

**DEPARTMENT OF PUBLIC SAFETY
FY 2013-14 JOINT BUDGET COMMITTEE HEARING AGENDA**

**Friday, January 4, 2013
1:30 pm – 5:00 pm**

1:30-1:45 INTRODUCTIONS AND OPENING COMMENTS

1:45-1:55 QUESTIONS COMMON TO ALL DEPARTMENTS

1. The JBC occasionally hears complaints that base personal services reductions to capture vacancy savings result in more vacancy savings as managers reduce staff to absorb the reduction and then still experience turnover. Some departments refer to this as the "death spiral." Has your department experienced this problem? How does your department attempt to minimize and avoid the "death spiral?"

1:55-2:50 DIVISION OF FIRE PREVENTION AND CONTROL AND DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT

2. Executive Order D 2011-030 (Consolidation of Homeland Security and Disaster Emergency Management Functions) was signed on October 18, 2011, and H.B. 12-1283 (Consolidation of Homeland Security and Disaster Emergency Management Functions) was signed on June 4, 2012. Please describe the consolidation process between the signing of the Executive Order and H.B. 12-1283. How much of the transition had been completed prior to the passage of H.B. 12-1283?
3. What is your assessment of the efficacy of the response to the fires this summer under the new emergency management structure? Did the consolidation facilitate better coordination on the assault of the fires?
4. Provide a Department preferred Long Bill budget structure for the Division of Fire Prevention and Control and the Division of Homeland Security and Fire Safety. Provide reasons for why the appropriations should be made in program line items versus personal services and operating expenses line items for the various appropriations in the Divisions.
5. House Bill 12-1283 transferred the powers and obligations relating to wildfire preparedness, response, suppression, coordination, and management vested previously in the State Forest Service and the board of governors of the Colorado State University to the Division of Fire Prevention and Control. How much funds and FTE were transferred for this purpose? Does the Department anticipate needing to further adjust the appropriation of funds and FTE to more accurately reflect the actual transfer of funds and FTE for wildfire preparedness?

6. What are the strengths and weaknesses of the transfer of fire response from local to state? What are the lessons learned? Is there good coordination with local partners?
7. Who is responsible for fires started on federal forest lands? How does the interaction of the State and the Federal Government during the response to a fire started on federal forest land interact with the 10th Amendment to the United States Constitution?
8. There was a story in the news this summer that there were issues with FTE transferred as a result of H.B. 12-1283 from the State Forest Service to the Department of Public Safety. How many FTE were involved, what were the issues with their transfer, and were the issues resolved?
9. The Department has circulated a 2013 legislative proposal to amend sections of statute related to the Wildland Fire Cost Recovery Fund. In particular, the Department is requesting to make the fund a non-interest bearing fund, to allow the fund to get an advance from the Department of Treasury in excess of \$12.0 million in any given fiscal year, and to allow roll-forward spending authority so that funds can be transferred from one fiscal year to the next. Please explain the details of the proposal as well as why you think that a legislative change is necessary. Is the Department asking the Joint Budget Committee to carry the Department's legislative proposal?
10. Is funding in the Emergency Fire Fund available for fires that cross into several counties or can the funding be used only in a single county?
11. The Department has submitted Request 2 to fund an additional position in the Office of Preparedness in the Division of Homeland Security and Emergency Management to manage all critical infrastructure protection activities for state-owned facilities and other key resources, as well as update and administer the State's continuity of operations and continuity of government (COOP/COG) programs and processes. The Department states that the position has not been funded since 2008. How was the position funded prior to 2008? If the position was funded with federal funds, why should the State backfill federal funds with General Fund? Did anyone perform critical infrastructure / COOP functions between 2008 and 2012? Explain what this position will do for the state.
12. How does the Department Request 2 interact with Section 24-75-1305, C.R.S., which prohibits the General Assembly from providing appropriations of state moneys to fund a program that was previously funded with grant moneys? Does the Department believe that Request 2 is in violation of Section 24-75-1305, C.R.S.?

13. Is there an overlap between the Department Request 2 and the Governor's Office of Information Technology Request 9, Microwave Assessment, to assess the scope and strategy for necessary upgrades to the microwave backbone that serves the statewide public safety communications system (Digital Trunked Radio System)?
14. Provide a schematic flow chart that shows where moneys for disaster emergencies in general, and wildfire response in particular, come from and how the moneys are disbursed for disaster emergencies and wildfires.
15. How much is the State still paying for past fires? Please provide a consolidated report that shows how much was encumbered for each fire, from what funding source were the encumbrances made, how much has been paid out for each fire, as well as how much was received back from any federal or other reimbursements.
16. How much of the state emergency reserve (TABOR reserve) has been used for disaster emergencies in FY 2009-10, FY 2010-11, FY 2011-12, and FY 2012-13?
17. The cash fund report (Schedule 9) provided by the Governor's Office does not provide a full analysis of the Disaster Emergency Fund (DEF) for FY 2012-13 and FY 2013-14. Provide an analysis of the Department's estimated funding balance for the DEF for FY 2012-13 and FY 2013-14.
18. How does the Department propose reporting to the General Assembly on the total disaster emergency funding encumbered and spent for disaster emergencies? Does the Department believe that an annual report would provide useful information to the General Assembly on disaster emergency funding and expenditures?

2:50-3:00 BREAK

3:00-3:50 COLORADO STATE PATROL AND COLORADO BUREAU OF INVESTIGATION

19. The Department is requesting a total of \$123.3 million HUTF "Off-the-Top", or a \$7.5 million (6.5 percent), increase in operating funding from FY 2012-13. Please describe what the \$7.5 million is going to fund.
20. Provide an update on the transfer of the Ports of Entry program from the Department of Revenue to the State Patrol accomplished through H.B. 12-1019.

21. Regarding the transfer of the Ports of Entry program from the Department of Revenue to the State Patrol, how many FTE from Revenue made the transfer to the Patrol, how many found positions elsewhere, and how many were ultimately separated from state employment?
22. A report published as a result of H.B. 11-1113 concluded that the transfer of the Ports of Entry program out of the Department of Revenue has the potential to save between \$1.8 million and \$3.1 million over a five-year period. What is the Department's current estimate of achievable savings within the Ports of Entry program over five years and how does the Department plan on utilizing the savings?
23. The Ports of Entry has submitted a capital construction request for FY 2013-14 for \$1.5 million to replace the Ports of Entry legacy business system. Provide the Ports of Entry most recent capital construction long-term plan. Please discuss the Ports of Entry capital construction plan, what are the top priorities for the Ports of Entry? How does this request fit within the Ports of Entry capital construction long-term plan?
24. The State of Utah stopped staffing the west-bound port of entry on the Colorado-Utah border on I-70 in 2011. Have there been discussions since that time with the State of Utah regarding staffing of the the I-70 west-bound port of entry?
25. Department Request 4, Increase Spending Authority for Special Events Road and Lane Closures, requests \$548,262 cash funds (\$398,262 from revenues to provide escort for oversize/overweight loads (OSOW) and \$150,000 for the USA Pro Cycling Challenge). Discuss the details of this Department request.

Question for Colorado Bureau of Investigation

26. Describe the CBI's InstaCheck program. Provide workload measures for FY 2010-11, FY 2011-12, and FY 2012-13. How much does the program cost the agency in total? What is the average cost per transaction?

3:50-4:00 BREAK

4:00-4:40 DIVISION OF CRIMINAL JUSTICE

27. How will passage of Amendment 64 alter policy regarding use of marijuana by offenders in community corrections? Will it affect chemical surveillance of offenders? Will it decrease the effectiveness of testing?
28. The chart at the bottom of page 14 of the DCJ briefing document shows that the prevalence of F2, F3, and F4 felonies among transition community corrections offenders is higher than the

prevalence of F2, F3, and F4 felonies among offenders in the larger population releasing from the DOC, which seems to contradict the notion that community corrections boards and programs “cherry pick” offenders. Does this mean that transition offenders in community corrections are “higher risk” than general DOC releases? Is there another explanation? Could it be that F2 and F3 offenders serve longer sentences and are less of a risk when released due to age? Are more of the F5 and F6 offenders burning their sentences and skipping community corrections?

[Background for the next five question.] The graph on the top of page 16 shows that the proportion of terminations from community corrections for technical violations has increased.

29. Why have terminations for technical violations increased? Are we not providing the right type of programming? Have statutory changes relating to technical violations affected the number of technical violations in community corrections? Did the higher technical violation levels in recent years in community corrections programs motivate any of the changes to our technical violation laws?
30. Are we not doing a good job selecting offenders for these program? Do the programs use evidence based programming? How do they decide what programming to provide to an offender?
31. Which community corrections facilities around the state have higher and lower technical violation rates? Please provide data.
32. Please provide a list of the things than constitute a technical violation.
33. Are we utilizing resources made available for special beds? Do we have the right amount of specialized beds available? Does that help explain why we have more technical violations?
34. [This question pertains to request R-1, *Colorado Commission on Criminal and Juvenile Justice Continuation Funding*.] Why is the department requesting funding in the Long Bill for a program that will sunset under current law prior to the end of the fiscal year for which the request is being made? This request would replace federal grant funding with state moneys; is there a reason why Section 24-75-1305, C.R.S., does not apply to this request?

The following table provides background for the next question:

Current Residential Community Corrections Reimbursement Rates			
	Base	Differential	Total
Standard Residential	\$37.74	\$0.00	\$37.74
Intensive Residential Treatment	37.74	17.78	55.52
Dual Diagnosis	37.74	33.02	70.76
Therapeutic Community	37.74	14.34	52.08
John Eachon Re-entry Program	37.74	52.80	90.54
Sex Offender	37.74	33.02	70.76

35. The current differential reimbursement rate for Therapeutic Community providers is \$14.34 per day, which is the lowest differential for specialized community corrections services. Providers say that this rate leaves a gap in funding of \$7.44 per client per day. If the rate was increased to \$21.78 per day, this would help offset costs to provide enhanced services like basic client supplies, mental health services, medical and dental, employment assistance, transportation, family counseling, parenting classes, nutrition classes, and child care. Does the Department believe there is justification to increase the rate based upon the success of TC's and the enhanced services provided?
36. Does the department believe there are problems with any of the other rates paid to community corrections programs? Are rates set properly for community corrections programs that provide specialized services? Do the programs cost more to provide than the reimbursements received? If the gap was closed would we get more success or better services?

4:40-5:00 COMMUNITY CORRECTIONS SUBSISTENCE GRACE PERIOD

37. If there was not a budgetary need for subsistence payments, would there be a programmatic reason to require a subsistence payment?
38. What is the overall collection rate for subsistence payments? Please provide a cost benefit analysis based on when offenders can't pay versus what we require them to pay.
39. Staff proposes funding a subsistence grace period experiment by reducing other community corrections appropriations. Should the General Assembly as an alternative create a cash fund that collects unused community corrections appropriations and uses them the following year to fund these types of programs?
40. Please provide data on the average amount of debt when offenders leave community corrections Does it differ for specialized treatment programs? If so, in what way? Is it undermining treatment?
41. Is there any increase in escape rates toward the end of offender stays in community corrections facilities currently? Would a grace period just delay the beginning of the accumulation of debt? Would it increase risks later in an offender's community-corrections stay?

42. Why does the Department continually under utilize the money that the General Assembly appropriates for Community Corrections?
43. How would this experiment be designed? What will you do to be sure it answers the questions of interest as clearly and efficiently as possible? How will you collect data, track offenders?
44. Should the experiment last for 4 months, 5 months, or for a different period?
45. Is a 30 day grace period the appropriate length? Would a two week grace period, for example, be superior? Should the Department experiment with more than one grace period?
46. What would a statistical evaluation of the experiment cost?
47. The staff proposal would reduce appropriations for community corrections placements by approximately 1.2 percent. As a consequence, community corrections boards and providers would see a 1.2 percent reduction in the amounts specified in their community corrections contracts. What effects would this have on provider expansion incentives?
48. Should the grace period apply to any of the specialized programs?

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED

1. The Joint Budget Committee has recently reviewed the State Auditor's Office *Annual Report of Audit Recommendations Not Fully Implemented* (October 2012). If this report identifies any recommendations for the Department that have not yet been fully implemented and that fall within the following categories, please provide an update on the implementation status and the reason for any delay.
 - a. Financial audit recommendations classified as material weaknesses or significant deficiencies;
 - b. Financial, information technology, and performance audit recommendations that have been outstanding for three or more years.

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All Divisions
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1:40-1:45 QUESTIONS COMMON TO ALL DEPARTMENTS

1. The JBC occasionally hears complaints that base personal services reductions to capture vacancy savings result in more vacancy savings as managers reduce staff to absorb the reduction and then still experience turnover. Some departments refer to this as the "death spiral." Has your department experienced this problem? How does your department attempt to minimize and avoid the "death spiral?"

***Response:** The Department always works to utilize its allotted personnel resources as effectively as possible, including holding positions vacant as a primary strategy to manage to any personal services shortfall. The Department recognizes however, that the base personal service funding reductions do increase the likelihood, frequency and necessity of intentionally holding vacancies, which negatively impacts the delivery of public services.*

1:45-2:40 DIVISION OF FIRE PREVENTION AND CONTROL AND DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT

2. Executive Order D 2011-030 (Consolidation of Homeland Security and Disaster Emergency Management Functions) was signed on October 18, 2011, and H.B. 12-1283 (Consolidation of Homeland Security and Disaster Emergency Management Functions) was signed on June 4, 2012. Please describe the consolidation process between the signing of the Executive Order and H.B. 12-1283. How much of the transition had been completed prior to the passage of H.B. 12-1283?

***Response:** Executive Order D 2011-030, Coordinating State Homeland Security Duties and Resources and Establishing the Homeland Security and All-Hazard Senior Advisory Committee, did not consolidate disaster emergency management functions. The net effect of the Executive Order was to dissolve the former Governor's Office of Homeland Security (GOHS) and transfer the responsibilities of GOHS into the Office of Preparedness, Security (OPS) and Fire Safety, which was renamed the Division of Homeland Security. The new division consisted of the Division of Fire Safety (DFS), Office of Preparedness (OP) and the Office of Prevention and Security.*

In December 2011, a Director was appointed to the Office of Preparedness. Subsequently, the Training Officer from the Division of Emergency Management (DEM) within DOLA was assigned to the Office of Preparedness and the Resource Mobilization Manager from the Division of Fire Safety was assigned to DEM.

Executive Order D 2011-030 was slated to be codified in HB 12-1283. As implementation of the Executive Order progressed, it became clear that HB 12-1283 would encompass more than what was contemplated in the Executive Order.

In order to facilitate the transition contemplated in HB 12-1283, two Transition Advisory Committees (TACs) were established. One focused on transitioning DEM into DPS and the other focused on bringing the wildland fire elements of the Colorado State Forest Service (CSFS) into DPS. The TACs included internal and external partners from affected agencies and local government. In addition, a cabinet-level advisory committee was also established to help guide the transition and ensure proper coordination and support. Leadership from the Governor's Office, DMVA, CDPHE, DOLA, and DPS were central to the transition process.

While the full TACs addressed items of consequence to external stakeholders, Internal TACs, comprised exclusively of state personnel from CSFS, and DFS on one Committee and OP, DEM and OPS on another Committee, met repeatedly to identify and prioritize action items in order to ensure a smooth transition on the effective date of the legislation. Internal TAC activity revolved around a diverse range of issues, such as fleet management, human resources, facilities, risk management, information technology, security & access control, budget & finance, work flow, operations, grant administration, branding and administrative issues.

During the height of the wildfires in June 2012, much of the transition planning took a backseat to mission critical priorities associated with the disasters. Transition issues gained traction again in August 2012. As of December 2012, both the Division of Fire Prevention and Control and the Division of Homeland Security and Emergency Management are fully integrated with their component parts. However, some work remains in staffing and information technology.

3. What is your assessment of the efficacy of the response to the fires this summer under the new emergency management structure? Did the consolidation facilitate better coordination on the assault of the fires?

Response: *The efficacy of response to the fires this summer improved in several ways:*

- *The process for notification of wildfires and requesting State assistance was streamlined and vested in a 24/7 communications center instead of relying on personal contact with individuals that may or may not be available.*

- *The consolidation facilitated better coordination on the assault of the fires because of more communication and teamwork between the wildland fire suppression agency (Division of Fire Prevention and Control) and emergency management (Division of Homeland Security and Emergency Management).*
 - *The consolidation facilitated better information flow between the Department of Public Safety and the Governor's Office, which resulted in the ability to make more timely decisions regarding resources needed to suppress wildfires. These included:*
 - *Enhanced WERF. In an effort to keep fires small, funding for increased use of air tankers, firefighting helicopters, and hand crews for initial attack was approved.*
 - *Severity Assignments. DFPC prepositioned engines and crews on "severity assignments" around the state during periods of high wildfire potential and incidence.*
 - *SWIFT Crews. Support was provided for the addition of a 4th State Wildland Inmate Fire Team (SWIFT) crew, which added to initial response capability,*
 - *Training of National Guard (CONG). Basic wildland firefighter training was provided to 112 members of the CONG, increasing the State's firefighting capability.*
 - *During those times when the State EOC was activated, Emergency Support Function 4 (fire) was always represented. This was not the case when wildland fire was a function of CSU-CSFS.*
 - *The consolidation increased coordination and cooperation between the State and local fire departments because DFPC had existing relationships with fire departments that did not exist in the previous structure.*
 - *The consolidation clearly improved command, control and communications within state agencies involved in responding to and recovering from this summer's extraordinary wildland fires. The Department believes the consolidation improved both efficacy and efficiency of the responses.*
4. Provide a Department preferred Long Bill budget structure for the Division of Fire Prevention and Control and the Division of Homeland Security and Fire Safety. Provide reasons for why the appropriations should be made in program line items versus personal services and operating expenses line items for the various appropriations in the Divisions.

Response: *The Department prefers the use of program lines for both divisions. For very necessary business reasons, these appropriations were in program lines within GOHS, DEM (DOLA) and CSFS (CSU) before being transferred. For example, DOLA's previous experience in emergency management budgeting demonstrated it was necessary to consolidate into program lines, given the uncertain timing and nature of disasters and emergencies and the staggered timing of federal grants (including those available after disasters). Also, the ability to utilize General Fund for the purposes needed at the time, rather than in a manner estimated as the*

needed allocation between categorical line items eighteen months or two years in advance is a common sense approach.

Because CSU was not required to report or breakout personal services and operating expenses, there was no way to determine what should be appropriated for personal services and operating. Therefore, because there were so many parts of all the programs moving with the passage of HB 12-1283, it seemed to make the most sense to create program lines. The only line items that the Department would have been able to split between personal services and operating expenses would be the "old" DFS and Prevention and Security. Everything else was already appropriated as program line items.

5. House Bill 12-1283 transferred the powers and obligations relating to wildfire preparedness, response, suppression, coordination, and management vested previously in the State Forest Service and the board of governors of the Colorado State University to the Division of Fire Prevention and Control. How much funds and FTE were transferred for this purpose? Does the Department anticipate needing to further adjust the appropriation of funds and FTE to more accurately reflect the actual transfer of funds and FTE for wildfire preparedness?

Response: *The following table is an assessment of the personnel resources that were dedicated to fire-related functions prior to the transfer of responsibilities to the DFPC. The first column includes the number of FTE or equivalent resources that were dedicated to fire-related functions prior to the transfer. Some of the services that supported the Wildland Fire Management Unit over were provided by CSU support staff, but were not included in the transfer because they provide support services for other CSU CSFS programs. The second column includes the number of positions that were vacant on July 1, 2012. The third column includes the actual number of positions that transferred to DFPC on July 1, 2012. It is also important to note that some of the wildfire-related positions within CSU were cash funded or funded from indirect cost assessments on fire billing.*

<u>Position Title</u>	<u>Number</u>	<u>Vacant on 7-1-12</u>	<u>Transferred to DFPC</u>
Section Chief	1	1	1
Administrative Assistant II*	3	0	1
Deputy Chief of Planning	1	0	1
Deputy Chief of Preparedness	1	0	1
Deputy Chief of Operations	1	1	1
Area Fire Management Officers*	2	0	0
Regional Fire Management Officers	4	1	4
Additional FMO's (DF Equivalent)*	5	0	0

Engine Bosses	4	0	4
Crew Member - Tech II	6	3	6
Crew Member - Tech I	3	1	3
Deputy Chief of Fire Equipment	1	0	1
Lead Mechanic	1	0	1
Mechanic	3	2	3
Truck Driver	1	1	1
Service Writer*	1	0	0
Division Fiscal Manager	1	0	1
Administrative Assistant III	1	0	1
Accounting Tech I	2	0	0
Accounting Tech II	1	0	1
Accounting Tech III	1	0	1
Program Assistant II	1	0	1
Fire Information Officer	0.5	0	0
GIS Specialist	0.5	0	0
	<hr/>	<hr/>	<hr/>
	46	10	33

* FTE Equivalent of District Foresters. A conservative estimate of the District Foresters' time dedicated to fire duties is 30%. If you multiply this times the number of DF's (17), the equivalent FTE is 5.1.

