funds recommendation is slightly different than the Department's request.

Recommended Program Funding		
Program	CF Amount	Description
Diversion Intensive Residential Treatment Program (CIRT)	\$201,347	CIRT differential cost (\$17.52 per day) for 31.4 beds. Reserved for offenders who have been assessed at Treatment Level 5. Generally, the persons referred to CIRT have not succeeded in previous non-residential substance abuse treatment programs. CIRT is a 30 to 45 day program of intensive therapy that removes the person from the community and places the offender in a professionally supervised therapeutic environment.
Female Intensive Residential Treatment (IRT)	\$86,237	Used as a transition program for women exiting prison, or as a cost-effective placement in lieu of regression to prison. Emphasis is placed on substance abuse and relapse. The program serves 14.0 female beds at an incremental cost of \$16.83 per day per day each.
Day Treatment	\$96,478	Specialized drug treatment services for offenders (8 slots at a cost of \$32.95 per slot). Provides non-residential services to TC offenders allowing them to transition out of residential beds more quickly.
Therapeutic Community (TC) Enhancement*	\$608,072	TC enhancement – Provides to the \$14.20 per day for the cost of the first two phases of the intrusive behavior modification and milieu therapy which lasts 4 to 6 months. During these phases the clients do not work and are unable to assist in paying for treatment (117 beds). Of these, 40 are funded with General Fund and 20 are new beds associated with the Governor's recidivism package.
Standardized Offender Assessment (SAO) Training Program	\$10,300	Provides training on the standardized assessment instrument for six two-day training sessions, given by multi-agency training teams at various locations in the state over a course of the year and two two-day seminars for "training the trainers".
Total Funds	<u>\$1,002,434</u>	
General Fund	207,888	
Cash Funds	690,602	
Cash Funds Exempt	103,944	

* 40 of the therapeutic community beds are funded with General Fund.

(E) CRIME CONTROL AND SYSTEM IMPROVEMENT

The Division of Criminal Justice submitted one budget amendment for this section of the budget. Budget Amendment #10 (a request for General Fund dollars for criminal justice research) included a reduction of \$184,779 in federal funds from the Crime Control and System Improvement section of the Long Bill.

State and Local Crime Control and System Improvement Grants:

This program provides funding for more than 40 state and local programs designed to improve the apprehension, prosecution, adjudication, and detention of drug offenders. These objectives are accomplished through specific programs such as DARE, the Senior Liaison Program, the Brighton Truancy Prevention Project, Juvenile TASC, Jail Substance Abuse Intervention Project, DNA Forensic Laboratory (Colorado Bureau of Investigation), and several multi-jurisdictional metro task forces. The request is for a reduction in funding based on the anticipated amount of federal funds.

(4) Division of Criminal Justice – (E) Crime Control and System Improvement State and Local Crime Control System Improvement Grants	
	Federal Funds
FY 2006-07 Long Bill (H.B. 06-1385)	7,000,000
Change in Anticipated Federal Funds	<u>(3,500,000)</u>
Total Request / Recommendation	3,500,000

Staff recommends the request for a total of \$3,500,000 in federal funds which represents the total amount of federal grants anticipated for FY 2007-08. The reduction reflects lower anticipated federal funds.

**(E) Crime Control and System Improvement
Sex Offender Surcharge Fund Program:**

This line item provides funding for staff support and operating expense for the Sex Offender Treatment Board. Created in H.B. 92-1021, the Sex Offender Treatment Board is charged with the following duties:

- ▶ Developing a standardized procedure for identification of sex offenders
- ▶ Developing standards and guidelines for a system of program intervention/treatment/monitoring
- ▶ Developing a plan for the allocation of the sex offender surcharge fund
- ▶ Prescribing a system for the tracking of sex offenders who have been subjected to evaluation, identification, and treatment

- ▶ Developing procedures to research and evaluate the assessment and treatment
- ▶ Training on the Implementation of Standards
- ▶ Approving the Risk Assessment Screening Instrument

The Board has completed the guidelines for the assessment of sex offenders and has also developed a preliminary plan for the allocation of the sex offender surcharge fund.

This program request is for a continuation appropriation to support 1.5 FTE. **Staff recommends an appropriation of \$142,229 cash funds (Sex Offender Surcharge Fund) and 1.5 FTE (see the following table).** This recommendation reflects the recommended allocation of funds from the Sex Offender Surcharge Fund by the Sex Offender Management Board.