Seasonal (Temporary) Positions

<u>Position Title</u>	<u>Number</u>	<u>Vacant on 7-1-12</u>	<u>Transferred to DFPC</u>
SEAT Managers	4	0	4
Seasonal Firefighters	8	3	5
Temporary Employees - Fire Billing	5	3	2
Temporary Employee - File Clerk	1	1	1
	<hr/>	<hr/>	<hr/>
	18	7	12

The following are the beginning fund balances that transferred from CSU to the Department:

<u>Fund</u>	<u>Fund Balance Transferred</u>
Wildland Fire Equipment Shop	\$796,487.12
Emergency Fire Fund	\$2,784,283.23
Wildfire Emergency Response Fund	\$307,399.68
Wildfire Preparedness Fund	\$2,545,956.75 *
Total	<hr/> <hr/> \$6,434,126.78

* Of this amount, a total of \$1.3 million was transferred by the Governor to the Disaster Emergency Fund for recovery activities related to the Lower North Fork fire.

6. What are the strengths and weaknesses of the transfer of fire response from local to state? What are the lessons learned? Is there good coordination with local partners?

Response: *There is no universally applicable answer to this question. The range of answers is as varied as the number of counties there are, as each has its own level of capability for wildland fire.*

The transfer of fire suppression responsibility occurs between the county sheriff and DFPC when the sheriff has determined that the fire has progressed beyond the capability of the county resource. Even after the transfer to DFPC, the sheriff continues as part of the unified command system. In counties where there is a mature wildland fire response system, the transition between the county and the state typically goes well. However, in areas of the state where there is no organized fire protection, there may be less understanding of how the process works.

A lesson learned is there is an ongoing need for planning, training, and communications between local fire departments, the county sheriff, and DFPC. The DFPC takes this need seriously and since assuming responsibility for wildland fire, has been meeting with local agencies to develop and/or enhance relationships and coordination.

A second lesson learned is the need to fully implement a statewide system to mobilize resources that are needed to deal with wildfires in the initial attack phase of the fire (and other emergencies) once local and mutual aid resources are exhausted. Historically, when the State took over responsibility for a wildfire, the CSFS exclusively turned to the national interagency dispatch system to address resource needs. While this system is good for obtaining resources needed for long duration events, it is weak at addressing immediate resource needs. The Office of Emergency Management and DFPC are diligently working to address this need.

While there is good coordination between both DFPC, the Office of Emergency Management and local partners, there is always room for improvement.

7. Who is responsible for fires started on federal forest lands? How does the interaction of the State and the Federal Government during the response to a fire started on federal forest land interact with the 10th Amendment to the United States Constitution?

Response: *Fires started on federal forest lands are the responsibility of the federal agency that manages the land (e.g. U.S. Forest Service, Bureau of Land Management, National Park Service, Bureau of Indian Affairs, etc.). However, wildfire knows no boundaries; it does not recognize jurisdictional responsibilities. A single wildfire often crosses private, county, state, tribal and federal lands and threatens communities, infrastructure, economies, and valuable natural resources that affect citizens, landowners and fire managers across all landscapes. Therefore, wildland firefighting in Colorado is interagency in nature involving state, county, local, federal, and tribal partners.*

The State of Colorado, through DFPC, enters into a variety of agreements with federal, state and local partners. The primary agreements between the State and the federal government for wildland firefighting are the Colorado Statewide Cooperative Wildland Fire Management and Stafford Act Response Agreement and the Colorado Statewide Wildland Fire Management Annual Operating Plan.

The 10th Amendment states the Constitution's principle of federalism by providing that powers not granted to the federal government by the Constitution, nor prohibited to the States, are reserved to the States or the people. It is the opinion of the Division, that there is no violation of this principle by the federal government maintaining responsibility, including financial liability, for fires that occur on lands under their management.

Management of fires on state and private lands by a federal team is done at the invitation of state and local officials through a delegation agreement, which delegates authority to the federal incident management teams. Delegating authority to the federal teams is consistent with the tenants of the 10th Amendment.

8. There was a story in the news this summer that there were issues with FTE transferred as a result of H.B. 12-1283 from the State Forest Service to the Department of Public Safety. How many FTE were involved, what were the issues with their transfer, and were the issues resolved?

Response: *Several of the positions within CSU whose duties were principally related to wildland fire were not classified state employees, but instead were "at will" employees. In order to become state classified employees and employees of the Department of Public Safety, CSU's at will employees had to submit application for the position. They were also required to satisfactorily complete the selection process which included a background check and one or more interviews, to determine suitability for the position for which they applied.*

Of the ten "at will" employees of CSU in fire-related functions; one applied and withdrew his application after failing a polygraph examination (the applicant was given the opportunity to repeat the polygraph). One individual never applied for a position in DFPC, and, one individual applied for a position and was found not to be suitable for the position for which he applied. There are state personnel actions pending for the latter two individuals.

9. The Department has circulated a 2013 legislative proposal to amend sections of statute related to the Wildland Fire Cost Recovery Fund. In particular, the Department is requesting to make the fund a non-interest bearing fund, to allow the fund to get an advance from the Department of Treasury in excess of \$12.0 million in any given fiscal year, and to allow roll-forward spending authority so that funds can be transferred from

one fiscal year to the next. Please explain the details of the proposal as well as why you think that a legislative change is necessary. Is the Department asking the Joint Budget Committee to carry the Department's legislative proposal?

Response: Yes, the Department respectfully requests that the Joint Budget Committee carry legislation to clarify and improve the functioning of the Wildland Fire Cost Recovery Fund. Please see Attachment A for a letter requesting JBC sponsorship of such a bill. Upon further discussion with the Office of the State Controller, there is no need for explicit roll-forward authority for this fund; however, legislation is necessary to designate the Fund as non-interest-bearing and to exempt the fund from the \$12 million limit on negative accruals.

The Wildland Fire Cost Recovery Fund was created by HB 12-1283 to account for transactions associated with wildland fire suppression costs in a single fund. Previously, these transactions were accounted for by the Colorado State Forest Service with no designated fund. There are two types of transactions associated with this fund: 1) initial payments to vendors or cooperators to extinguish fires, and payment of state employee travel and payroll for fire suppression, and; 2) reimbursements from responsible parties (i.e., federal agencies, other states, county governments, or private land owners) for the costs incurred by vendors, cooperators, or the state. This fund incurs an initial cash outflow for the amounts paid to cooperators with a subsequent reimbursement of direct and indirect costs related to wildland fire suppression.

As an example, DFPC pays a cooperator \$10,000 for initial wildland fire suppression efforts. DFPC then bills the responsible party \$11,000 for the cooperator's payment plus an additional amount to cover the indirect costs of managing the fire, reviewing cooperator invoices, and billing the responsible party. The excess \$1,000 in this example is used to fund overhead costs. This process is no more than a break-even operation with a cash deficit at most points in the transaction.

Proposed Legislative Change #1: Designate the Fund as non-interest bearing

Current law states that the Wildland Fire Cost Recovery Fund is interest-bearing, meaning that the Department of Treasury will pay interest on a positive cash balance, charge interest on a negative cash balance, and require a loan application on any cash deficits. Since this fund operates at a cash deficit, it would not be credited with interest earnings and the Department would be required to pay interest, which would likely increase the overhead costs charged to responsible parties.

The Department obtained authorization from the Office of the State Controller to account for wildland fire suppression costs in the General Fund (a non-interest-bearing fund) when the responsible party is a federal agency. This has provided significant interest expense savings because federal agencies have been responsible for approximately \$8.3 million in wildland fire suppression expenditures during the first five months that the program has been at CDPS, while non-federal agencies have been responsible for approximately \$.95 million.

Based on year-to-date billings and an average annual interest rate of 1.5 percent, it is estimated that the interest expenses on federal wildland fire suppression costs would have been \$12,000, and that non-federal costs have accumulated approximately \$1,500 in interest charges. The interest rate is currently unusually low and in an improved economy may be closer to 5.0 percent, which would triple interest costs.

CDPS does not have the resources to cover large cash deficits, and has thus relied on the General Fund when possible to reduce interest costs to the program and increased overhead costs to responsible parties. Going forward, it is preferable that the Wildland Fire Cost Recovery Fund is designated as non-interest-bearing to avoid charging interest to a program that is designed to be a break-even operation.

Fiscal Year	Amount of Reimbursements Paid	Interest Paid
FY 2010-11	\$5,505,531	\$0
FY 2011-12	\$16,645,239	\$0
FY 2012-13 (year to date)	\$9,763,028	\$1,500*

*This is an estimate. Interest has not yet been assessed by Treasury due to a delay in setting up the account. The interest will probably be assessed this month.

Proposed Legislative Change #2: Exempt the Fund from the \$12 million limit on negative accruals

Billings to and from the Wildland Fire Cost Recovery Fund are highly variable between fiscal years depending on the severity of the fire season. It is possible that during a severe fire season, cash outflow to vendors or cooperators will exceed the \$12 million limit on negative accruals. As such, the Department is seeking to have this limit raised or removed for this fund.

10. Is funding in the Emergency Fire Fund available for fires that cross into several counties or can the funding be used only in a single county?

Response: *Once a fire has been determined to qualify as an Emergency Fire Fund (EFF) fire, a delegation of authority is signed transferring responsibility to the State. Generally, an incident management team is brought in to take over management of the fire, under a unified command structure. If a fire then crosses the boundaries of an adjacent county, a delegation of authority must be obtained from that county and the sheriff added to the unified command structure.*

However, while DFPC is unaware of this occurring, it is technically possible that a fire may exceed the capability of the originating county and is determined to qualify for EFF, and cross a county boundary and that county may wish to maintain control of the fire in their jurisdiction. If this were to happen, EFF would not be available to the county unless the Sheriff requested it and the fire was determined to qualify. Aside from the requirement that the County participate in

EFF, the fire must exceed the capability of the County to manage in order to qualify for EFF.

11. The Department has submitted Request 2 to fund an additional position in the Office of Preparedness in the Division of Homeland Security and Emergency Management to manage all critical infrastructure protection activities for state-owned facilities and other key resources, as well as update and administer the State's continuity of operations and continuity of government (COOP/COG) programs and processes. The Department states that the position has not been funded since 2008. How was the position funded prior to 2008? If the position was funded with federal funds, why should the State backfill federal funds with General Fund? Did anyone perform critical infrastructure / COOP functions between 2008 and 2012? Explain what this position will do for the state.

Response: *This position is significantly different than what was previously funded. The State's continuity of operations and continuity of government (COOP/COG) program was initially developed through a vendor contracted through the Governor's Office of Homeland Security (GOHS). COOP/COG functions were then handled by a six-month temporary employee in the GOHS. COOP/COG functions were also handled by state troopers assigned to the Rubicon Team in the Department's Office of Prevention, Security and Fire Safety. The Rubicon Team provided services to both the private and public-sector, such as vulnerability and security assessments of facilities, various threat assessments, training and information sharing, and maintenance of key databases that house the State's most vital infrastructure. Unfortunately, troopers assigned to the Rubicon Team had HUTF funding, which was determined to be an inappropriate use of HUTF and the Rubicon Team was disbanded.*

The enabling Colorado statute, 24-33.5-1609, CRS, was enacted in 2002, well before the launch of the GOHS COOP/COG project. The statutory mandate thus applies to DPS, or DHSEM specifically, and is purely a state function, not a federal one. The issue today, however, is supplanting. Just because federal dollars were mistakenly used in the past to launch the State's initial COOP/COG program, doing so now is prohibited under federal grant guidance and could result in an audit finding.

As mentioned above, this position is substantially different than previous critical infrastructure protection (CIP) and COOP/COG efforts. This position combines both COOP/COG and CIP operations at the state level. In addition to identifying, cataloging, and protecting state-owned facilities and other key resources, this position will be responsible for engaging private sector critical infrastructure owners and operators in order to develop and maintain resiliency in "life line sectors," e.g., energy, transportation, communications, food, healthcare, etc. This position will also develop Colorado's Critical Infrastructure Protection Plan, leveraging existing State resources and subject-matter-experts across the full spectrum of partner agencies.

Finally, COOP/COG planning isn't just employed during disasters; it may be needed for any

incident or situation where critical operations are crippled or organizational resources are stretched thin – anything that can compromise the delivery of state services. Examples include a prolonged power outage, gasoline shortage following a fire in a refinery or a major cyber breach affecting the Department of Revenue, to name a few.

12. How does the Department Request 2 interact with Section 24-75-1305, C.R.S., which prohibits the General Assembly from providing appropriations of state moneys to fund a program that was previously funded with grant moneys? Does the Department believe that Request 2 is in violation of Section 24-75-1305, C.R.S.?

Response: *The Department's Request #2 seeks funding for 1.0 FTE to coordinate critical infrastructure protection (CIP) functions and continuity of operations/continuity of government (COOP/COG) activities. Section 24-33.5-1604(5)(f), C.R.S. requires the Division of Homeland Security and Emergency Management to "coordinate protection activities among owners and operators of critical infrastructure and other tribal, state, local, regional and federal agencies in order to help secure and protect critical infrastructure within the state." Additionally, Section 24-33.5-1609, C.R.S. authorizes the Director of CDPS to adopt rules and provide guidance to state agencies in developing contingency plans for the continuity of operations in the face of emergencies.*

The Department does not believe Request #2 conflicts with Section 24-75-1305, C.R.S., which prohibits the appropriation of state funding for functions previously funded through grant moneys and that have not received adequate grant moneys in the applicable fiscal year, for the following reasons: the position is significantly different than what was previously funded with grant funds; the position was not immediately previously grant funded; and the request is not based on the availability of federal funding from the applicable fiscal year.

As mentioned above, this position is substantially different the previous critical infrastructure protection (CIP) and COOP/COG efforts. This position combines both COOP/COG and CIP operations at the state level. These responsibilities were separate, in different agencies and funded out of a combination of HUTF and federal grant funds.

As noted, prior to HB 12-1283 transferring homeland security and emergency management functions to the Department of Public Safety, the statutory requirements for COOP/COG applied to the Department since 2003, but the former Governor's Office of Homeland Security administered them in 2008 using federal funding. The CIP requirements of Section 24-33.5-1604(5)(f), C.R.S. are new and were not previously federally funded, though coordinating activities did take place, utilizing a combination of federal and state funds. However, these activities were not immediate previous fiscal years.

Finally, this request is not necessarily based on the receipt or availability of adequate grant

monies but on the premise that protecting Colorado's critical infrastructure and ensuring the continuity of governments at all levels is a state responsibility and should be funded with state dollars accordingly. In addition, since this is a statutory responsibility and since state funds were previously utilized for a portion of these activities, the Department believes the use of available federal funds may supplant a state obligation and be contrary to federal grant guidance.

13. Is there an overlap between the Department Request 2 and the Governor's Office of Information Technology Request 9, Microwave Assessment, to assess the scope and strategy for necessary upgrades to the microwave backbone that serves the statewide public safety communications system (Digital Trunked Radio System)?

Response: *The Department sees very little overlap with the Department's Request #2 and the Governor's Office of Information Technology's (OIT) Request #9. The communications sector is but one of eighteen of the recognized critical infrastructure sectors. The CIP coordinator's duties will revolve around more macro level prevention, protection, and mitigation of threats or hazards that affect state-owned facilities and other key resources, while the OIT study is more detailed and specific to OIT. Simply put, the CIP Coordinator in Request #2 should be encouraging studies such as the one OIT recommends, not conducting them.*

14. Provide a schematic flow chart that shows where moneys for disaster emergencies in general, and wildfire response in particular, come from and how the moneys are disbursed for disaster emergencies and wildfires.

Response: *This analysis is included in Attachment B to this document.*

15. How much is the State still paying for past fires? Please provide a consolidated report that shows how much was encumbered for each fire, from what funding source were the encumbrances made, how much has been paid out for each fire, as well as how much was received back from any federal or other reimbursements.

Response: *A consolidated report of revenues and expenditures for each fire is included as Attachment C.*

Currently, the cash balance in the Disaster Emergency Fund as of December 26, 2012 was \$41,374,225, while the estimate of remaining obligations from the fund for open fires is \$44,927,107. Though this gives the appearance of a revenue shortfall in the fund of \$3,552,882, anticipated reimbursements from the Federal Emergency Management Agency for these and other fires will more than account for this difference.

Once billings for these fires are completed, it is expected that FEMA reimbursements will exceed \$25 million. Under current law, these reimbursements will return to the Disaster Emergency Fund for use in future emergencies. As part of its November 1 budget request, the Governor's Office has proposed legislation to allow the Governor to return some of this balance to the sources from which revenue was initially transferred into the Disaster Emergency Fund.

The Governor's Office and the Department of Public Safety will continue to work in concert to provide more detailed information to JBC staff as disaster-related expenditures and FEMA reimbursements occur.

16. How much of the state emergency reserve (TABOR reserve) has been used for disaster emergencies in FY 2009-10, FY 2010-11, FY 2011-12, and FY 2012-13?

Response: *In FY 2009-10, no transfers were made into the Disaster Emergency Fund from sources designated as part of the TABOR reserve.*

In FY 2010-11, \$8,600,000 was transferred into the Disaster Emergency Fund from the Major Medical Insurance Fund, which was designated as part of the TABOR emergency reserve for FY 2010-11.

In FY 2011-12, \$15,000,000 was transferred into the Disaster Emergency Fund from the Major Medical Insurance Fund, and \$1,582,000 was transferred from the Perpetual Base Account of the Severance Tax Fund. Both of these sources were designated as part of the TABOR emergency reserve for FY 2011-12.

In FY 2012-13, \$13,000,000 has been transferred into the Disaster Emergency Fund from the Controlled Maintenance Trust Fund, which was designated as part of the TABOR emergency reserve for FY 2012-13. Based on this transfer, the JBC may be required to identify \$13,000,000 from a different source of funding in order to ensure an adequate TABOR emergency reserve for FY 2012-13.

17. The cash fund report (Schedule 9) provided by the Governor's Office does not provide a full analysis of the Disaster Emergency Fund (DEF) for FY 2012-13 and FY 2013-14. Provide an analysis of the Department's estimated funding balance for the DEF for FY 2012-13 and FY 2013-14.

Response: *The Governor's Office purposefully decided against providing an estimate of fund balance for FY 2012-13 and FY 2013-14 in its Schedule 9 submission. The volatility surrounding disaster emergency expenditures makes it impossible to predict with any accuracy*

the level of expenditures and reimbursements that will occur in future months and years.

As noted in the response to question 15 above, is expected that FEMA reimbursements for fires that occurred in FY 2011-12 and FY 2012-13 will exceed \$25 million. Under current law, these reimbursements will remain in the fund and available for use in future disaster emergencies.

18. How does the Department propose reporting to the General Assembly on the total disaster emergency funding encumbered and spent for disaster emergencies? Does the Department believe that an annual report would provide useful information to the General Assembly on disaster emergency funding and expenditures?

Response: *If the General Assembly and Joint Budget Committee were to make such a request, the Department and the Governor's Office would be pleased to provide an annual report on funding allocated, encumbered, and expended for disaster emergencies.*

2:40-3:05 COLORADO STATE PATROL

19. The Department is requesting a total of \$123.3 million HUTF "Off-the-Top", or a \$7.5 million (6.5 percent), increase in operating funding from FY 2012-13. Please describe what the \$7.5 million is going to fund.

Response: The FY 2013-14 HUTF appropriation increased by 5.7%. The following table summarizes the increase from FY 2012-13 to FY 2013-14:

Question # 19: FY 2013-14 JOINT BUDGET COMMITTEE HEARING AGENDA

<u>Description:</u>	<u>HUTF "Off-the-Top" appropriation distribution:</u>			
	<u>EDO</u>	<u>CSP</u>	<u>Cap Const.</u>	<u>Total</u>
FY 2012-13 Appropriation	15,289,674	100,511,120	2,263,218	118,064,012
Remove from appropriation, FY 2012-13 Capital Construction			(2,263,218)	(2,263,218)
Statewide Personal Services Common Policy	6,833,816			6,833,816
FY 2013-14 Indirect Costs Adjustment		805,924		805,924
CSP POE Business System Capital Construction Request			1,500,000	1,500,000
Cap Complex Upgrade/Repair Common Policy	18,703			18,703
FY 2013-14 Dispatch Adjustment to Align with Billing		(201,068)		(201,068)
Annualization HB 12-1019, Transfer Ports of Entry to State Patrol		(26,247)		(26,247)
R#3 CSP, Moffat County Public Safety Center Operating Agreement		63,525		63,525
FY 2013-14 Appropriation Request	<u>22,142,193</u>	<u>101,153,254</u>	<u>1,500,000</u>	<u>124,795,447</u>
Increase in HUTF "Off-the-Top" Appropriation Request - FY 2013-14				6,731,435
Percentage Increase in Appropriation				5.7%
HUTF "Off-the-Top" appropriation - FY 2012-13	118,064,012			
6% Growth "Off-the-Top" Appropriation	<u>7,083,841</u>			
HUTF "Off-the-Top" appropriation - FY 2013-14	<u>125,147,853</u>			

Source: JBC Staff Budget Briefing - FY 2013-14, Chart "FY 2013-14 HUTF "Off-the-Top" Request Submitted November 1, 2012". December 14, 2012
CDPS Fiscal Year 2013-14 Budget Request, November 1, 2012

The 5.7% increase in appropriation will primarily fund the common policy increase in uniform trooper and other member salary survey adjustments as well as merit pay and AED/SAED adjustments of approximately \$6.834 million. Further, this increase will fund an \$806,000 FY 2012-13 Indirect cost adjustments and the \$1.5 million CSP, POE Business System capital construction request.

The increase in appropriation is offset by reduction in appropriation due to the culmination of the \$2.2 million FY 2012-13 capital construction and a \$200,000 adjustment to the FY 2013-14 Dispatch Adjustment to Align with Billing.

20. Provide an update on the transfer of the Ports of Entry program from the Department of Revenue to the State Patrol accomplished through H.B. 12-1019.

Response: During the 2012 legislative session, the Colorado Legislature transferred the Port of Entry to the State Patrol. The purpose of the transfer was to align disparate enforcement resources under one cohesive structure and to increase the effectiveness and efficiency of Commercial Motor Vehicle (CMV) enforcement services.

- In the fall of 2011, the State Patrol led a collaborative transfer planning effort between the Departments of Transportation, Revenue and Public Safety that successfully and largely seamlessly transferred Port of Entry on July 1, 2012.
- The transfer process was coordinated by several people from all three departments in specific discipline areas that were impacted by the transfer. These areas were human resources, budget and finance, grants, business process and operations, information technology, facilities and communication and outreach. The committees were also tasked with developing task lists for the long term implementation of the transfer.
- Using the work product of the committees the organization is in the process of analyzing the current commercial vehicle safety services environment with the intent of developing a long-term strategic plan that will guide commercial motor vehicle safety enhancements and streamline commercial vehicle services for our customers.

21. Regarding the transfer of the Ports of Entry program from the Department of Revenue to the State Patrol, how many FTE from Revenue made the transfer to the Patrol, how many found positions elsewhere, and how many were ultimately separated from state employment?

Response: Prior to the transfer, POE was staffed with 118 employees. Because employees of the Department of Public Safety are required to complete a background check, POE employees had the option to opt out of the background process which would allow placement of the employees in a job classification which would maintain pay, tenure and status. Of the 118 employees, five chose to opt out. Of the five, one had a planned retirement date and soon after the transfer, retired. One employee chose not to accept offers of other positions and decided to leave state employment. Three employees were successfully placed in other state jobs.

All other employees completed the background, of which, 107 successfully completed the background and are currently employed by DPS.

The remaining six employees did not successfully complete the background. Four of the six have since been successfully placed in other state jobs. The remaining two are awaiting final placement.

Total POE FTE prior to transfer = 118

Total POE FTE transferred = 107

Total Placed in Other Jobs = 7

Retired = 1

Left State Employment = 1

Pending final = 2

22. A report published as a result of H.B. 11-1113 concluded that the transfer of the Ports of Entry program out of the Department of Revenue has the potential to save between \$1.8 million and \$3.1 million over a five-year period. What is the Department's current estimate of achievable savings within the Ports of Entry program over five years and how does the Department plan on utilizing the savings?

Response: *The Adams-Gabbert study of the Port of Entry indicated a potential savings of \$1.8 million to \$3.1 million over the course of the next five years. However, the savings identified were predicated upon the ability of the State Patrol to build and implement several technological improvements to the Port of Entry Business Operating System (PBS). The study indicated that these technological improvements would allow the State Patrol to reduce staffing at four unidentified Ports. While the Patrol anticipates cost savings (as described below) they will not come from personnel services as this system would still require an enforcement resource at the back-end to monitor and manage non-compliant and unsafe trucks.*

The potential costs savings anticipated will not be realized until the technological improvements are implemented and the strategic analysis and plan is complete. The Patrol anticipates that the strategic plan will be completed by July of 2013. The technological improvements, which would be funded by the capital construction request and federal grant money, will not be implemented until 2015.

The State Patrol believes that the potential cost savings will be realized by reducing the time it takes for trucks to obtain a clearance at a Port of Entry facility after the implementation of the improvements to the Port of Entry business system. In 2008, the Federal Motor Carrier Safety Administration (FMCSA) identified the benefits of implementing several of the technological enhancements we are proposing. FMCSA identified cost savings and efficiencies from an electronic credentialing and screening program similar to the one we propose to build in Colorado.

Cost savings may be realized by improving the truck screening and clearance process currently in-place at the Ports. FMCSA estimates that it costs \$2.16 per minute to operate a heavy truck and it takes 3-5 minutes on average to "clear" a port of entry with an associated cost to industry for each clearance at between \$6.48 and \$10.80. If we are able to implement the Port of Entry Business System as proposed, we anticipate that we will be able to reduce the time it takes to clear

a truck by 50%. This will reduce the costs to operate that truck to between \$3.24 and \$5.40 per clearance. The State Patrol anticipates manually clearing 4,000,000 trucks in 2013, which would be a minimum cost savings of \$25,920,000 in truck operating costs.

23. The Ports of Entry has submitted a capital construction request for FY 2013-14 for \$1.5 million to replace the Ports of Entry legacy business system. Provide the Ports of Entry most recent capital construction long-term plan. Please discuss the Ports of Entry capital construction plan, what are the top priorities for the Ports of Entry? How does this request fit within the Ports of Entry capital construction long-term plan?

Response: *The State Patrol is in the process of developing a long term capital construction plan for the entire agency that will include the Port of Entry. Given that it has been only six months since the transfer, the organization has not had enough time to finalize this document. The most recent Port of Entry capital construction plan was produced in July of 2006 and is included in Attachment D. This document will be revised as a part of the State Patrol capital development plan.*

24. The State of Utah stopped staffing the west-bound port of entry on the Colorado-Utah border on I-70 in 2011. Have there been discussions since that time with the State of Utah regarding staffing of the the I-70 west-bound port of entry?

Response: *Recent contact with the State of Utah has indicated that Utah is interested in meeting with the POE Unit to discuss how to move forward with a joint port operation in Loma. The POE is in the process of scheduling a meeting with Utah DOT in the first quarter of 2013. The Patrol is interested in participating in a joint operating agreement and will work with Utah going forward.*

25. Department Request 4, Increase Spending Authority for Special Events Road and Lane Closures, requests \$548,262 cash funds (\$398,262 from revenues to provide escort for oversize/overweight loads (OSOW) and \$150,000 for the USA Pro Cycling Challenge). Discuss the details of this Department request.

Response:

OSOW Permitting Background:

In the winter of 2011, there was a fatal crash on Highway 25 south of Castle Rock involving an over sized/over weight (OSOW) carrier. In response to this fatal crash and other incidents two things occurred:

- 1) *The CDOT Permits Office¹ now makes a route and size-dependent decision to require certain OSOW loads to be escorted by State Troopers instead of the traditional pilot*

¹ These are commonly called "Chapter 6" OSOW permits

drivers.

- a. *Based on the desired routing, when loads consume over 50% of the oncoming lane the CDOT Permit Office requires State Trooper escort.*
- 2) *C.R.S. 42-4-510 was enacted in August 2011. This legislation requires OSOW loads greater than 500,000 pounds ("Superloads") to be escorted by a uniformed trooper.*

The benefits to this escorting include:

- 1) *Increase in safety to the motoring public.*
- 2) *Smoother transportation through the state, including traffic mitigation.*

These escorts have been both desired and appreciated by OSOW carriers. In many instances requests for escorts have been made when being permitted was not a requirement for transport.

OSOW Permitting Recent Projections:

Approximately 150 to 175 of these escorts are projected to be performed each fiscal year. The cost per transport, ranges from \$2,000 to \$2,600 per escort, and are borne by the OSOW carriers.

USA Pro Cycling Challenge:

In FY 2011-12 and FY 2012-13, the State Patrol earned \$150,000 cash revenue for the escort and road closures related to the USA Pro Cycling Challenge. This request allows for the collection and spending authority related to this event.

Summary:

The combination of these new activities results in a requirement for incremental spending authority in the Safety and Law Enforcement Support long bill line item.

3:05-3:25 COLORADO BUREAU OF INVESTIGATION

26. Describe the CBI's InstaCheck program. Provide workload measures for FY 2010-11, FY 2011-12, and FY 2012-13. How much does the program cost the agency in total? What is the average cost per transaction?

Response: *The InstaCheck Unit is responsible for the following functions: 1) serving as the state point of contact for firearm transfers (SB 00-125); 2) processing background checks associated with concealed handgun permits (SB 03-024); and 3) processing appeals for resolving a denial of firearm transfer (HB 10-1411). The firearm transfer and appeals sections are funded by General Fund while the concealed handgun permit is cash funded.*

The process to complete a firearm transfer is divided in two parts: 1) queue time; and 2) processing time. Queue time is the amount of time the transfer "waits" to be processed by a technician. Processing time is the actual time it takes a technician to review the transfer

application for compliance with federal and state statutes, and searching of several distinct databases, which include the Department of Motor Vehicles, State Judicial, National Criminal Background Check System, Colorado Crime Information Center, National Crime Information Center, Immigration, and Interstate Identification Index.

The concealed handgun permit section – in conjunction with the CBI’s Identification Unit – processes fingerprint based background checks and name based firearm eligibility checks on applications received from county sheriff offices. The CBI charges \$52.50 to complete a concealed handgun permit application.

The appeals section processes appeal requests from firearm transferees as provided by 24-33.5-424 (5)(a), C.R.S. By statute at 24-33.5-424 (5)(b), C.R.S., all appeal requests must be processed within 30 days after denial.

The workload indicators for the InstaCheck Unit are as follows:

Table 1: Workload Indicators			
Fiscal Year	Firearm Transfers	Appeals	Concealed Handgun Permits
2010-11	233,832	3,063	24,420
2011-12	274,738	3,199	26,375
2012-13	142,866	1,603	14,075

Note: FY 2012-13 figures are current as of December 18, 2012. By the end of calendar year 2012, the InstaCheck Unit estimates it will process 340,000 firearm transfers.

In FY 2012-13, the InstaCheck Unit is appropriated \$1,312,023 Total Funds for Personal Services and \$361,248 Total Funds for Operating Expenses.

The table below shows the actual number of firearm transfers processed each year.

Table 2: Number of Firearm Transfers Per Fiscal Year	
Fiscal Year	Number
2007-08	171,359
2008-09	227,177
2009-10	198,450
2010-11	233,832
2011-12	274,738

The Department estimates the average cost per firearm transfer to range from \$10-\$12. Estimates are based on the average number of firearm transfer from year to year and costs associated with supporting the unit. This includes Personal Services, Operating Expenses, Indirect Costs, Administrative Expenses, Leased Space and other overhead expenditures.

3:25-3:40 BREAK

3:40-4:10 DIVISION OF CRIMINAL JUSTICE

27. How will passage of Amendment 64 alter policy regarding use of marijuana by offenders in community corrections? Will it affect chemical surveillance of offenders? Will it decrease the effectiveness of testing?

Response: The DCJ believes that the passage of Amendment 64 will result in no changes to the program policies for offender use of marijuana. A high percentage of offenders in community corrections have a substance use disorder necessitating varying levels of intervention and treatment. Community corrections providers will continue to prohibit possession and use of marijuana in their programs. Currently, the providers prohibit offenders from possession or use of other substances and items that are otherwise legal to possess. When synthetic cannabinoids entered community corrections in 2011, providers prohibited this substance despite the fact that, at the time, it was not explicitly illegal as a controlled substance. Alcohol is another substance that is legal to possess but is prohibited for offenders under supervision. Offenders are also prohibited from possessing sexually explicit materials, weapons, and other contraband that are otherwise legal to possess in the community. Further, since marijuana is still a controlled substance at the federal level, the providers are not likely to make significant changes to their policies accordingly.

Currently, providers consider positive tests for marijuana as a program violation. In handling those situations, the providers consider the offender's overall program compliance, drug and alcohol history, compliance and progress in treatment, risk of recidivism, and drugs of choice when determining the appropriate course of action to take regarding positive drug tests. Providers have taken on individualized responses to positive drug tests which the DCJ believes to be the most effective policy.

Finally, the passage of Amendment 64 has no bearing on the reliability or validity of chemical testing for marijuana. The DCJ does not believe this to have an adverse impact on the effectiveness of chemical testing for offenders.

28. The chart at the bottom of page 14 of the DCJ briefing document shows that the prevalence of F2, F3, and F4 felonies among transition community corrections offenders is higher than the prevalence of F2, F3, and F4 felonies among offenders in the larger population releasing from the DOC, which seems to contradict the notion that community corrections boards and programs "cherry pick" offenders. Does this mean that transition offenders in community corrections are "higher risk" than general DOC releases? Is there another explanation? Could it be that F2 and F3 offenders serve longer sentences and are less of a risk when released due to age? Are more of the F5 and F6 offenders burning their sentences and skipping community corrections?

Response: The most effective predictors of recidivism risk in community corrections are the actuarial risk assessment instruments used by the providers and the Criminal History index developed by the DCJ Office of Research and Statistics (ORS). The actuarial risk assessment, the

Level of Supervision Inventory (LSI), is a widely used and rigorously evaluated instrument that predicts recidivism risk among criminal justice populations. The LSI instrument measures recidivism risk on a scale of 0 to 53 with a score of 53 being the highest possible score and indicates the highest level of recidivism risk. The ORS Criminal History scale has also been used in community corrections for over 10 years to measure recidivism risk. The ORS criminal history composite score reflects the seriousness of an offender's criminal past. Functionally, it is a value derived from a weighted combination of the six variables defined below. The number of occurrences for each item is multiplied (*) by the weight (in parentheses), totaled and then collapsed into scores of 0 through 4 with a score of 4 being the highest possible.

- Number of juvenile adjudications*(.5)
- Number of juvenile commitments*(1)
- Number of prior adult felony convictions*(1)
- Number of prior adult violent arrests*(1.5)
- Number of adult probation revocations*(.75)
- Number of adult parole revocations*(2)

The felony class of the offense of conviction gauges the seriousness of the index crime. However, in and of itself, it is a weak predictor of recidivism risk. Figure 28A below shows the average LSI score by felony class in community corrections for FY12. This data shows a weak general relationship between the felony class and LSI measures.

Figure 28A – Average Risk Score by Felony Class in Community Corrections (FY12)

Felony Class	N	Average LSI Score
1	13	29.5
2	101	27.1
3	938	28.0
4	2420	29.0
5	1488	29.7
6	759	30.1
TOTAL	5719	

Figure 28B below shows a 12-year trend of the average risk score, as measured by the LSI, in community corrections. The data shows a trend where offender risk has increased rather steadily during the last 12 years as measured by this actuarial assessment instrument.

Figure 28B – Average Risk Score (LSI) in Community Corrections – 12 year trend

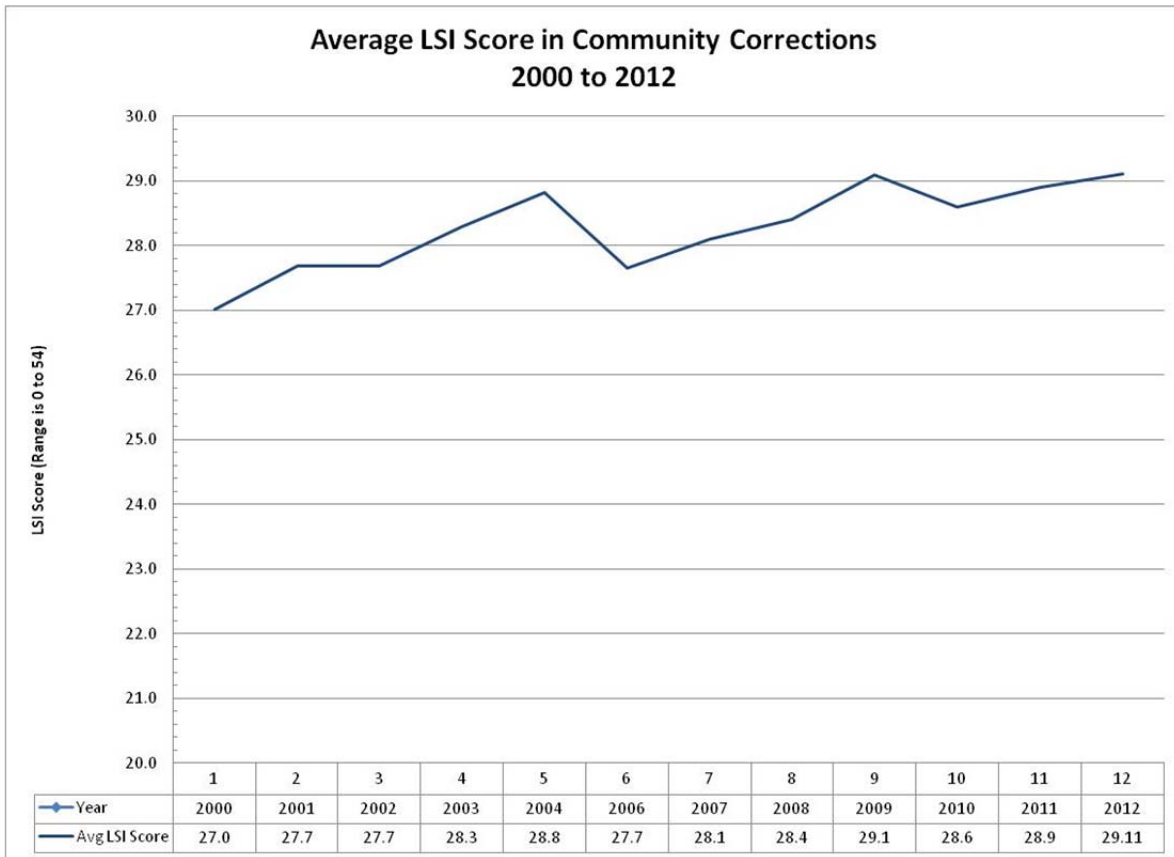


Figure 28C below shows a 10-year trend of the average risk score in community corrections, as measured by the ORS Criminal History Score. The data shows a trend where offender risk has increased rather steadily over the last 10 years as measured by this index.

Figure 28C – Average Risk Score (Criminal History) in Community Corrections – 10 year trend



Given the data provided in the briefing document regarding felony class distributions and the LSI and ORS criminal history data provided herein, it is evident that community corrections boards and providers are accepting increasingly higher risk cases in community corrections in the last decade. The following factors comprise this position:

- 1. The LSI data provides evidence that they are accepting offenders with higher actuarial risk factors and criminogenic needs.*
- 2. The ORS Criminal History data provides evidence they are accepting offenders with more involved criminal and juvenile histories.*
- 3. The felony class distributions provided in the briefing document provide evidence that boards are accepting offenders with more serious current crimes of conviction.*

It is plausible that the Transition offenders are higher risk offenders than the general population of releases from the DOC. However, it is difficult to make that assertion confidently and objectively without similar or comparable data to compare against the general population of DOC releases.

It is a fact that age of an offender is highly related to recidivism risk. If F2 and F3 offenders from

DOC are older than their F3 and F4 counterparts, they will generally be of lower recidivism risk than those that leave DOC at younger ages. Again, without objective data to analyze, this is only conjecture and needs further examination.

There are multiple factors that could contribute to the variance in proportions of F5 and F6 prison inmates versus community corrections offenders. The last crime of commitment does not equate to the level of risk. Generally, F5 and F6 offenders do not get into prison unless they have a lengthy criminal history and/or have been under community supervision such as probation or community corrections and violated conditions or escaped. Community corrections providers are unlikely to re-accept offenders after they have recently escaped from their facility. Also, it is possible that F5 and F6 offenders that have worked their way to prison may be released directly to parole rather being referred to community corrections. There may not be sufficient time on an offender's sentence to warrant intervention by community corrections. Without further data analysis, it is not possible to present a definitive basis for the variances.