Summary of Personal Services Recommendation		
Department of Public Safety – (4) DCJ – (E) Crime Control & System Improvement		
Sex Offender Surcharge Program		
	Cash Funds	FTE
Personal Services (estimate)	128,835	1.5
Operating Expense (estimate)	<u>10,770</u>	<u>n.a.</u>
FY 2006-07 Long Bill (H.B. 06-1385)	139,605	1.5
Annualize Salary Survey Awarded in FY 2006-07	<u>3,285</u>	<u>n.a.</u>
Continuation Estimate	142,890	1.5
Common Policy Personal Services Reduction (0.5%)	<u>(661)</u>	<u>n.a.</u>
JBC Staff Recommendation	142,229	1.5

(E) Crime Control and System Improvement
Sex Offender Supervision:

This line contains funding for the purposes set forth in H.B. 98-1156, Lifetime Supervision of Sex Offenders and H.B. 99-1260, DNA Testing of Sex Offenders. As a result of this legislation, the Sex Offender Treatment Board (SOTB) is required to:

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

The request is for 3.2 FTE and continuation level of funding based on OSPB common policies, which include a 0.2 percent reduction for personal services expenditures. **Staff recommends an appropriation of \$321,435 General Fund and 3.2 FTE (see the following table).** The line item was reduced by \$96,952 and 0.8 FTE during the 2003 session. Because of this reduction and because of the ongoing statutory obligations associated with sex offender supervision, staff does not recommend another base reduction to this line item. Statutory changes to the lifetime supervision

of sex offenders could result in budgetary savings in this line item as well as budgetary savings in the Judicial Department and the Department of Corrections. The recommendation includes annualizing the cost of S.B. 06-22, which requires an estimated \$29,000 in contract dollars and operating expenses related to community notification requirements for sexually violent predators.

Summary of Personal Services Recommendation		
Department of Public Safety – (4) DCJ – (E) Crime Control & System Improvement		
Sex Offender Supervision Program		
	General Fund	FTE
Personal Services (estimated)	217,869	3.2
Operating Expenses (estimated)	<u>70,189</u>	—
FY 2006-07 Long Bill (H.B. 06-1385)	288,058	3.2
S.B. 06-22	<u>29,000</u>	—
FY 2006-07 Total Appropriation	317,058	
Annualize Salary Survey Awarded in FY 2006-07	<u>5,494</u>	—
Continuation Estimate	322,552	3.2
Common Policy Personal Services Reduction (0.5%)	<u>(1,117)</u>	—
JBC Staff Recommendation	321,435	3.2

(E) Crime Control and System Improvement
Treatment Provider Criminal Background Checks:

Staff recommends the Division's request for a continuation appropriation of \$23,500 cash funds. This recommendation is consistent with the fiscal note for H.B. 04-1077 (Rep. Jahn / Sen. Anderson), which created this line item. House Bill 04-1077 requires domestic violence treatment providers and sex offender treatment providers to pay a fees for criminal background checks that go beyond the scope of a criminal history check.

In future years, it may be possible to reduce the spending authority for this line item. Given that the line item is relatively new, staff believes that there is a benefit to not adjusting the line item. Staff believes that it is important for treatment providers to comply with the law and be subjected to statutorily required criminal background checks (at their expense). If the line were reduced, it is possible that there may not be sufficient spending authority to conduct the required background checks. A few more years of experience will allow the Division to better estimate the necessary spending authority for the required background checks.

The recommended source of cash funds is as follows: (a) \$12,500 is from the Domestic Violence Offender Treatment Provider Fund established pursuant to Section 16-11.8-104 (2) (b), C.R.S.; and (b) \$11,000 is from the Sex Offender Treatment Provider Fund established pursuant to Section 16-11.7-106 (2) (c), C.R.S.

(E) Crime Control and System Improvement
Colorado Regional Community Policing Institute:

Request. The Division requests an appropriation of \$776,247 total funds and 6.2 FTE for resources to provide training to local law enforcement agencies. This request includes an estimated reduction in federal funds.

Line Item Overview. Since 1995, the Colorado Regional Community Policing Institute (CRCPI), has provided training for law enforcement officers throughout the State of Colorado. This line item provides training classes for approximately 400 individuals per month in community policing, ethics, anti-bias, methamphetamine response, domestic violence, risk assessment and response, counter-terrorism, and weapons of mass destruction first responder awareness. The main goal of CRCPI is to provide professional skill development training, including ethics and integrity training, domestic violence training, and basic law enforcement preparatory training under Colorado Police Corps.