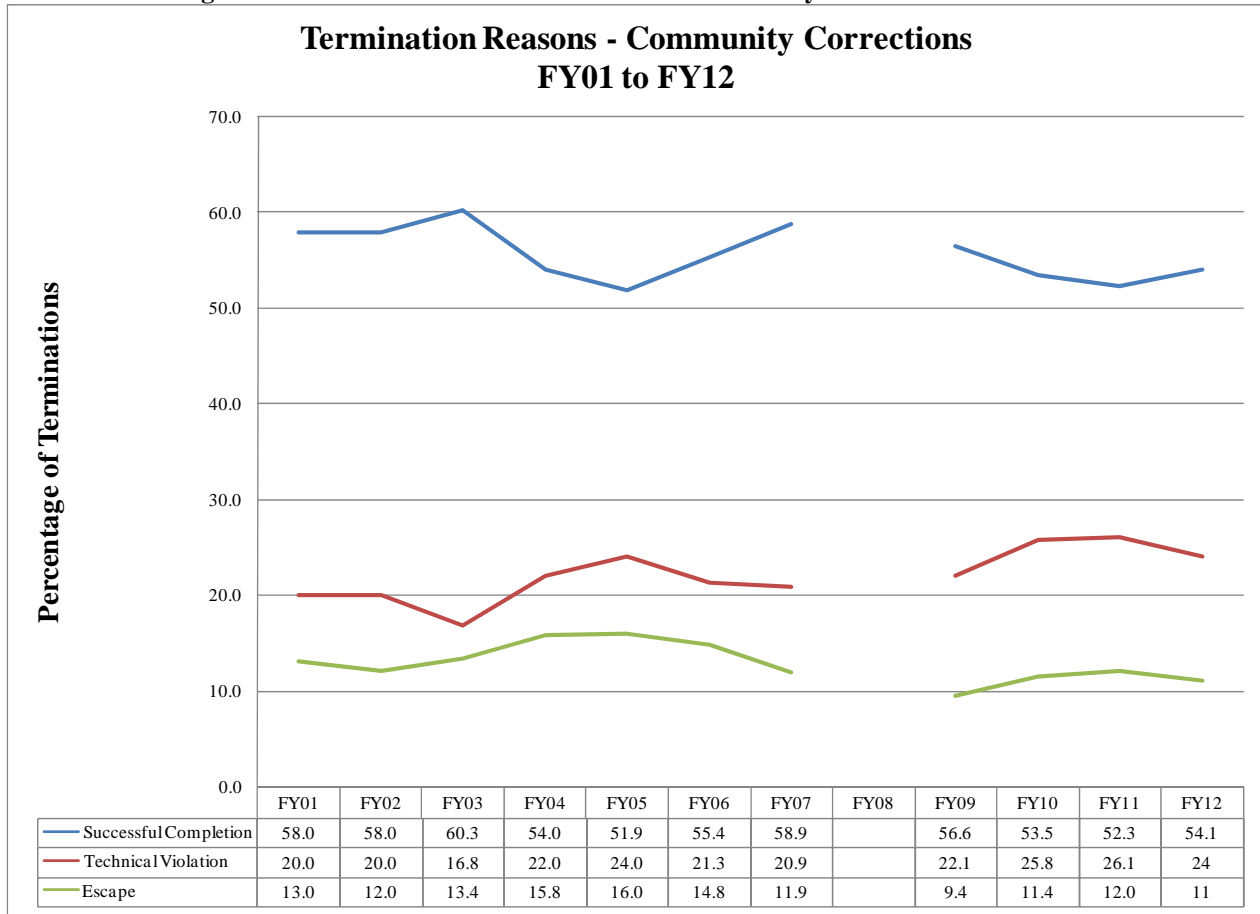
[Background for the next five question.] The graph on the top of page 16 shows that the proportion of terminations from community corrections for technical violations has increased.

29. Why have terminations for technical violations increased? Are we not providing the right type of programming? Have statutory changes relating to technical violations affected the number of technical violations in community corrections? Did the higher technical violation levels in recent years in community corrections programs motivate any of the changes to our technical violation laws?

Response: *Over a year ago, the DCJ assembled historical and current data regarding 10-year trends in offender risk levels and rates of successful completion in community corrections. This analysis produced information that showed an offender population that is increasing in risk. Figures 28B and 28C, presented previously, show this trend current through FY 12 data.*

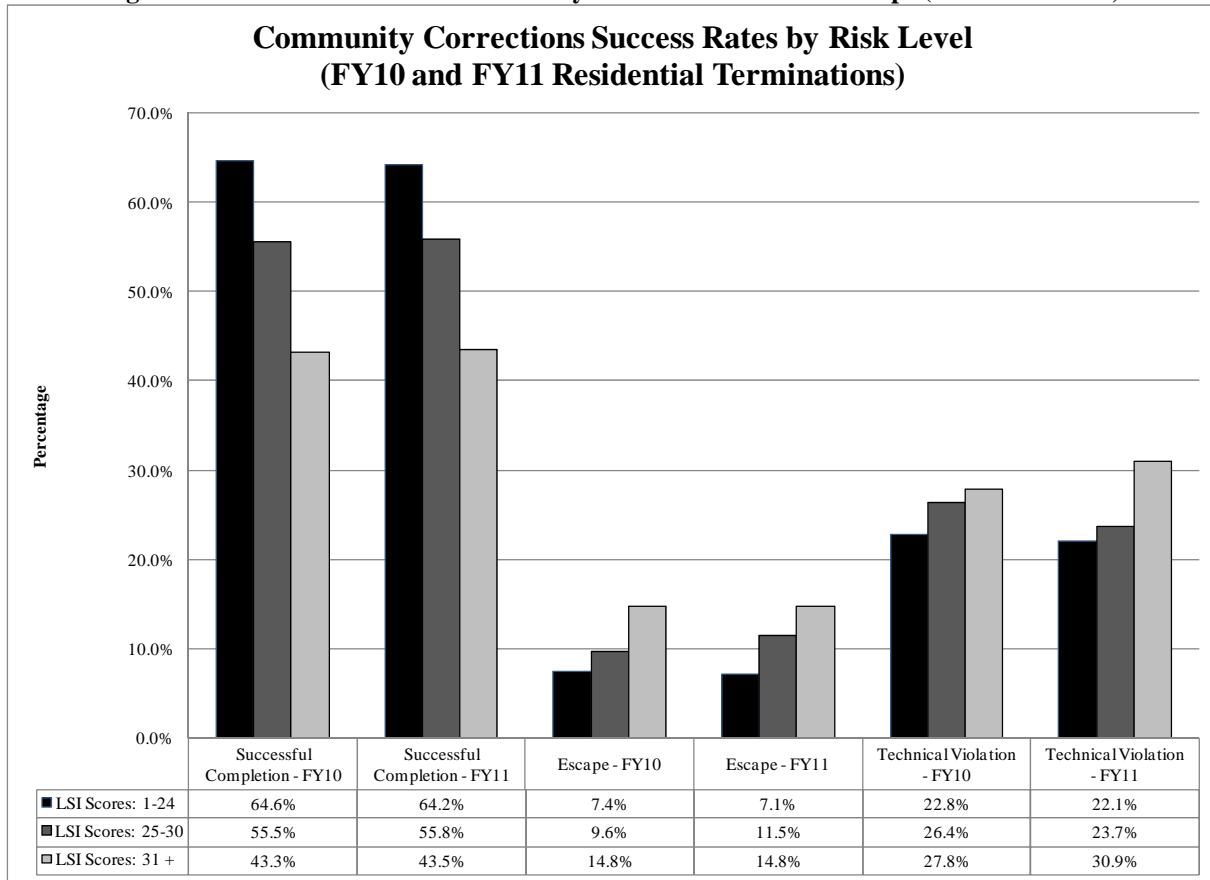
The DCJ also evaluated the same time period with respect to success rates, technical violation rates, and escape rates. During this same timeframe, success rates decreased, technical violation rates increased, and escape rates fluctuated without any noticeable trend other than remaining relatively similar over time. Figure 29A shows updated trend data in success rates, technical violation rates, and escape rates through FY12. Note that most recently in FY 12, community corrections data showed an increase in success rates, a decline in technical violation rates, and a decline in escape rates despite the fact that risk levels continued to increase (see Figures 28B and 28C).

Figure 29A – Success/Failure Rate Trend in Community Corrections – 12 Years



The DCJ also analyzed data that showed a clear relationship between the risk levels of the offender population and their rates of successful completion and technical violation. Specifically, data for the last three (3) years has shown that higher risk offenders have higher rates of technical violations and lower rates of successful completion. Figure 29B shows these findings from FY10 and FY11 termination data.

Figure 29B – Success and Failure Rates by Offender Risk Level Groups (FY10 and FY11)



With these analyses in mind, the DCJ commenced a collaborative and strategic project to develop an evidence-based model to better manage offender behavior in community corrections. Specifically, research in criminological and other social science fields has produced a body of information regarding evidence-based methods to respond to offender behavior. The research has shown that developing an evidence-based sanctions grid is highly likely to yield short-term outcomes such as higher rates of successful completion and lower rates of technical violations. Additionally, the research has shown that developing an evidence-based incentives model (known as Contingency Management) can affect long-term behavioral change such as post-release recidivism and substance abuse.

With this information, the DCJ assembled several regional teams of state and local representatives from community corrections boards, providers, referral agencies, and oversight agencies. In early 2012, these teams began working on a 2-year plan to develop, pilot, and implement an evidence-based sanctions grid and contingency management model for residential community corrections. Knowing that neither the DOC sanctions model (CVDMP) nor the impending probation model (TVBC) were appropriate for use in residential community corrections settings, the task of these teams was to develop a model that fits the unique aspects of community corrections. Currently and through early 2013, DCJ and the regional teams are finalizing the pilot versions of the

Behavioral Shaping Model and Reinforcement Tool (B.SMART). This B.SMART model is designed specifically to fit Colorado Community Corrections with the intention of increasing success rates, decreasing technical violation rates, and affecting long-term pro-social behavior change with our high-risk and medium-risk offenders. The B.SMART model will be piloted in several programs in 2013 with the intention of statewide implementation to follow pilot testing and evaluation.

The B.SMART project is a very resource-intensive initiative - both at the state and local level. Given no additional fiscal resources for development, evaluation, and implementation, both the state and local level agencies have undertaken this project using existing resources. The DCJ will be pursuing federal grant resources in 2013 to assist with costs of professional consultation, evaluation, and implementation of the B.SMART initiative.

The rate of technical violations in community corrections is more a function of offender behavior, offender risk, and programmatic response at the local level rather than at the statutory or regulatory level. The DCJ believes that, if successful, this initiative will be applied to all programs and that further legislation may not be necessary.

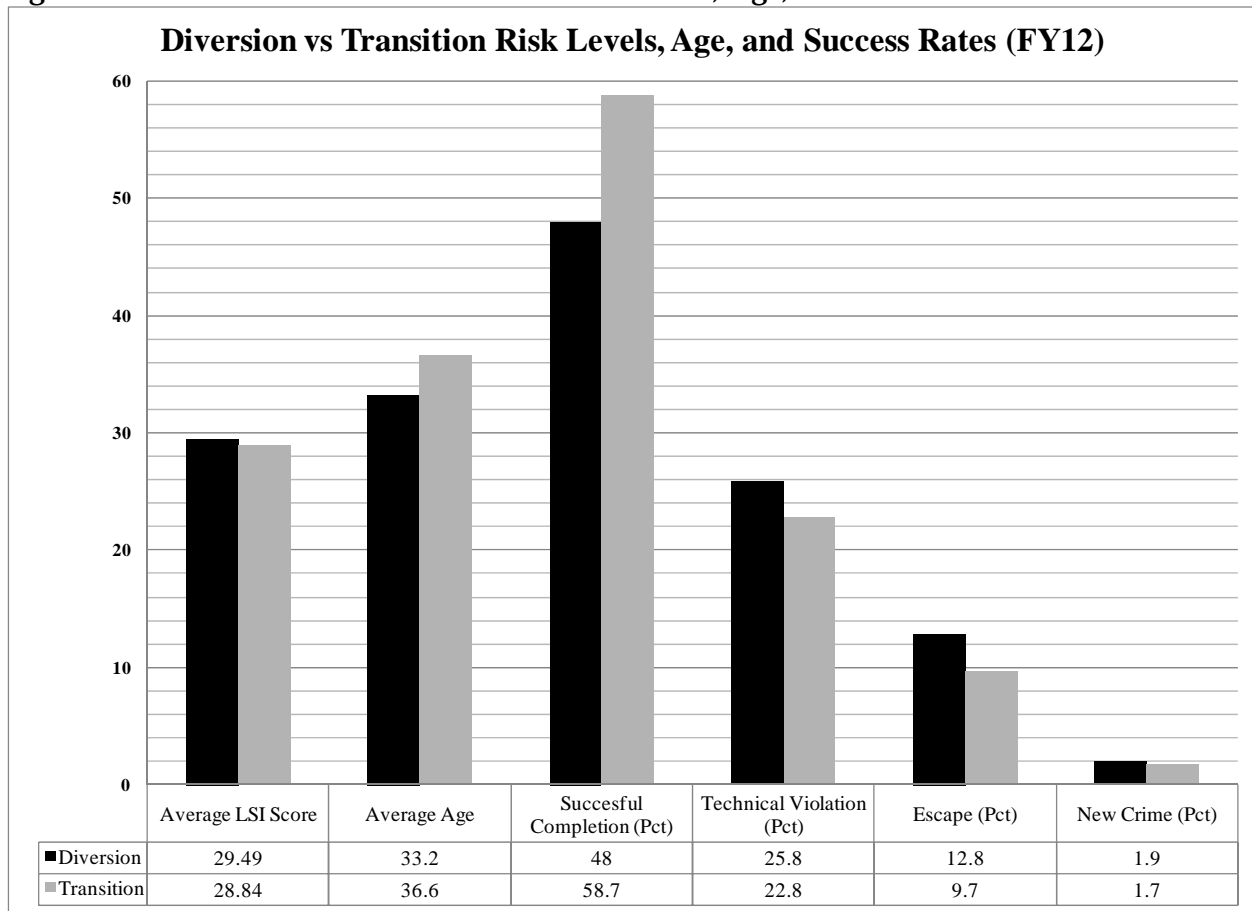
There is no indication that any legislative changes regarding technical violations in other systems have affected community corrections behavior.

For this reasons, and for the reasons identified previously, the DCJ and local community corrections stakeholders commenced the B.SMART initiative in 2012 and will continue in 2013. Both the state and local community corrections agencies are committed to increasing our success rates and affecting long-term behavioral change for all offenders, especially those that are high risk offenders under supervision.

30. Are we not doing a good job selecting offenders for these program? Do the programs use evidence based programming? How do they decide what programming to provide to an offender?

RESPONSE: *The DCJ understands this question derived from information presented that shows a higher rate of technical violations for Diversion offenders than Transition offenders. Community Corrections data shows that Diversion offenders are higher risk than Transition offenders. This is generally attributable to the presence of more criminological risk factors such as anti-social attitudes, anti-social peers, and substance abuse. This could also be attributable to Diversion offenders being relatively younger than Transition offenders. There is some theory that the prison experience provides some motivation for Transition offenders to succeed rather than being regressed. Being higher risk than Transition, it is natural to expect that Diversion offenders would have lower success rates and higher technical violation rates than Transition offenders. Figure 30 A shows differences in risk levels, age, and success rates between Diversion and Transition offenders.*

Figure 30A – Diversion vs. Transition Risk Levels, Age, and Success Rates



The DCJ agrees that the success rates in community corrections should be improved. The DCJ is also strongly committed to achieving that goal collaboratively and constructively with community corrections boards and providers.

Criminological research suggests that offender success is related to the provision of interventions that are targeted toward the specific needs of the offender population. This is based on a well-established principle of Risk/Needs/Responsivity (RNR). The RNR principle compels corrections to assess the actuarial risk of an offender, identify specific areas of need that relate to recidivism risk, target the interventions that are related to an offender’s risk, and to match the intervention to the unique learning style and traits of an offender.

The Colorado Community Corrections Standards (Standards), require community corrections providers to implement the RNR principle with each of their offenders. Specifically, they are required to assess for risk and address criminogenic needs through individualized supervision plans.

Impact of HB 10-1352 Appropriations with Respect to Success Rates

The DCJ has some initial reason to believe that the implementation of appropriations from HB 10-1352 have impacted the positive change in the success and technical violations in community corrections in FY12. In FY12, the HB 10-1352 appropriations were implemented through the development of an outpatient treatment voucher program for regular community corrections clients. Under this program, staff from community corrections providers submitted requests for treatment funds from community corrections boards that were allocated a share of the statewide appropriation. Upon approval of the requests for funds, boards and programs arranged for payment for outpatient treatment for offenders with local treatment providers.

Utilization Information

In FY12, the DCJ, local boards, and providers were able to utilize the entire initial appropriation of \$1,250,000 for the HB10-1352 treatment program (currently known as the Correctional Treatment Fund). Further, an additional \$259,510 was added to the community corrections budget in a special appropriation in May 2012 when the bill was signed into law. The DCJ was able to use nearly half of that additional \$259,510 appropriation of funds between May and June when the fiscal year ended. Current FY 13 spending information of the Correctional Treatment Fund indicates that we are likely to overspend the appropriation.

Limitations of the Analysis

The quantitative data obtained by the DCJ were based on requests or applications for treatment services. Within this information, there are some cases when a request was approved but an offender terminated community corrections before treatment began due to escape, technical violation or transfer to an inpatient treatment program. Accordingly, there are likely a small number of cases in the data analysis where an offender did not receive the intended treatment.

Overall, the data analysis of the HB 10-1352 program showed some initial promise or potential in terms of impacting intermediate success rates and gains in employment – especially with higher risk offenders. However, these analyses were not made with carefully matched comparison groups, were not done with an experimental design, and did not evaluate long-term recidivism outcomes. Eventually, a formal research project should be conducted to study the long-term impacts of these resources in community corrections.

The small number of cases, relatively short timeframe, and incomplete records, mean these data should be interpreted optimistically but without conclusiveness.

The DCJ does not know from this analysis if the initial impact of the HB 10-1352 treatment resources are attributable to an increase in services or if they are attributable to the fact that services are not paid by offenders themselves. However, the DCJ is optimistic that the continued implementation of this important treatment resource will have positive and measureable effects on

community corrections success rates. The DCJ is also optimistic that the implementation of the B.SMART model will also assist in increasing success rates among community corrections offenders.

Offenders Served (please note Limitations of the Analysis above)

In order to report the number of offenders served and potential impacts of the HB 10-1352 appropriations, the Division manually entered data from paper-based billing records from FY 12. Therefore, the numbers reported herein come with considerable limitations due to manual data entry, partially completed records, and mismatching of data. These limitations are expected in first-year start-up initiatives when electronic information systems and data reporting processes have not yet been developed to accommodate a new funding stream and program.

In FY12, a total number of 3007 treatment voucher applications were submitted for offenders. Of this figure, a total of 2824 cases were manually matched to offenders in the Community Corrections Information and Billing (CCIB) system. This leaves a total of 183 records that could not be matched and are not included in analysis figures herein.

In many treatment voucher applications, multiple service requests were made for a single offender. Of the 2824 offenders that were identified as having a treatment voucher submitted, a total of 3716 service requests were made. These service requests are categorized as follows:

Treatment Service	Number of Cases
Weekly Outpatient Therapy - Substance Abuse	1,774
Enhanced Outpatient Therapy - Substance Abuse	465
Intensive Outpatient Therapy - Substance Abuse	151
Mental Health Evaluations	391
Psychiatric Care Appointments	231
Psychotropic and Addictions Medications	259
Individual Psychotherapy	307
Group Dual Diagnosis Therapy	69
Other Ancillary Dual Diagnosis and Substance Abuse Services	69
TOTAL SERVICE REQUESTS	3,716

Potential Impacts (please note Limitations of the Analysis above)

Quantitative Impacts from Data Analysis

Figure 30B provides information regarding those offenders in FY12 who received the treatment funds and those who did not. At initial implementation, the treatment funds were targeted for higher risk offenders in community corrections which typically have lower success and lower

employment rates than lower risk offenders. This simple analysis showed that the offenders who had access to the treatment funds had larger gains in employment compared to those who did not have access to the funds. Essentially, the offenders who received the funds had similar but slightly higher rates of employment at the point of analysis despite being higher risk.

Figure 30B – Risk Comparisons and Gains in Employment

Group	Average Risk Score (Level of Supervision Inventory)	Percent Employed at Intake	Percent Employed at Analysis	Gains in Employment
Received Treatment Funds	30.1	19.2%	72.5%	Increased by 53.3%
Did Not Receive Treatment Funds	28.8	27.8%	71.1%	Increased by 43.3%

Overall, in community corrections, objective data has shown a steady increase in the last 10 years in the recidivism risk levels among the offender population admitted to residential supervision. Figures 28B and 28C (previously presented) show this trend as evidenced by consistent increases in the LSI and Criminal History Score from the DCJ Office of Research and Statistics –measure of recidivism risk. It should be noted that the risk level of the overall offender population in community corrections increased from 2011 to 2012.

Figure 30C below shows the average LSI score, success, technical violation, and escape rates among all offenders in community corrections in 2011 and 2012. It should be noted that despite a slight increase in the risk level of the population, rates of successful completion increased while rates of technical violations and escapes decreased in 2012 compared to 2011.

Figure 30C – Average LSI Score, ORS Criminal History Score, and Success Rates in Community Corrections – FY 11 and FY 12 Comparisons

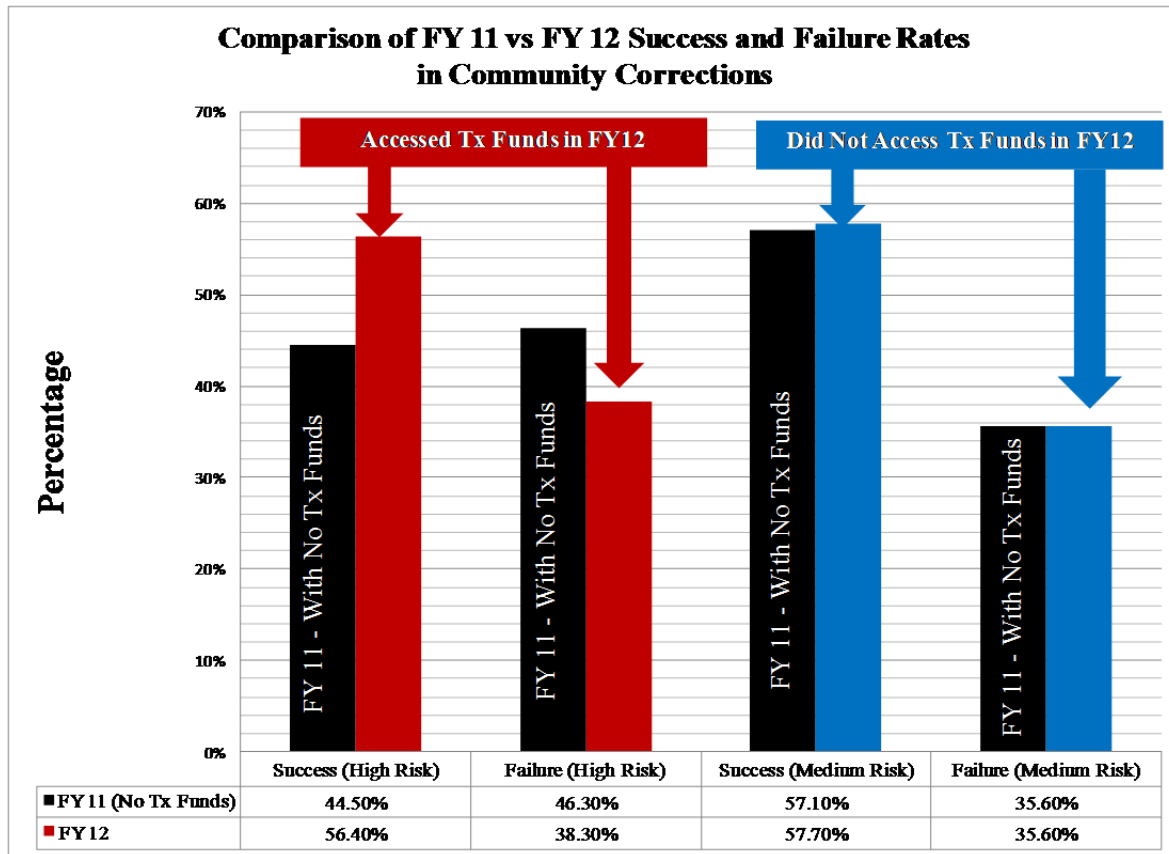
Year	Average Risk Score (LSI)	Average Risk Score (ORS Criminal History)	Successful Completion Percentage	Technical Violation Percentage	Escape Percentage
2011 (no Tx Funds)	28.9	3.03	52.3	26.1	12.0
2012 (with Tx Funds Available)	29.1	3.13	54.1	24.0	11.0

While these data show that overall increases in success and decreases in failure rates were evident between 2011 and 2012, the DCJ needs a more sophisticated analysis in order to determine the degree to which this is directly attributable to the HB10-1352 treatment funds.

In order to further examine the impact of the treatment funds, the Division analyzed those offenders in FY12 that accessed treatment funds versus those in FY12 who did not access treatment funds. We then compared these groups to comparable offender populations in FY11 when the HB 10-1352 funds were not available in community corrections. As mentioned previously, offenders who accessed treatment funds fell into the higher risk category whereas those who did not access treatment funds fell into the medium risk category. This analysis showed the following which is displayed graphically in Figure 30D below:

- *Those who received treatment funds in FY12 were higher risk than those who did not receive treatment funds.*
- *Over the last several years, community corrections data has shown that higher risk offenders have lower rates of successful completion and higher rates of failure (as defined by terminations for technical violation and escape).*
- *Offenders that accessed treatment funds in FY12 had discernible increases in their rates of successful completion of community corrections.*
- *Offenders who accessed treatment funds in FY12 had discernible decreases in their rates of technical violations and escapes (overall failure).*
- *Offenders who did not access treatment funds in FY12 had success and failure rates comparable to similarly situated offenders in FY11.*
- *Overall, the data analysis showed that the treatment funds were accessed by higher risk offenders which led to their having success and failure rates that were very similar to lower risk offenders.*

Figure 30 D – Success and Failure Rates by Risk Level in Community Corrections (FY11 and FY12)



Qualitative Impacts - Anecdotal Information from Programs and Boards in the Field

Throughout FY 12, the DCJ collaborated and met regularly with boards and programs to understand the potential impacts of the treatment funds. These collaborations led to anecdotal and qualitative information from the field regarding the impacts of the funds. Below is a summary of the qualitative information received from the field regarding the HB 10-1352 appropriations. While some of these observations are casual, and may not be universally measurable throughout the state, many boards and programs attest to these observations:

- The funds have targeted the most under-served and largest population in community corrections.
- The funds have targeted higher-risk offenders that have higher probabilities for recidivism.
- The funds have resulted in offenders being admitted into treatment significantly faster than when treatment was previously offender-paid. Offenders can now begin treatment within weeks of admission to community corrections. Previously, some offenders had to

wait a few months before being admitted to treatment until they were financially able to pay for outpatient services.

- The funds have facilitated new working relationships among community mental health centers, community corrections providers, and community corrections boards that previously didn't exist.*
- The funds have inspired innovative ways to bring outpatient treatment services into residential facilities. This eliminates the need to arrange for public transportation to and from treatment for offenders.*
- The funds have provided increased options for community corrections staff to intervene when responding to behavioral violations – especially in cases of positive drug tests for offenders.*
- The availability of treatment funds has reduced stress among the offender population. Previously, a significant stressor for offenders has been the many financial responsibilities they have when transitioning from prison without employment. The funds have mitigated this stressor which has allowed offenders to focus on other program requirements. Offenders typically do not do well under financial stress which can often lead to failure.*
- Some case managers report that the treatment voucher funding helps to build rapport with clients - by providing funding to address criminogenic needs, staff has demonstrated that offender success is truly important to the program and to the correctional system.*

The information that follows addresses the question regarding the degree to which community corrections programs use evidence-based programming (EBP).

The DCJ Office of Community Corrections (OCC) is resourced, both statutorily and fiscally, to monitor providers' compliance with the Colorado Community Corrections Standards (CCCS). Where possible and appropriate, the Standards require practices supported by criminological literature. More work is being done in this area. Further, the contracts for specialized programs such as IRT and RDDT require additional practices that are evidence-based. The OCC audit team prioritizes its audit resources on regular residential programs since those programs serve a great majority of the community corrections population overall and a substantial proportion of general fund appropriations are designated for those services. When possible, the OCC audit team also conducts non-residential audits and special program audits with its existing FTE resources.

In 2012, the DOC and DCJ collaborated on a Rapid Improvement Event (RIE) using the LEAN model that was resourced by the Governor's Office of Planning and Budget (OSPB). In part, the LEAN/RIE event was designed to develop improvements to the transition and supervision of offenders in community corrections. One of the recommendations from the RIE/LEAN event was for the DCJ to align the Standards with evidence-based practices for offender populations. This recommendation was targeted for commencement in 2013. DCJ will be developing a strategic method to implement more evidence-based principles into the Standards as part of their 2013 work plan with the Governor's Community Corrections Advisory Council, local boards, and providers.

In 2012, the DCJ has commenced several projects to develop and implement evidence-based interventions in order to improve our success rates and to affect long-term behavior change among offenders. These efforts have all been conducted collaboratively with boards and providers in community corrections. The following evidence-based initiatives are in various stages of development and implementation in community corrections:

- ***The Behavioral Shaping Model and Reinforcement Tool (B.SMART)*** – *This project implements two (2) different but related evidence-based practices.*
 - ***The Behavioral Shaping Model*** *is a structured sanctions grid that assists providers in responding to program violations in a manner that is consistent with evidence-based principles. This Behavioral Shaping Model is congruent, in concept, with the Colorado Violation Decision Making Process (CVDMP) used by the Colorado Department of Corrections as well as the Technical Violation and Behavior Change (TVBC) model being drafted in probation.*
 - ***The Reinforcement Tool*** *is a structured process in order to implement Contingency Management which is a well-researched evidence-based approach to affecting long-term behavior change. This process provides structured incentives to offenders who exhibit pro-social behavior in order to reinforce their habitualization of conventional and desired behaviors. This Reinforcement Tool is congruent, in concept, with the Technical Violation and Behavior Change (TVBC) model being drafted in probation.*
- ***The Evidence-Based Progression Matrix*** – *This initiative began through the RIE/LEAN event in the summer of 2012. The goal of this project is to develop evidence-based criteria for offenders to progress through the community corrections residential level system before being released to Non-Residential or ISP-I status.*
- ***Structured Progress Feedback*** – *this process is one of the current Standards supported by evidence-based principles and is required of all providers. In 2012, OCC staff developed a technical assistance and coaching manual to implement this standard which facilitates implementation of the Risk/Needs/Responsivity principle for offenders.*
- ***Motivational Interviewing (MI)*** – *this is a grant-funded initiative through the Department of Public Safety. The Evidence Based Practices Implementation for Capacity (EPIC) staff in CDPS are working to implement MI in some community corrections programs. While this is not a project led by the DCJ, the participating community corrections providers are working diligently to implement this rigorous and structured intervention for offenders. The grant-funded EPIC project is set to terminate in 2013 unless state resources are obtained to sustain the program.*

It is important to note that provider participation in these initiatives is in addition to required compliance with the existing Standards. The state and local community corrections stakeholders have assumed these additional responsibilities within existing resources. The DCJ envisions incorporating these initiatives into the Standards as part of the 2013 EBP efforts.

When planning for implementation of EBP, some important information should be noted. Fairly recent advancements in social science research have produced compelling information that suggests effective implementation of evidence-based practices is substantially more sophisticated than the process of developing standards and auditing for compliance. Effective implementation of EBP requires a much more systemic and process-driven approach than traditional regulatory oversight. Given only seven (7) FTE at the OCC, this implementation strategy is challenging to accomplish within existing staff resources. Despite that, the DCJ is committed to implementation of EBP to the degree possible given its existing means, until additional staff or grant resources can be obtained.

31. Which community corrections facilities around the state have higher and lower technical violation rates? Please provide data.

Response: *Table 31A provides the requested information regarding the success and technical violation rates in community corrections by Judicial District and provider.*

In reviewing these data, it is important to consider that a provider's individual technical violation rate, in and of itself, is not a good measure of program integrity. To explain, technical violations rates have strong relationships with the risk level of the offender population. Specifically, higher risk offenders have higher rates of technical violations than lower risk offenders. So one must take into account the average risk score (LSI) of each provider and program in order to evaluate their individual rate of technical violation. Further, programs with high levels of security monitoring and supervision are more likely to detect cases when offenders violate program rules. These programs may have high levels of on-site and off-site monitoring and advanced security systems in place. Given the fact that security monitoring and supervision are core aspects of community corrections, this must also be taken into account. Thus, for those programs that have high risk offenders and have high levels of supervision and security monitoring, one should expect higher rates of technical violations.

Given that information, the DCJ and community corrections providers remain strongly committed to increasing success rates, and managing technical violations rates with evidence-based and structured methods that are available from the social science literature. The DCJ and providers are optimistic that we can achieve this goal while continuing to safely manage higher risk offenders that are most appropriate for community corrections placement.

Table 31A – Risk Levels, Success, and Technical Violation Rates in Community Corrections (FY12) – By Judicial District and Provider

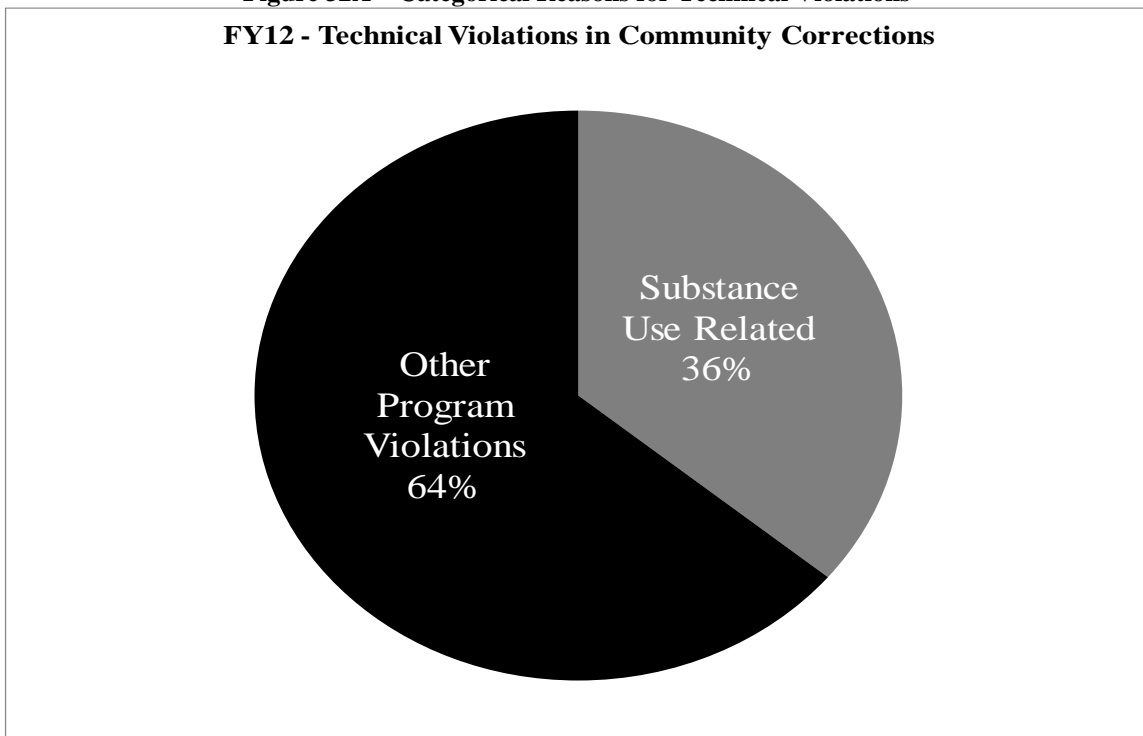
JD	Program	Location	AVG LSI Score	Successful Completion	Technical Violation	Escape	New Crime
1	ICCS - JeffCo	Lakewood	26.4	48.90%	23.20%	7.00%	2.20%
	ICCS - West		25.3	69.70%	15.20%	9.10%	0.00%
	1st Judicial District		26.3	51.10%	22.30%	7.20%	2.00%
2	CMI – Columbine	Denver	31.3	54.90%	16.80%	13.30%	2.70%
	CMI – Fox		32.3	53.30%	19.60%	9.80%	0.00%
	CMI- Ulster		29.9	46.50%	25.70%	16.00%	0.50%
	CMI-Dahlia		29.8	56.20%	24.00%	8.90%	1.40%
	Ind House - Fillmore		34.2	56.90%	11.80%	11.80%	0.00%
	Ind House - Pecos		31.4	61.80%	24.20%	8.50%	1.20%
	Peer I		35.9	60.00%	22.10%	7.60%	0.00%
	Peer I- The Haven		40.1	54.00%	28.00%	16.00%	0.00%
	Tooley Hall		31.9	53.00%	23.90%	14.90%	2.20%
	Williams Street Center		25.3	50.60%	27.00%	13.20%	4.60%
	2nd Judicial District			31.5	54.30%	23.80%	12.00%
4	COMCOR, Inc	Colorado Springs	27.1	50.20%	28.60%	12.40%	0.40%
	CAE		25.6	52.30%	28.50%	13.80%	0.30%
	4th Judicial District		26.5	51.00%	28.60%	12.90%	0.40%
6	Hilltop House	Durango	28	57.50%	11.50%	9.20%	1.10%
	6th Judicial District		28	57.50%	11.50%	9.20%	1.10%
8	Larimer County CC	Ft. Collins	27.6	56.50%	22.10%	5.10%	0.80%
	8th Judicial District			27.6	56.50%	22.10%	5.10%
9	Garfield County CC	Rifle	29.8	65.20%	14.60%	4.50%	4.50%
	9th Judicial District			29.8	65.20%	14.60%	4.50%
10	Crossroads TC	Pueblo	30.9	60.30%	4.80%	22.20%	0.00%
	Minnequa		27.6	51.00%	23.20%	14.60%	3.30%
	CCSI		32	54.30%	19.40%	22.90%	0.00%
	10th Judicial District			30.1	54.00%	18.50%	19.50%
12	SLVCC	Alamosa	26.3	54.40%	13.30%	12.50%	8.10%
	12th Judicial District		26.3	54.40%	13.30%	12.50%	8.10%
13	ATC - Sterling	Sterling	32.4	65.60%	24.00%	4.20%	2.10%
	13th Judicial District			32.4	65.60%	24.00%	4.20%
14	CAPS	Craig	30.2	70.00%	18.60%	2.90%	1.40%
	14th Judicial District			30.2	70.00%	18.60%	2.90%
17	Phoenix Center	Henderson	29.9	45.90%	33.80%	14.90%	1.40%
	TTC - Adams	Denver	31.1	52.30%	30.70%	10.50%	2.60%
	TTC - Commerce City	Commerce City	27.7	57.30%	25.50%	10.50%	2.50%
	17th Judicial District		29.4	51.40%	30.20%	12.30%	2.10%
18	ACTC	Englewood	27.1	52.70%	23.60%	17.70%	0.90%
	CCTC	Englewood	29.9	49.20%	32.00%	8.10%	2.00%
	ACRC	Littleton	26.8	61.10%	20.70%	7.60%	1.00%
	18th Judicial District		27.9	54.30%	25.40%	11.40%	1.30%

JD	Program	Location	AVG LSI Score	Successful Completion	Technical Violation	Escape	New Crime
19	ICCS-Weld	Greeley	29.9	56.20%	23.00%	7.40%	2.80%
	19th Judicial District		29.9	56.20%	23.00%	7.40%	2.80%
20	BCTC	Boulder	33.1	39.10%	33.30%	14.50%	2.90%
	LCTC	Longmont	30.8	38.80%	36.30%	16.30%	2.50%
21	20th Judicial District		31.9	38.90%	34.90%	15.40%	2.70%
	Mesa County CC	Grand Jct	31	62.60%	20.20%	3.80%	1.90%
	Judicial District		31	62.60%	20.20%	3.80%	1.90%

32. Please provide a list of the things than constitute a technical violation.

Response: Discharges due to technical violations fall into two categories in the DCJ information system. One category consists of rules that reflect the offender’s behavior and actions such as not accounting for whereabouts while signed out of the facility or failure to follow the program plan. The second category involves substance use (alcohol or other drugs) while residing in the facility. Of the offenders discharged in FY12 due to technical violations, 36% were substance use related discharges, while 64% were behavioral or programmatic rule violations. This is shown graphically in Figure 32A.

**Figure 32A – Categorical Reasons for Technical Violations
FY12 - Technical Violations in Community Corrections**



Each community corrections provider in Colorado maintains a set of program rules, regulations, and policies for responding to offender violations. These sets of rules have common aspects across all providers and some that are unique to a particular provider. The B.SMART initiative involves developing a common and standardized method to sanction offenders for rule infractions with provisions for local-level flexibility in unique or exceptional cases.