Funding Sources. Historically, CRCPI had been funded by federal funds received from the U.S. Department of Justice. Additionally, a cash funds exempt appropriation includes two sources of state funds transferred from the Department of Law: (a) fee revenue collected for anti-bias police training pursuant to the provisions of S.B. 03-103; and (b) cash funds from a court settlement from a 1996 class action lawsuit.¹ The settlement awarded \$300,000 to the Attorney General's Peace Officer Standards Training (P.O.S.T.) Board, in conjunction with the American Defamation League, for officer training. Pursuant to the court settlement, these funds must be spent by the P.O.S.T. board on anti-bias training throughout Colorado.

Staff Recommendation. Staff recommends an appropriation of \$775,246 total funds and 6.2 FTE (see the following table). Of the amount recommended, \$398,430 is federal funds and \$376,816 is cash funds exempt. Of the cash funds exempt recommendation, \$315,426 reflects funds transferred from an appropriation from the P.O.S.T. Board Cash Fund made to the Department of Law. The remaining \$61,390 is from a transfer of custodial funds administered by the P.O.S.T. Board in the Department of Law. This recommendation reflects a reduction of \$2,137,238 in federal funds that is anticipated by the Department.

¹ 1996 Whitfield settlement (*Whitfield et al. v. The Board of County Commissioners of Eagle County, et al, U.S. District Court-Colorado, Case No. 90-K1541*).

Department of Public Safety - Division of Criminal Justice Colorado Regional Community Policing Institute				
	Cash Funds Exempt	Federal Funds	Total Funds	FTE
Personal Services (estimated)	333,663	2,470,430	2,804,093	6.2
Operating Expenses (estimated)	<u>44,821</u>	<u>77,590</u>	<u>122,411</u>	<u>n.a.</u>
FY 2006-07 Long Bill (H.B. 06-1385)	378,484	2,548,020	2,926,504	6.2
Salary Survey Awarded in FY 2005-06	0	0	0	0.0
Reduction in Federal Funds	0	(2,137,238)	(2,137,238)	0.0
0.5 Percent Personal Services Reduction	<u>(1,668)</u>	<u>(12,352)</u>	<u>(14,020)</u>	<u>0.0</u>
Total Recommendation	376,816	398,430	775,246	6.2

(E) Crime Control and System Improvement
Office of Research Statistics

This line item was added to the Long Bill in 2006 through a decision item. The Division of Criminal Justice received an appropriation of \$35,592 cash funds exempt (gifts, grants, and donations) and 0.5 FTE for a new line item entitled "Office of Research Statistics". The line item was added to authorize the Division's research staff to apply for and accept gifts, grants, and donations for research projects. The Division justified its request, in part, because of a reported reduction in federal funds that had previously been used to support criminal justice research in recent years. The Division also reported that in recent years, it was not able to take advantage of a research opportunity that became available to research the risk level of parolees in the Denver area.

Staff recommends that the JBC approve an appropriation of \$35,414 cash funds exempt (gifts, grants, and donations) and 0.5 FTE, which includes a 0.5 percent reduction in accordance with JBC common policy. Because the Office of Research and Statistics is funded from the "Personal Services" line item in the Administration section of DCJ's budget, staff recommends elimination of this line item. **Staff recommends that the \$35,414 cash funds exempt (gifts, grants, and donations) and 0.5 FTE be transferred to the "Personal Services" line item in the Administration section of DCJ's budget.**

Summary of Personal Services Recommendation Department of Public Safety – (4) DCJ – (E) Crime Control & System Improvement Office of Research Statistics		
	Cash Funds	
	Exempt	FTE
FY 2006-07 Long Bill (H.B. 06-1385)	35,592	0.5
Annualize Salary Survey Awarded in FY 2006-07	<u>0</u>	—
Continuation Estimate	35,592	0.5
Common Policy Personal Services Reduction (0.5%)	<u>(178)</u>	—
JBC Staff Recommendation	35,414	0.5
Transfer to "Personal Services" line item in Administration	<u>(35,414)</u>	<u>(0.5)</u>
Recommendation for "Office of Research Statistics" line item	0	0.0

(E) Crime Control and System Improvement
Federal Grants – Non-Appropriated:

The federal funds appropriation and FTE shown in this line item are from a variety of federal funds. They are shown for informational purposes only. The Division's budget schedules indicate that it spent money from 22 different criminal justice grants in FY 2004-05. In FY 2007-08, 11 criminal justice grants are anticipated. The FTE are part of the classified system. **Staff recommends the request for \$3,722,221 federal funds and 18.3 FTE to be reflected in the line item.** Staff believes that it is useful for the Long Bill to reflect the anticipated level of federal funding. The recommendation reflects the amount of funds that the Division anticipates receiving from the 13 federal grants anticipated in FY 2007-08.