In the B.SMART project, the DCJ and regional implementation teams have assembled a common list of prohibited acts in community corrections. This list of prohibited acts represents the areas in community corrections where there are common and relatively standardized rules. The prohibited acts list is presented in four (4) categorical levels as follows:

- *Class 1 Violations - With some exception, Class 1 violations can result in immediate termination in many cases.*
- *Class 2 Violations - Generally speaking, accumulation of several infractions in the areas of Class 2 violations will result in a technical violation – especially among higher risk offenders.*
- *Class 3 Violations – Generally speaking, chronic and unchanged accumulation of several infractions in the areas of Class 2 violations will result in a technical violation – especially among higher risk offenders.*
- *Class 4 Violations - In and of themselves, infractions in the areas of Class 4 violations do not result in technical violations unless they are accompanied by Class 1 violations or a chronic and unchanged accumulation of Class 2 or 3 violations.*

Class 1 Violations

Violation	Detail
100 Assault	A resident commits this offense when he intentionally, or through negligence or recklessness, causes injury to another person or applies any physical force, offensive substance (such as feces, urine, mucous, blood, saliva) or any other item or hazardous substance against any person regardless of whether or not injury occurs. To include engaging in a physical altercation, not limited to exchange of punches, shoves, kicks, or any offensive physical contact.
101 Escape	A resident commits this offense when, without proper authority, he removes himself from the confines of the facility or fails to return to the facility from an authorized pass or is not at his authorized sign-out location between 2 and 24 hours. (A true escape)
102 Engaging in a riot	A resident commits this offense when he, with two or more persons, participates in conduct that creates danger of damage or injury to property or persons and obstructs the performance of facility functions. To include urging others to riot and such incitement is likely to produce a riot, or once a riot begins, he assumes a position of command or instruction in furtherance of the riot.
103 Arson	A resident commits this offense when he sets fire to, burns, causes to be burned, or by the use of any explosive or combustible device, damages, destroys, or causes to be damaged any structure or property.
104 Tampering with Locks or Security Devices	A resident commits this offense when he, without authorization, locks, unlocks, alters or modifies, in any way, any lock, locking system or security item within the facility and/or uses any unauthorized lock or security device. This includes fire alarms, panels and

Violation	Detail
	detector systems and devices and/or possesses a key or key pattern.
105 Threats	A resident commits this offense when he communicates (either verbally, physically, or in writing) to a CCSI staff, resident, visitor, or another person a determination, scheme, or intent to cause, or to instill, the fear of death, injury, terrorism, intimidation, or to commit a crime of violence or unlawful act presently or in the future to another person and the probable consequence of such action (whether or not such consequence, in fact, occurs) is: To place another person in fear of bodily injury To cause damage to property To jeopardize the security of the program To include any extent including extortion
106 Law Violation	A resident commits this offense when he violates any state, or federal law resulting in felony or misdemeanor charges or tickets.
107 Theft	A resident commits this offense when he knowingly obtains or exercises control over property or services belonging to someone else without authorization.
108 Cruelty to Animals	A resident commits this offense when he knowingly or with criminal negligence overdrives, overloads, overworks, tortures, torments, deprives of necessary food and/or water, beats, mutilates, or otherwise mistreats or neglects any animal.
109 Damage to Property	A resident commits this offense when he intentionally or through recklessness, damages or causes to be damaged any property of another or the program totaling \$50 or more in damages.
110 Forgery	A resident commits this offense when he creates or alters a document with intent to deceive.
111 Fraud	A resident commits this offense when he: Through deception, trickery, or false claims, attains anything for personal gain or benefit Alters, destroys, conceals, or removes anything with intent to impair its authenticity or availability Presents or uses anything which he knows to be false with intent to deceive.
112 Sexual Misconduct	A resident commits this offense when he subjects another person to sexual contact, through physical action and/or verbal or written statements or he engages in sexual acts in the facility or on facility grounds, and The other person does or does not give expressed consent to the accused resident's conduct To include any behavior of a sexual or romantic nature whether verbal, nonverbal, or physical. He commits indecent exposure.
113 Unauthorized Absence (2-24 hours)	A resident commits this offense when he fails to return to the facility by his stipulated return time, departs from his approved sign-out location without proper authority, or is not available for phone monitors, to include the phone being busy when staff attempts to call or fails to make contact with the facility as instructed. The time frame for this violation is anything involving 70 minutes or more. Being at an unauthorized location in the community while signed out.
114 Possession of Dangerous Contraband	A resident commits this offense when he possesses, uses, has under his control or in his custody any item defined as dangerous contraband. To include possessing a syringe or other implement capable of injecting a substance under the skin of any individual, including himself and/or possesses an article, equipment, or volatile substance.
115 Habitual Class II Violator	A resident who commits three (3) or more of the same Class II offenses puts them on the Class I sanction grid for future Class II violations of the same kind. If the Class II offense is related to your conviction you may be deemed a Habitual Class II Violator after the first offense.
116	A resident commits this offense when he refuses to follow a direct order from staff such as

Violation	Detail
Refusal to Follow a Direct Order by Staff	submit to any test for the use of an unauthorized substance, refusing to submit to a search, etc. This includes removing or tampering with drug detection patches.

Class 2 Violations

Violation	Detail
201 Dilute UA	A resident commits this offense when he provides a urine sample deemed to be diluted by the laboratory, and/or adulteration of the urine samples.
202 Possession or Use of Unauthorized Substance	A resident commits this offense if he possesses or uses any quantity of unauthorized substance, including alcohol, illicit drugs, inhalants, or prescription medications without a current prescription.
203 Operating a Motor Vehicle	A resident commits this offense when he operates any motor vehicle without permission of administration.
204 Bribery/Solicitation of Staff Misconduct	A resident commits this offense when he offers to confer, confers, or agrees to confer anything of value upon any staff member or other residents with the intent to influence that person's exercise of discretion or other action in any capacity. To include when he attempts or is complicit to an act(s) where he seeks to obtain as by persuasion, intimidation or influence, to elicit any staff into an unlawful act and/or violation of policy for any reason.
205 Perjury	A resident commits this offense when he makes a false statement or swears/affirms the truth of a false statement previously made and does not believe the statement to be true.
206 Medication Misconduct	A resident commits this offense when he, in any way, stores, saves, gives away, possesses, or removes any prescribed narcotic, psychotropic or Antabuse medication without authorization or fails to take these medications as prescribed or ordered.
207 Interference with Staff Duties	A resident commits this offense when he refuses to allow, obstructs, or hinders in any way, a staff member in the search of any person, room, or property, including when he causes or participates in any interference, delay, disruption, or deception with regard to the process of counting of the resident population, including, but not limited to, hanging any sheet, blanket, or other material around a bed or over a window without approval.
208 Advocating or Creating a Facility Disruption	A resident commits this offense when he transmits or attempts to transmit through any form of communication or action, threats, demands, actions or suggestions which advocate disruption; or if he actually disrupts operations of any segment of the facility.
209 Possession of Major Contraband	A resident commits this offense when he has in his possession, in his room, in his immediate sleeping area, or locker or immediate place of work or other program assignment or fashions, manufactures, introduces or attempts to arrange or arranges to introduce into the facility any item defined as major contraband.
210 Verbal Aggression	A resident commits this offense when he directs at another person abusive, offensive, or derogatory language or gestures.
211 Unauthorized Absence (45 minutes and greater but less than 70 Minutes)	A resident commits this offense when he fails to return to the facility by his stipulated return time, departs from his approved sign-out location without proper authority or is not available for phone monitors, to include the phone being busy when staff attempts to call. The time frame for this violation is more than 45 but less than 70 minutes.
212 Monetary Misconduct	A resident commits this offense when he fails to turn in his paycheck as required, receives pay advancements without prior authorization, fails to abide by his financial contract, fails to pay restitution, enters into a financial contract, cashes his check, fails to turn in pay stubs, bank statements, and/or fails to pay subsistence or fees.
213 Damage to Property	A resident commits this offense when he intentionally or through recklessness, damages, or causes to be damaged any property of another or the program totaling \$49.99 or less in damages.
214 Refusal to Follow a Direct Order from Staff	A resident commits this offense when he refuses to obey a written order or instruction given by a staff member, which is reasonable in nature and which gives reasonable notice of the conduct expected or he violates any special condition(s) of his placement to include his program plan/level's review.
215 Habitual Class III Violator	A resident commits four (4) or more of the same Class III offenses puts them on the Class II sanction grid for future Class III violations of the same kind. If the Class III offense is related to your conviction you may be deemed a Habitual Class III Violator after the first offense.

Class 3 Violations

Violation	Detail
300 Association	A resident commits this offense when he associates outside the facility with a person he knows or has reason to know is a convicted felon or a validated member of a security threat group without first obtaining permission from staff.
301 Gambling	A resident commits this offense when he plays for money or other things of value at any game including, but not limited to, those played with cards or dice, or bets anything of value on the outcome of any observable event or ascertainable happening or organizes or is in possession of any game of chance, lottery, betting pool, betting slips or records, or is in possession of other similar devices.
302 Failure to Follow Staff Directive	A resident commits this offense when he fails to obey a written order or instruction given by a staff member, which is reasonable in nature and which gives reasonable notice of the conduct expected or he violates any special condition(s) of his placement to include his program plan/level's review.
303 Treatment Misconduct	A resident commits this offense when he fails to go to therapy, shows up late, instructed to leave and/or receives low marks by the treatment provider. Fails to attend any treatment session and/or is instructed to leave the session due to disruptive behavior, including when he causes the use, or expense, of medical, dental, or mental health care, without good reason, or fails to cooperate with the care without good reason.
304 Employment Misconduct	A resident commits this offense when he is suspended from work for disciplinary reasons; quits his job without prior approval, tardiness to work, begins employment without approval and/or is fired.
305 Unauthorized Absence (20 minutes or greater but less than 45 Minutes)	A resident commits this offense when he fails to return to the facility by his stipulated return time, departs from his approved sign-out location without proper authority or is not available for phone monitors, to include the phone being busy when staff attempts to call. The time frame for this violation is more than 20 minutes but less than 45 minutes.
306 Unauthorized Area	A resident commits this offense when he is found to be in another resident's room, on the patio before or after curfew, up past curfew, in room during fire drill, and/or any staff office/program room without staff approval.
307 Habitual Class IV Violator	A resident commits four (4) or more of the same Class IV offenses puts them on the Class III sanction grid for future Class IV violations of the same kind. If the Class IV offense is related to your conviction you may be deemed a Habitual Class III Violator after the first offense.

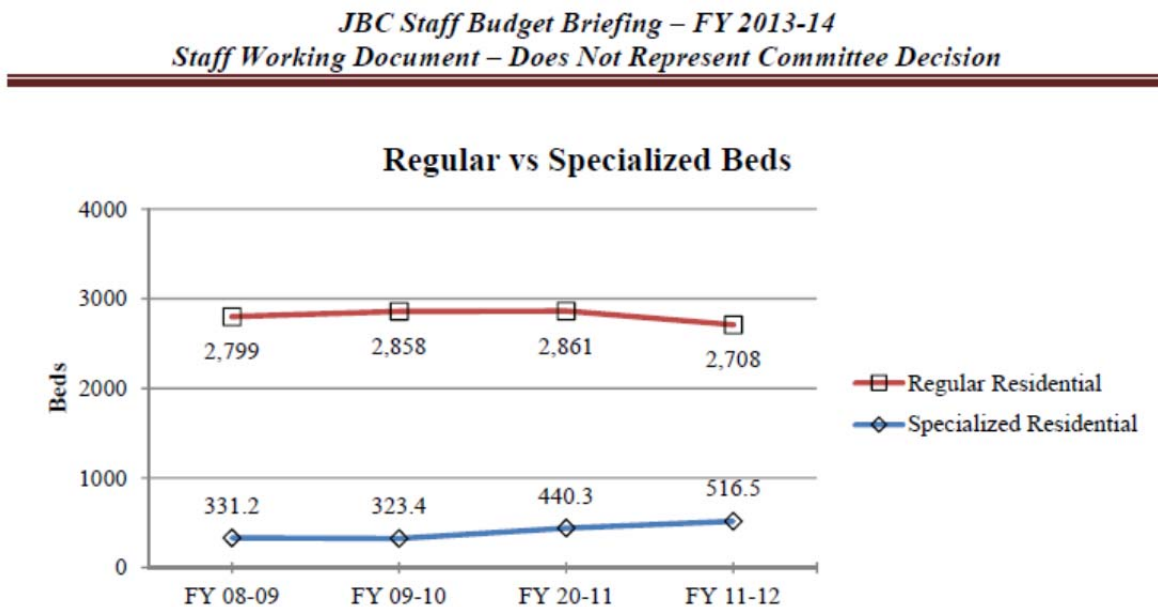
Class 4 Violations

Violation	Detail
400 Violating an Operational Rule	A resident commits this offense when he violates any facility rule or regulation of which he has, or through the exercise of reasonable diligence, should have knowledge, to include House Meeting notes.
401 Failure to Conduct Arrival, Departure Calls, Location Changes and/or Work Extensions	A resident commits this offense when he fails to contact the facility immediately upon arrival to his approved sign-out location and/or fails to contact the facility prior to leaving his approved sign-out location, to include, but not limited to, location changes and/or return to facility calls. As well as, failing to call for a time extension.
402 Possession of Contraband	A resident commits this offense when he is found to have in his possession and/or in his room anything that is deemed to be non-dangerous contraband, to include but not limited to, food, drinks, sports clothing, and/or any non-pornographic magazines or pictures that are deemed inappropriate by staff.
403 Failure to Complete Chore	A resident commits this offense when he fails to do his assigned chore, fails to have staff sign off on his chore and/or fails to do his chore by the assigned time.
404 Noise and Language Violation	A resident commits this offense when he plays his music too loud, is yelling, pounding or creating unnecessarily loud noises to include using vulgar language.
405 Failure to Comply With Dress Code	A resident commits this offense when he is not fully clothed outside of his room, wearing a hat in the facility, wearing sunglasses in the facility, wearing dew-rags out of his room, wearing tank tops/sleeveless shirts, sports clothing, jerseys, and/or any clothing that promotes drugs, alcohol or slogans that are deemed inappropriate by staff.
406 Bartering, Selling goods and Commodities or Services	A resident commits this offense when he barters, sells, or buys any item without the prior knowledge and permission of a staff member, including, but not limited to, clothing, CDs, DVDs, CD players.
407 Sanitary Violation	A resident commits this offense when he fails to keep his room and/or immediate sleeping area clean, odor free, fails to wash his sheets weekly, fails to keep his body, hair and clothes in as clean, sanitary and tidy a condition as possible and/or fails to keep his finger nails trimmed as deemed appropriate by staff.
408 Failure to Lock Locker	A resident commits this offense when he fails to secure his locker, with the lock provided by the program, when he is not in his room for any reason.
409 Law Violation	A resident commits this offense when he violates any municipal or city ordinance or law resulting in charges or a ticket.
410 Medication Misconduct	A resident commits this offense when he, in any way, stores, saves, gives away, possesses, or removes prescription medications or non-prescription medication without authorization or fails to take medication as prescribed or ordered.
411 Unauthorized Absence (less than 20 Minutes)	A resident commits this offense when he fails to return to the facility by his stipulated return time, departs from his approved sign-out location without proper authority, or is not available for phone monitors, to include the phone being busy when staff attempts to call. The time frame for this violation is anything less than 20 minutes.
412 Job Search Contract Violation	A resident commits this offense when he violates his job search contract.

33. Are we utilizing resources made available for special beds? Do we have the right amount of specialized beds available? Does that help explain why we have more technical violations?

Response: In general, the DCJ has witnessed a consistent pattern over the last three (3) years of growing utilization of the specialized treatment beds in community corrections. The briefing document (pp 16-17) provided data showing an increase in the utilization of specialized beds versus regular beds in the last several years. Figure 33A provides that data.

Figure 33A - From JBC Staff Budget Briefing (FY 14)



Accordingly, the DCJ believes that a prudent utilization strategy would involve setting figures for the specialized beds at the beginning of the contract year that are more congruent with expected usage throughout the year. The DCJ is aware of waiting lists for IRT, RDDT and JERP beds. If these contracts were increased at the beginning of the budget year, the boards and providers would willingly place more of the specialized offenders in these programs. Currently, the providers of these programs are willing to modestly overspend their contract amounts with the expectation that the DCJ will exercise its transfer authority to cover their over-expenditures. However, having a more explicitly expanded budget capacity at the beginning of the year would better facilitate meeting the growing demand for these specialized beds.

Further, there is a large gap between the number of convicted sex offenders currently in community corrections and the number of funded specialized beds available to enhance their supervision, monitoring, and treatment. The notion of increased specialized supervision and treatment beds for convicted sex offenders has been supported by the previously referenced

RIE/LEAN initiative as well as the Colorado Commission on Criminal and Juvenile Justice (CCJJ) through a recommendation in FY12 as follows:

FY 2011-12 RECOMMENDATION/FY 2011-12-SO05 ENHANCED PER DIEM FUNDING DIFFERENTIAL FOR SEX OFFENDERS IN COMMUNITY CORRECTIONS

"Status: Implementation Unknown

Support funding an enhanced per diem differential (\$33.02) for community corrections programs that house sex offenders and that applies to specialized programming for Diversion, Transition, Condition of Probation and Condition of Parole clients.

Discussion:

When appropriate and warranted, based on evidence-based practice and public safety considerations, some sex offenders could be managed and treated more cost effectively in community corrections. The goal of this recommendation is to increase community corrections placement options and bed capacity for sex offenders, expanding the use of this intermediate sanction as an alternative to placement in the Department of Corrections or Probation. Without this intermediate option, the only options become either the most expensive but, possibly, excessive option - incarceration - or the less expensive but, possibly, insufficient options - probation or parole.

Currently, the funding for the enhanced per diem differential is supported by a Justice Assistance Grant that expires at the end of FY 2012. Without the enhanced per diem, most programs will not accept sex offenders because higher paid, specialized staff are required to work with these individuals. Additional costs to programs are incurred because sex offenders are less able to pay the required subsistence fees due to the greater challenge for sex offenders to find and maintain employment while also paying for treatment and monitoring costs. The Office of Community Corrections (OCC) at the Division of Criminal Justice (DCJ) would define the program criteria and specialized scope of work to qualify for the enhanced per diem which would include having a minimum of five beds in each funded program."

The DCJ believes that figures should be set, at the beginning of the budget year, that address this seemingly growing need for specialized beds in community corrections within the existing overall appropriation. A first step was taken toward this with the FY 13 budget pursuant to direction from the JBC.

In order to answer the question as to whether use of specialized beds may impact success and technical violation rates, the DCJ analyzed some basic data with respect to our newest specialized beds that were implemented as a result of HB 10-1360. The information that follows explains the utilization of these appropriations, the number of offenders served, the potential impacts of the

beds, and limitations of the analysis.

Utilization Information

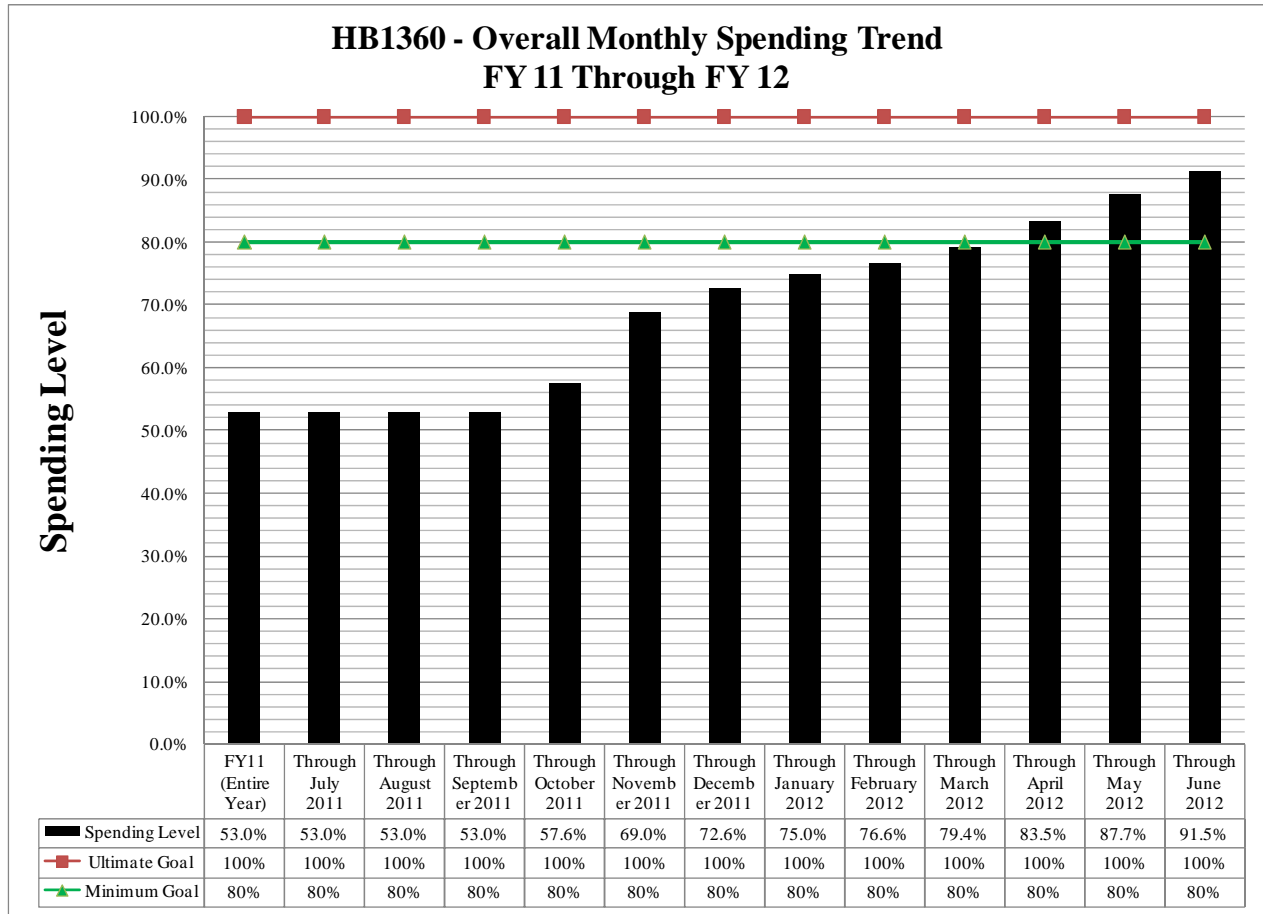
Fiscal Year 2012 was the second full year in which 69 specialized beds were appropriated for parole placements for sex offenders; high-risk and substance dependent offenders; and for offenders who are dually diagnosed with serious mental illness and substance abuse.

The Division of Criminal Justice (DCJ) set a performance goal for FY12 to utilize at least 80% of the appropriations for HB 10-1360 Specialized Parole Treatment Beds. To accomplish this, the Division commenced an assertive and consistent effort to collaborate with all stakeholders of the HB10-1360 beds including the State Board of Parole, the Division of Parole/Community Corrections/YOS (Department of Corrections), the Regional Parole Offices (Department of Corrections), the community corrections boards, and the specific community corrections providers with HB 10-1360 bed allocations. The DCJ coordinated and sponsored several meetings in FY12 with these groups to work through logistics in order to fully utilize the program. All stakeholders have been very cooperative and eager to collaborate in this regard. Further, in FY12, the DCJ allocated HB 10-1360 beds to several new providers and regions in an effort to make the beds more accessible to the DOC.

Overall, more than 91% of the appropriations for the HB 10-1360 initiative were spent for specialized parolee supervision and treatment in the targeted beds. Thus, the DCJ exceeded its goal to spend at least 80% of the appropriations for this program.

Figure 33B below shows the monthly utilization of the HB 10-1360 appropriations in community corrections during FY12. The data show a steady increase in utilization throughout the year to reach the final figure of 91%. Currently, in FY13, the DCJ is overspent on this budget category.

Figure 33B - Monthly Increase in Utilization of HB 10-1360 Appropriations - FY 12



Offenders Served

In FY12, the HB 10-1360 beds served a total of 249 parolees. This 249 figure is broken down as follows:

Client Type	Number of Funded Beds	Number of Offenders Served	Average Length of Stay
Sex Offenders	10	23	119 days
Therapeutic Community	9	18	97 days
Intensive Residential Treatment	30	172	74 days
Residential Dual Diagnosis Treatment	20	36	79 days
TOTALS	69	249	

Potential Impacts

The DCJ analyzed FY12 data regarding the offenders served in HB10-1360 beds. While it is not currently possible to analyze the long-term impacts of these beds, the DCJ was able to analyze some intermediate data to gain an understanding of potential impacts of these funds. Since FY11 had low utilization of the HB10-1360 appropriations, FY12 data was better suited to examine the potential impacts. Following is a general summary of the data analysis for these beds in community corrections.

Parole Sex Offenders

Sex offenders in these beds doubled their employment rate during their residential supervision in community corrections. These offenders had relatively low rates of successful completion (35%) and relatively high rates of technical violations (56.5%) which is arguably expected for high-risk parole sex offenders that were at risk of revocation while on parole.

Parole Therapeutic Community (TC) Offenders

These parole offenders were shown to be higher risk cases than their Diversion and Transition TC counterparts as evidenced by higher scores on actuarial risk assessments. Generally speaking, previous data analysis has shown higher failure rates and lower success rates among higher risk populations of offenders. However, despite that observation, these parole offenders were shown to have similar success rates, lower technical violation rates, and somewhat higher escape rates than Diversion and Transition TC offenders. Further, employment rates doubled in this population while in residential supervision and treatment.

Parole Intensive Residential Treatment (IRT) Offenders

Similar to TC offenders, these parole offenders were shown to be higher risk cases than their Diversion and Transition IRT counterparts as evidenced by higher scores on actuarial risk assessments. Despite that observation, these parole offenders had similar success rates and lower technical violation rates than Diversion and Transition IRT offenders. IRT offenders do not work while in residential treatment therefore the DCJ cannot report results in that area.

Parole Residential Dual Diagnosis (RDDT) Offenders

Unlike parole TC and IRT offenders, these offenders were similar in risk when compared to their Diversion and Transition RDDT counterparts as evidenced by similar scores on actuarial risk assessments. Parole RDDT offenders had substantial gains in employment (8% employed at entry compared to 33% employed at termination). Further, these offenders had higher successful completion rates, slightly higher escape rates, and substantially lower rates of technical violation compared to Diversion and Transition RDDT counterparts.

Limitations of the Analysis

Overall, the data analysis of the HB 10-1360 beds showed some initial promise or potential in terms of impacting intermediate success rates and gains in employment. However, these are preliminary indications and not final conclusions. Specifically, these analyses were not made with carefully matched comparison groups (they compared FY12 data for parolees to FY11 data for diversion and transition); were not done with an experimental design; and did not evaluate long-term recidivism outcomes. These issues should be considered limitations of this data analysis. Eventually, a formal research project should be conducted to study the long-term impacts of these beds in community corrections.

34. This question pertains to request R-1, *Colorado Commission on Criminal and Juvenile Justice Continuation Funding.*] Why is the department requesting funding in the Long Bill for a program that will sunset under current law prior to the end of the fiscal year for which the request is being made? This request would replace federal grant funding with state moneys; is there a reason why Section 24-75-1305, C.R.S., does not apply to this request?

Response: *C.R.S. 24-75-1305 was designed to address programs that began as grant-funded efforts and subsequently are requested to be added in to a department's budget as a state-funded program or service. Subsection (3) of that statute exempts programs that are authorized by legislation from this prohibition. The Commission on Criminal and Juvenile Justice (the Commission) was established first by legislation, not a grant. When the legislation was being considered it included funding for a director position. Because of budget constraints this funding was withdrawn and the Department was directed to seek alternative sources to finance the position. Initial monies were received from a private foundation and then, when state funding was still not forthcoming, a federal grant was awarded. Assuming the Commission is*

reauthorized by the legislature the provisions of 24-75-1305(3) allow state funding to be authorized.

The statute establishing the Commission has a repeal date of July 1, 2013. Because the Commission is an on-going statutory entity its funding is already allocated within the Long Bill. Pursuant to direction received from the Governor's office, the Department included funding for the Commission in its budget request to ensure that the Governor's budget submission accounted for continuation of the Commission. This is not an uncommon practice but is merely a way of reaching the same result as including funding in a reauthorization bill, considering that the department's budget already contains the appropriation from prior years.

The following table provides background for the next question:

Current Residential Community Corrections Reimbursement Rates			
	Base	Differential	Total
Standard Residential	\$37.74	\$0.00	\$37.74
Intensive Residential Treatment	37.74	17.78	55.52
Dual Diagnosis	37.74	33.02	70.76
Therapeutic Community	37.74	14.34	52.08
John Eachon Re-entry Program	37.74	52.80	90.54
Sex Offender	37.74	33.02	70.76

35. The current differential reimbursement rate for Therapeutic Community providers is \$14.34 per day, which is the lowest differential for specialized community corrections services. Providers say that this rate leaves a gap in funding of \$7.44 per client per day. If the rate was increased to \$21.78 per day, this would help offset costs to provide enhanced services like basic client supplies, mental health services, medical and dental, employment assistance, transportation, family counseling, parenting classes, nutrition classes, and child care. Does the Department believe there is justification to increase the rate based upon the success of TC's and the enhanced services provided?

RESPONSE: *The Therapeutic Community (TC) differential (\$14.34), similar to the IRT program, is not sufficient to cover the full costs for the overall program. These clients are among the highest risk and with the most chronic histories of substance use disorders. Similar to IRT, these clients do not pay subsistence for the first several months of the program while they are not working. Therefore, the provider must absorb that cost and braid other funding streams in order to build a complete TC program.*

The rate differentials greatly improve a program's ability to provide clinical and specialized treatment and to provide enhanced supervision services for higher risk and higher needs offenders. Secondly, they also serve as incentives to programs and boards to accept and manage special needs and higher risk offenders. Without the differentials, many of these offenders would not be

supervised in community corrections or would, at best, receive only basic services that are not appropriately matched to their criminogenic needs and levels of risk.

Currently, the providers maximize efficiencies to provide quality services to specialized offenders. However, providers of specialized programming still continue to struggle with the recruitment and retention of appropriately credentialed and high quality clinical and supervision staffing due to funding limitations. This is especially true in rural areas where the pool of properly credentialed staff is already very limited due to basic rural population demographics.

In particular, the IRT differential (\$17.78 daily) allows programs to hire clinical staff to provide residential substance abuse treatment according to the Substance Use Disorder Rules of the Division of Behavioral Health. Programs must provide 40 hours of therapeutic and psycho-educational services to all offenders and to keep clinical staff-to-offender ratios at required levels for group therapy (1:12). However, offenders in 90-day IRT treatment do not work and, therefore, cannot pay subsistence for the duration of their stay in IRT. Thus, providers must absorb the cost of losing subsistence support for the program – which often leads to lower staff compensation among clinical and supervision staff. Especially for providers in rural areas, lower ability to recruit and retain qualified staff adversely impacts the advancement and stability of these programs.

Considering the number of therapeutic hours required for IRT and TC clients, and the fact that IRT offenders do not work and cannot pay for subsistence, the differential rates stand out as being uniquely low given rates for other programs in community corrections. The current differential does not cover the costs of actual services. However it is difficult to determine a uniform rate of costs across providers and the Department is not expressing an opinion as to whether a change in the state's differential rate would affect overall program success.

36. Does the department believe there are problems with any of the other rates paid to community corrections programs? Are rates set properly for community corrections programs that provide specialized services? Do the programs cost more to provide than the reimbursements received? If the gap was closed would we get more success or better services?

Response: *Historically speaking, the differential rates for the specialized programs were set by the legislature based on overall appropriations available and the number of offenders/beds targeted. Once the differential rates were established, the DCJ set programmatic criteria based on standards of the Colorado Division of Behavioral Health, and other professional standards for the residential treatment of substance-abusing and dually diagnosed offenders. It is probable that the professional standards required and the differential rates set through previous budget processes are incongruent.*

The costs to the providers of specialized programs are likely to vary by provider, by program, and are not reported to the DCJ. Thus, the DCJ cannot provide intelligent or reliable information as to their costs without some extensive budget analysis with individual programs.

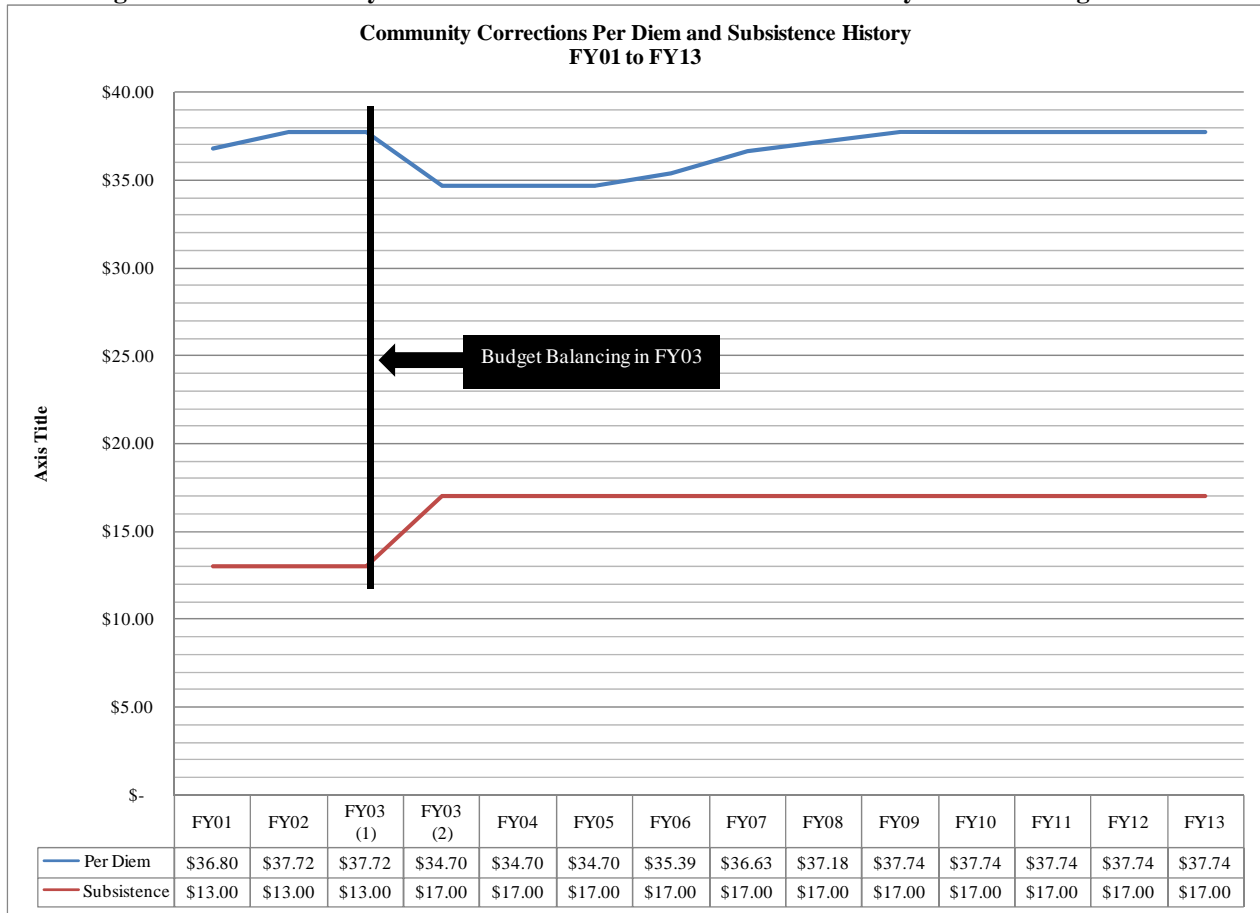
As stated above, the current differential does not cover the costs of actual services. However it is difficult to determine a uniform rate of costs across providers and the Department is not expressing an opinion as to whether a change in the state's differential rate would affect overall program success.

4:15-4:30 SUBSISTENCE GRACE PERIOD

37. If there was not a budgetary need for subsistence payments, would there be a programmatic reason to require a subsistence payment?

Response: *The use of subsistence payments for community corrections has primarily been a budget-driven policy. This was most evident in FY03 when the per diem was reduced by \$3.02 and the subsistence rate was increased by \$4 in order to account for the reduction in state appropriations. Figure 37A provides data showing the per diem and maximum subsistence rates in community corrections from FY01 through FY13.*

Figure 37A – Community Corrections Per Diem and Subsistence History – FY01 through FY13



Secondary to the fiscal purpose of subsistence, there does exist a theoretical (rather than scientific) basis for subsistence being assessed in order to manage offender behavior. Many believe that when offenders pay for their own costs of supervision, they become more psychologically invested in their supervision and success. Proponents of this theory also believe that offenders paying for their own costs of supervision learn the necessary financial skills of independent living. Generally, the public also views this policy as a restorative or punitive measure for the harm offenders cause when committing crime. However, these theories are not supported by enough criminological literature to consider them as evidence-based.

On a more practical level, offenders have difficulty meeting their financial obligations. Figure 37B provides data from FY12 regarding the average monthly income for employed offenders in community corrections and their basic minimum financial obligations. These data provide information that employed offenders, on the average, have very high percentages of their gross wages committed to basic minimum obligations. This can partially explain the low rates of subsistence collections in community corrections. Figure 38A below provides information regarding the low rate of subsistence collections among offenders.

It is important to note that these figures do not account for financial obligations related to other areas. For example, child support obligations are most often garnished from offender gross wages. This, of course, reduces their net income. Further, offenders must also pay for their medical costs, transportation to and from work and treatment, equipment and supplies for employment, and costs related to family support. Offenders are also often required to place funds in savings before they are progressed to non-residential or ISP status. The appropriations from HB 10-1352 have greatly reduced offender obligations to pay for substance abuse and dual diagnosis treatment. However, these appropriations do not cover all therapeutic services for all offenders in community corrections in a given year.

Figure 37B – Offender Earnings Compared to Basic Minimum Financial Obligations in Community Corrections (FY12)

Offender Type	Income		Basic Minimum Obligations			Monthly Remaining Income (Average)	Total Restitution Owed Per Client (Average)
	Gross Monthly Earnings (Average)	Monthly Subsistence Obligation	Monthly Federal Tax Paid (Average)	Average Monthly State Tax Paid (Average)	Minimum Basic Obligation (Average)		
Diversions	\$838.57	\$510.00	\$43.30	\$18.63	\$571.92	\$266.64	\$9,471.26
Transition	\$823.54	\$510.00	\$39.67	\$16.66	\$566.33	\$257.22	\$22,009.74
Cond. of Parole	\$717.57	\$510.00	\$31.95	\$12.03	\$553.98	\$163.58	\$3,101.56
Cond. of Probation	\$559.45	\$510.00	\$22.24	\$10.14	\$542.38	\$17.06	\$3,531.33
Males (All)	\$851.34	\$510.00	\$44.11	\$18.66	\$572.77	\$278.57	\$16,825.95
Females (All)	\$718.46	\$510.00	\$27.32	\$11.75	\$549.07	\$169.40	\$14,151.26

38. What is the overall collection rate for subsistence payments? Please provide a cost benefit analysis based on when offenders can't pay versus what we require them to pay.

Response: *Figure 38A provides the requested information regarding the collection rate for subsistence for regular residential community corrections. For this analysis, the figures for subsistence owed were calculated by assigning a \$17 per day rate for the number of days of residential placement. The CCIB data system provides information on the amount of subsistence collected by offender. The data for subsistence paid per day and percent paid were then calculated from length of stay and subsistence paid figures.*

Figure 38A – Subsistence Collection Rate for Regular Residential Community Corrections (FY 12)

Service Type	N	Length of Stay (Days)	Total Subsistence Paid	Subsistence Paid Per Day (Average)	Total Subsistence Owed	Percent Paid
Cond. of Probation	46	5015	\$34,671.00	\$6.91	\$85,255.00	40.7%
Cond. of Parole	251	25915	\$190,780.00	\$7.36	\$440,555.00	43.3%
Transition	2906	548967	\$6,281,937.52	\$11.44	\$9,332,439.00	67.3%
Diversion	2156	431429	\$5,053,268.60	\$11.71	\$7,334,293.00	68.9%

Programs have been discouraged from violating offenders solely due to inability to pay subsistence and have generally adopted that philosophy. There is no way to discern from the existing technical violation data if/when inability to pay was a primary factor in returning to prison. Violations are recorded as being for behavioral problems and overall risks to the community rather than for debt incurred. Therefore, there is no data available to complete a cost benefit analysis.

39. Staff proposes funding a subsistence grace period experiment by reducing other community corrections appropriations. Should the General Assembly as an alternative create a cash fund that collects unused community corrections appropriations and uses them the following year to fund these types of programs?

Response: *If the General Assembly elects to fund a subsistence grace period, the DCJ can implement the program regardless of the fund source. Establishment of a cash fund would eliminate the potentially negative impact of a reduction in existing appropriations. Should the existing appropriations be used to create the experimental program, the DCJ recommends a modest initial appropriation to avoid discouraging spending in other budget categories.*

40. Please provide data on the average amount of debt when offenders leave community corrections. Does it differ for specialized treatment programs? If so, in what way? Is it undermining treatment?

Response: *Figure 40A provides the requested information. The total fees owed to regular residential programs at termination in FY12 was \$4.2 million while the total fees owed to specialized residential programs in FY12 was \$0.5 million. Combined these figures total nearly \$4.7 million owed by offenders to programs in FY12 for residential programs.*

Figure 40A – Summary of Fees Owed to Residential Programs (By Program Type) – FY12

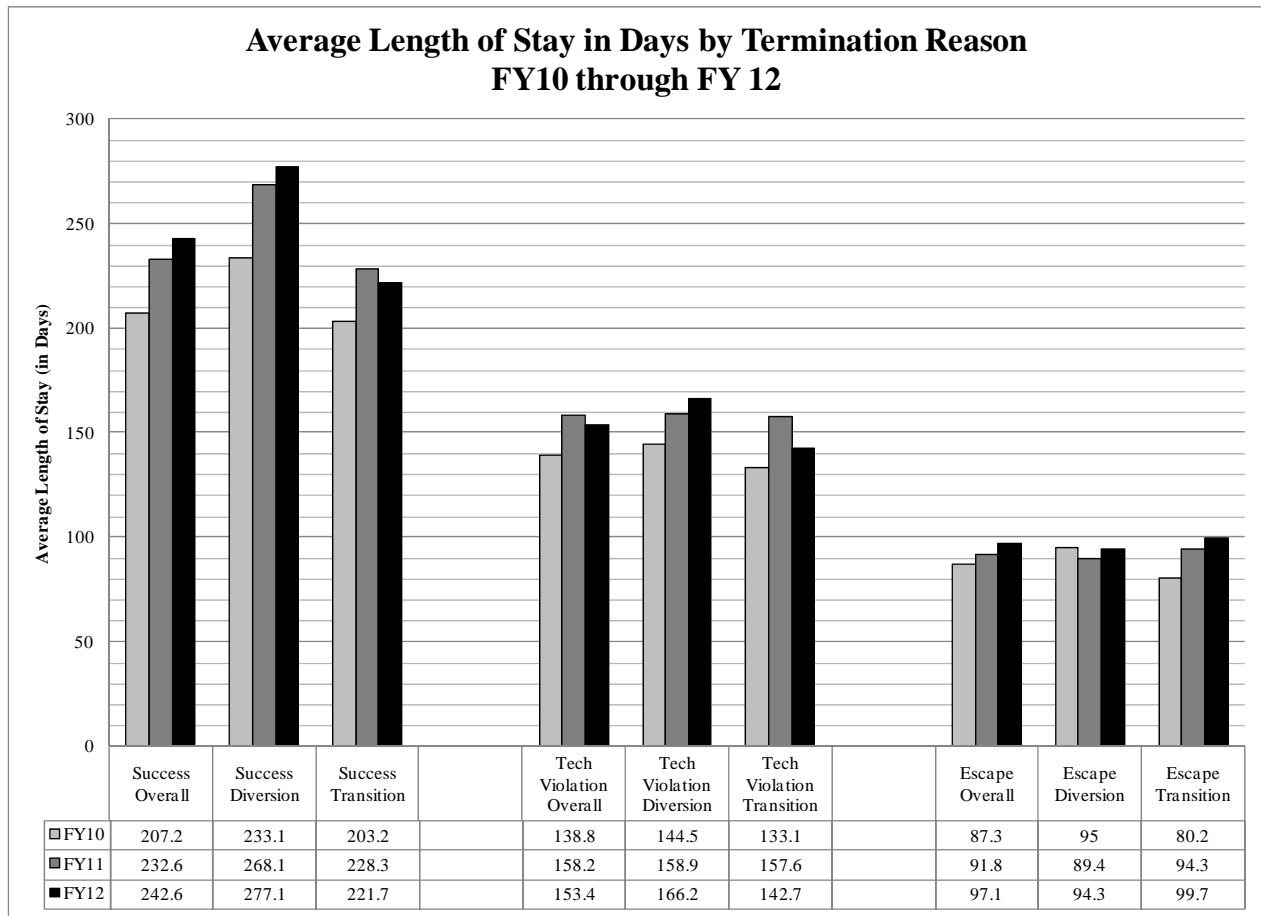
Fees Owed To Program At Termination (Residential Programs Only)				
Type of Program	Service Type	Count	Sum of Fees Owed To Program	Average Fees Owed Per Offender
Regular Programs	Diversion Residential	2123	\$1,575,757.00	\$742.23
	Transition Residential	2861	\$2,291,728.00	\$801.02
	Condition of Probation	46	\$47,721.00	\$1,037.41
	Condition of Parole	241	\$240,628.00	\$998.46
	Sub Total - Regular Programs	5271	\$4,155,834.00	\$788.43
Specialized Programs	TC - Diversion	195	\$359,373.00	\$1,842.94
	TC - Transition	83	\$60,334.00	\$726.92
	TC - Parole	16	\$7,992.00	\$499.50
	JERP	18	\$7,180.00	\$398.89
	RDDT - Diversion	141	\$37,759.00	\$267.79
	RDDT - Transition	100	\$15,118.00	\$151.18
	RDDT - Parole	35	\$6,593.00	\$188.37
	Sex Offender - Parole	22	\$30,430.00	\$1,383.18
	Sub Total - Specialized Programs	610	\$524,779.00	\$860.29

Human nature would suggest that mounting debt can have a negative psychological influence on a person's ability to focus on behavior changes and higher life adjustment needs. The DCJ does not have objective data to quantify this in financial terms.