Department of Public Safety - Division of Criminal Justice Federal Grants		
	Federal Funds	FTE
FY 2006-07 Long Bill (H.B. 06-1385)	9,473,606	20.3
Anticipated Reduction in Federal Funds	<u>(5,566,606)</u>	—
November 2006 Budget Request	3,907,000	20.3
Budget Amendment #10 (Fund Office of Research Statistics w/ General Fund)	<u>(184,779)</u>	<u>(2.0)</u>
Total Request / Recommendation	3,722,221	18.3

**DEPARTMENT OF PUBLIC SAFETY
DIVISION OF CRIMINAL JUSTICE
FY 2007-08 FOOTNOTE RECOMMENDATIONS**

Staff recommends the following with respect to Long Bill footnotes for the Division of Criminal Justice:

1. Add two new footnotes related to the recidivism reduction and offender diversion package
2. Continue one existing footnote
3. Discontinue one footnote

Note: Footnotes #2, #3, and #4 affect multiple agencies. The staff recommendations for these footnotes will be discussed in another figure setting document.

Staff recommends adding the following two new footnotes:

N1 Department of Corrections; Department of Human Services, Alcohol and Drug Abuse Services and Division of Youth Corrections; Judicial Department; 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 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 efficacy 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 the programs.

N2 Department of Public Safety, Division of Criminal Justice, Administration, Recidivism Reduction and Offender Diversion Package Contract Analysis -- The appropriation for this line item is intended to fund a contract analysis of the Governor's Recidivism Reduction and Offender Diversion Package funded by the General Assembly in 2007. Any portion of

the appropriation in this line item that is not expended prior to July 1, 2008, shall be rolled forward for expenditure in FY 2008-09.

Comment: These footnotes are intended to clarify the legislative intent with respect to a the recidivism reduction and offender diversion package submitted by Governor Ritter.

Staff recommends continuing the following footnote:

- 110 Department of Public Safety, Division of Criminal Justice, Community Corrections --** Appropriations for community corrections programs are based on assumptions that providers of community corrections programs will collect client fees of up to \$17 per day for residential programs and up to \$3 per day for nonresidential programs. Pursuant to its authority to administer and execute contracts under section 17-27-108, C.R.S., the Division of Criminal Justice is requested to ensure that every reasonable effort is made to achieve such collections.

Comment: **Staff recommends that the JBC continue Footnote #110.** This footnote was not vetoed in the 2006 Long Bill. Staff believes that this footnote is helpful to clarify the legislative intent of community corrections provider rates used to make Long Bill appropriations as they relate to the ability of providers to collect fees to offset costs. This footnote was added in the 1994 Long Bill.

Following the 8.0 percent reduction in the reimbursement rate for community corrections providers in 2003, this footnote was amended by the General Assembly to increase the amount that can be collected for client fees collected (from \$13 per day for residential programs to \$17 per day; and from \$2 per day for non-residential programs to \$3 per day). This change in the footnote was motivated, in large part, from concerns expressed by the providers.

Staff recommends discontinuing the following footnote:

- 111 Department of Public Safety, Division of Criminal Justice, Community Corrections, Day Reporting Center --** The appropriation to this line item is intended to pay for day reporting services to an average daily population of 175 offenders at an average cost of \$8.21 per offender per day. It is further the intent of the General Assembly that the Department of Public Safety be authorized to use the appropriation for this line item to reimburse day reporting centers up to a maximum of \$9.50 per offender per day for offenders who require additional day reporting services.

Comment: This footnote was vetoed on the basis that it violates the separation of powers. However, the Governor directed the Department to comply to the extent feasible. This footnote was added in the 2006 session to provide more flexibility for the Department to administer the appropriation. Staff believes that the intent of the appropriation has been clarified. Staff does not believe that there is value in continuing this footnote.