41. Is there any increase in escape rates toward the end of offender stays in community corrections facilities currently? Would a grace period just delay the beginning of the accumulation of debt? Would it increase risks later in an offender's community-corrections stay?

Response: *In FY12, offenders who escape have an average length of stay of 99 days, which is substantially less than those offenders who technically violate or complete the program successfully. This means that the first three months of a community corrections program is a critical time to understand when addressing escapes. Figure 41A provides information regarding the average length of stay in community corrections for those that are successful, those that technically violate, and those that escape.*

Figure 41A – Average Length of Stay for Successful, Technical Violation and Escape



The DCJ appreciates this concern expressed by the Committee. While we do not know the answer to that question in an objectively verifiable way, we do believe that this concern is alleviated through the combination of HB 10-1352 (Correctional Treatment Fund) appropriations combined with a 30-day subsistence grace period.

Prior to the implementation of Correctional Treatment Fund (CTF) appropriations, offenders were admitted to community corrections with a requirement to pay for their own outpatient therapeutic services. They were also met with an immediate responsibility to pay their first and subsequent months of subsistence upon securing employment and regular income. The DCJ believes this combination of financial responsibilities to be a significant source of stress for offenders upon admission to community corrections. This stress can adversely affect their attitude toward supervision which, in and of itself, is a well-researched criminological risk factor that predicts recidivism and program failure.

The DCJ believes that the combination of the Correctional Treatment Fund appropriations and a 30-day subsistence grace period has strong potential to positively impact success rates in

community corrections. Further, the DCJ believes that implementing the previously mentioned B.SMART program along with an evidence-based levels system in residential community corrections provides an additional level of promise to increase our success rates and to positively impact long-term behavior change among community corrections offenders.

42. Why does the Department continually under utilize the money that the General Assembly appropriates for Community Corrections?

Response: *In any given fiscal year, the utilization of the community corrections funding is a function of the budget and contract process, the fluctuations in numbers of offenders in the system and their length of stay, and operational issues that arise at the local level. The mechanism for transferring state dollars to local agencies is through contracts. At the beginning of each fiscal year, the DCJ enters into contracts with each of the community corrections boards in the state that set forth a guaranteed payment to be made based on expected bed usage. This amount is what the boards and programs will use to establish their staffing and support structure. Under a philosophy of "open allocation" begun several years ago, boards are encouraged to fill their capacity as much as possible and DCJ makes adjustments to the allocations throughout the year.*

Specialized treatment programs have unique considerations when staffing their programs. Regulations of the Division of Behavioral Health require no more than 12 offenders for every licensed counselor in group treatment settings. Given the number of therapeutic hours required for these programs, providers of specialized programs must balance their acceptance rates with the available staff. To add staff, the providers must have some guarantee that there is a sufficient number of offenders awaiting placement to make hiring a new counselor financially viable. Providers of specialized programs cannot simply accept more offenders without violating rules of the Division of Behavioral Health and putting their treatment license at risk.

At the beginning of the fiscal year, the DCJ encumbers 99.9% of the entire appropriations for the base per diems, differential per diems, non-residential rates, correctional treatment funds, and board administration funds. These contract amounts and allocations have been congruent with the figures set in the budget process regarding the number of regular and specialized beds appropriated. These funds are set into a minimum of 39 contracts with boards and providers throughout the state.

For FY 13, the community corrections placements were combined in a single line but the legislative direction was set by specific bed number and amount in Long Bill Footnote 49 (See Attachment E). Prior to that, in FY 12, the legislative direction was specified in ten (10) separate lines of the budget and in related figure-setting documents. These specifications were used as the basis for the original contract amounts. The single-line budget format for FY13 along with the informal direction from the JBC received at the January, 2012 budget hearing supports increased

flexibility for DCJ in contract adjustments throughout FY13. Accordingly, it is expected that any FY13 reversion will be significantly less than the FY12 amount.

In FY 13, after the first quarter of spending, a trend showed that regular beds were underspent while the specialized beds were overspent. Thus, in October, the DCJ transferred funds among 11 of those 39 contracts in order to better meet the growing demand for specialized beds. Figure 42A shows the original contract amounts at the beginning of FY13 and the adjusted contract amounts after funds were transferred in October.

**Figure 42A – Original and Adjusted Contract Amounts in Community Corrections
FY13**

Contractors	Original Total Contracts (July 1, 2012)	Current Contract Amount (December 26, 2012)	Contract Changes
Contracts for Base Beds, Non-Residential Funds, Correctional Treatment Fund, and Board Admin			
1st - Jefferson	\$ 4,035,524.46	\$ 4,035,524.46	
2nd - Denver	\$ 13,507,841.77	\$ 13,411,889.77	\$ (95,952.00)
3rd JD	\$ 88,115.96	\$ 88,115.96	
4th - El Paso	\$ 5,759,546.42	\$ 5,759,546.42	
5th JD	\$ 218,057.42	\$ 218,057.42	
6th - Hilltop House	\$ 626,247.02	\$ 601,247.02	\$ (25,000.00)
7th JD	\$ 358,653.67	\$ 358,653.67	
8th - Larimer	\$ 4,098,261.96	\$ 3,998,261.96	\$ (100,000.00)
9th - Garfield	\$ 748,630.06	\$ 748,630.06	
10th Pueblo	\$ 2,931,771.36	\$ 2,861,771.36	\$ (70,000.00)
11th JD	\$ 136,709.14	\$ 136,709.14	
12th JD	\$ 1,979,433.14	\$ 1,654,433.14	\$ (325,000.00)
13th - Logan	\$ 788,312.93	\$ 788,312.93	
14th JD	\$ 599,720.68	\$ 599,720.68	
15th JD	\$ 154,922.35	\$ 154,922.35	
16th JD	\$ 140,596.25	\$ 190,596.25	\$ 50,000.00
17th - Adams	\$ 5,937,418.76	\$ 5,937,418.76	
18th - Arapahoe	\$ 4,820,859.89	\$ 4,820,859.89	
19th - Weld	\$ 2,490,454.55	\$ 2,515,454.55	\$ 25,000.00
20th - Boulder	\$ 1,180,324.60	\$ 1,180,324.60	
21st - Mesa	\$ 2,675,564.32	\$ 2,650,564.32	\$ (25,000.00)
22nd - Montezuma	\$ 102,226.28	\$ 283,378.28	\$ 181,152.00
RDDT Contracts			
ACRC	\$ 144,627.60	\$ 144,627.60	
ComCor Inc.	\$ 265,150.60	\$ 265,150.60	
ICCS Jeffco	\$ 241,046.00	\$ 336,143.60	\$ 95,097.60

Contractors	Original Total Contracts (July 1, 2012)	Current Contract Amount (December 26, 2012)	Contract Changes
Larimer	\$ 277,202.90	\$ 277,202.90	
Mesa	\$ 144,627.60	\$ 144,627.60	
IRT Contracts			
CMI Fox	\$ 236,874.05	\$ 236,874.05	
ICCS Weld	\$ 77,876.40	\$ 77,876.40	
Larimer	\$ 155,752.80	\$ 155,752.80	
Mesa	\$ 77,876.40	\$ 77,876.40	
San Luis Valley	\$ 233,629.20	\$ 272,033.20	\$ 38,404.00
Sex Offender Contracts			
ComCor Inc.	\$ 96,418.40	\$ 96,418.40	
ICCS Jeffco	\$ 96,418.40	\$ 96,418.40	
ICCS Weld	\$ 24,104.60	\$ 24,104.60	
Larimer	\$ 96,418.40	\$ 96,418.40	
Mesa	\$ 48,209.20	\$ 48,209.20	
RFP (providers pending)	\$ -	\$ 251,298.40	\$ 251,298.40
TC Contracts			
TC Crossroads	\$ 347,355.90	\$ 347,355.90	
TOTALS	\$ 55,942,781.44	\$ 55,942,781.44	

Note: Funding for JERP differentials are in the 1st JD contract. Funding for ARTS TCs and some RDDT beds are in the 2nd JD contract.

As referenced in Item #33 above, the DCJ believes that figures should be set, at the beginning of the budget year, that address the growing need for specialized beds in community corrections within the existing overall appropriation. A first step was taken toward this with the FY 13 budget pursuant to direction from the JBC. The new budget format for FY13 has enhanced the flexibility to transfer funds between programmatic areas of community corrections.

In FY13, modest adjustments were made pursuant to the newly established budget flexibility. Based on the FY13 bed utilization, the DCJ will more assertively place funds into specialized program contracts at the beginning of FY14 to meet the growing demand for these beds. This will result in lower allocations for basic Diversion beds and Non-Residential slots – where the appropriations have been underutilized in recent years. This will also mitigate the need to modify contracts after the first quarter such as was presented in Figure 42A above.

Overall Reversion Explanation for FY12

The total reversion in FY12 can be explained in three (3) general categories:

- *Appropriations for Diversion Residential Beds and Non-Residential Slots*
- *Appropriations for Specialized Parole Treatment Beds (pursuant to House Bill 10-1360)*
- *Appropriations for Intensive Residential Treatment Aftercare*

Diversion Residential Beds and Non-Residential Slots

The majority of the FY12 general fund reversion (over 90%) was due to underutilization of Diversion residential beds and non-residential slots. This is similar to FY11, when the number of referrals and placements for Diversion offenders was lower than what was projected. The State of Colorado has witnessed a reduction in felony filings in many judicial district courts. Further, the State Division of Probation Services and the district probation offices have continued a formal and concerted effort to reduce the numbers of felony probation clients who failed probation as the result of technical violations. Such offenders had been a major source of referrals to community corrections. The impact of this initiative was present in FY12 as it was in FY11

Specialized Parole Treatment Beds (pursuant to House Bill 10-1360)

Fiscal Year 2012 was the second full year in which 70 specialized beds were appropriated for parole placements for sex offenders, high-risk and substance dependent offenders, and for offenders who are dually diagnosed with serious mental illness and substance abuse. A small portion of the FY12 General Fund reversion (2%) was due to modest underutilization of these 70 beds.

For FY 12, the Division of Criminal Justice (DCJ) set a performance goal for FY12 to utilize at least 80% of the appropriations for HB 10-1360 Specialized Parole Treatment Beds. To accomplish this, the DCJ commenced an assertive and consistent effort to collaborate with all stakeholders of the HB10-1360 beds including the State Board of Parole, the Division of Parole/Community Corrections/YOS (Department of Corrections), the Regional Parole Offices (Department of Corrections), the community corrections boards, and the specific community corrections providers with HB 10-1360 bed allocations. The DCJ coordinated and sponsored several meetings in FY12 with these groups to work through logistics in order to fully utilize the program. All stakeholders have been very cooperative and willing to collaborate in this regard. Further, in FY12, the DCJ allocated HB 10-1360 beds to more providers and regions in an effort to make the beds more accessible to the DOC.

Overall, more than 91% of the appropriations for the HB 10-1360 initiative were spent for specialized parolee supervision and treatment in the targeted beds. Thus, the DCJ exceeded its goal to spend at least 80% of the appropriations for this program. Currently, in FY13, the DCJ is overspent on this budget category.

Intensive Residential Treatment Aftercare Slots

A small portion of the FY12 General Fund reversion (7%) was due to underutilization of the Intensive Residential Treatment Aftercare slots in community corrections. These funds are targeted for aftercare services for parolees who complete the residential component of the HB10-1360 beds in community corrections.

After completing residential supervision and treatment under the HB 10-1360 initiative, parolees exit the funding and regulatory structure of the Division of Criminal Justice and community corrections in general. Thus, the Division lacks a contractual or procurement method to administer these funds for parolees. Accordingly, we recommend that this \$180,000 appropriation be transferred to the Colorado Department of Corrections (Division of Parole, Community Corrections, and YOS) for implementation in FY 2013.

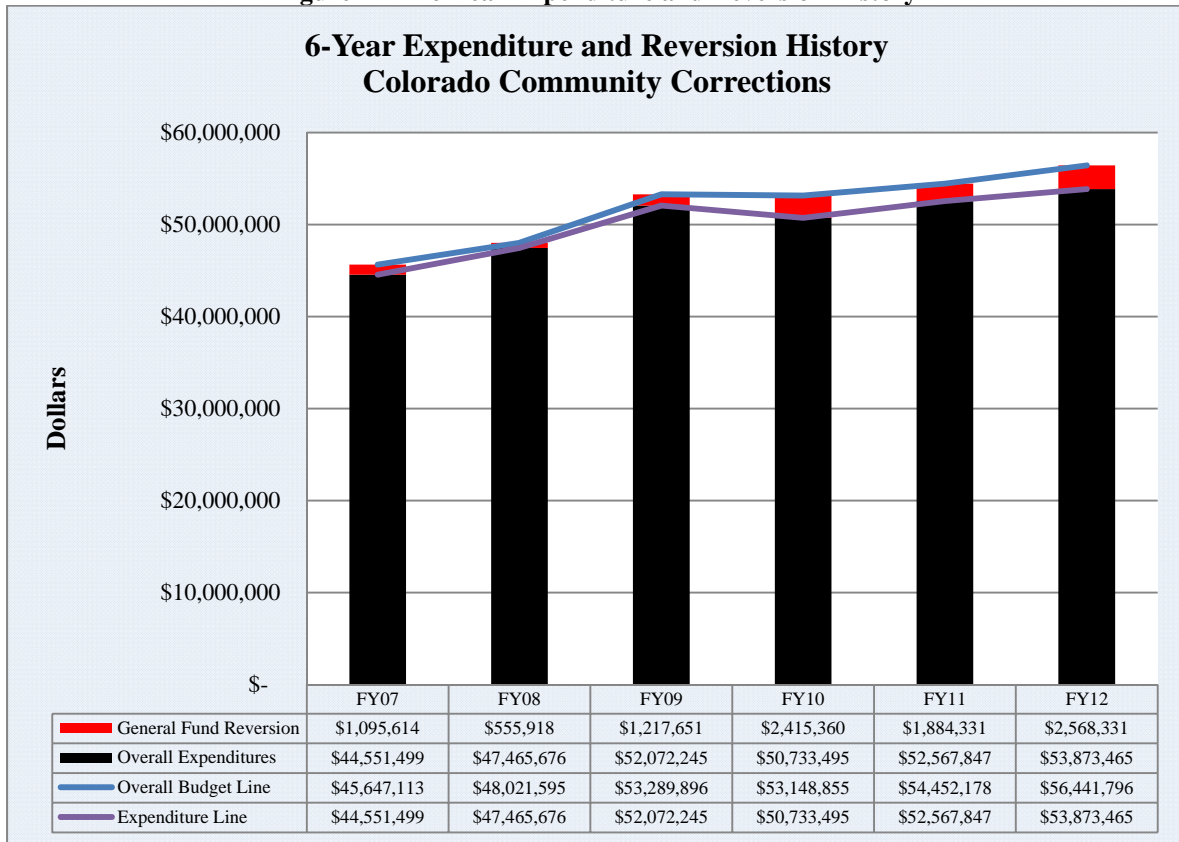
Six (6) Year Budget Context

It is useful to consider a six (6) year context regarding the growth of the community corrections appropriations. Specifically the following facts characterize the growth of the budget and expenditures over the last 6 years

- *The overall community corrections budget has grown by \$10.8 million which represents a 23.6% increase from FY07.*
 - *\$45.6 million in FY07*
 - *\$56.4 million in FY12*
- *During this same 6-year time period, spending of community corrections appropriations has increased by \$9.3 million which represents a 20.9% increase in spending from FY07.*
 - *\$44.5 million in FY07*
 - *\$53.8 million in FY12*

New funding initiatives were added in many of the last 6 years. Most recent examples have been the HB10-1360 beds, HB 10-1352 appropriations, Early Non-Residential funds, and Therapeutic Community Outpatient funds. In FY 2012, the DCJ greatly increased its utilization of HB 10-1360 and HB 10-1352 appropriations in particular. Figure 42B below shows a graphical context of the last 6 years of overall budget utilization. The growth rate of expenditures has not yet matched the growth rate of appropriations. However, gross expenditures overall have increased substantially over the last 6 years.

Figure 42B – 6 Year Expenditure and Reversion History



43. How would this experiment be designed? What will you do to be sure it answers the questions of interest as clearly and efficiently as possible? How will you collect data, track offenders?

Response: The DCJ has contemplated this possibility since the original idea was introduced in supplemental appropriations discussions in 2011. The DCJ has also collaborated with boards and providers to discuss potential implementation strategies for this endeavor. The implementation strategy is highly dependent on the scale of the experiment. Continued collaboration and planning is necessary in order to effectively and prudently implement this initiative. However, given a scale of 3-5 months of intakes, following is a general synopsis of a potential implementation strategy:

- Depending on the amount of appropriations, all community corrections providers in Colorado would participate in a Subsistence Grace Period (SGP) experiment.
- Similar to the manner in which regular community corrections funds would be administered, community corrections boards would be allocated a share of the SGP appropriations based on their overall proportion of offenders under residential supervision. This would be the most effective manner to allocate funds to the programs using existing

community corrections contracts. This would avoid unnecessary administrative barriers related to procurement and securing individual contracts with all community corrections providers.

- *Depending on the amount of appropriations, all offenders (Diversion, Transition, Condition of Parole, and Condition of Probation) under regular residential supervision would be eligible for the SGP program.*
- *Continued collaboration is needed between the DCJ, boards and providers in order to evaluate the costs and benefits of applying the SGP experiment to specialized populations in community corrections. This additional work is needed to ensure that we are using the funds in a prudent and effective manner.*
- *During the SGP period, offenders will not be charged subsistence fees.*
- *Eligible clients shall be identified in the Community Corrections Information and Billing (CCIB) system through a specialized service type (Subsistence Grace Period) for the SGP period of 30 days of supervision. As soon the SGP period has expired, the record shall be resumed to regular community corrections funding. This will allow data collection on the offenders served in the SGP experiment.*

The CCIB system maintained by the Office of Community Corrections allows for the following research questions to be measured in order to study the impacts of the SGP program:

- *Does the SGP program result in greater risk reduction of offenders as measured by changes in risk assessment scores between intake and termination? In other words, do offenders who participate in the SGP program leave community corrections at lower risk of recidivism as compared to offenders who do not participate in the SGP experiment?*
- *Does the SGP program result in higher rates of successful completion of residential community corrections?*
- *Does the SGP program result in lower rates of technical violation of residential community corrections?*
- *Does the SGP program result in lower rates of escape from residential community corrections?*
- *How does the SGP program impact length of stay, if at all, in residential community corrections?*
- *Do SGP participants owe less to programs at the time of termination compared to non-SGP participants?*
- *How does SGP participation, if at all, impact restitution collections among participants?*

Eventually, after all SGP participants have left community corrections supervision and have had at least 24 months of time post-release, the DCJ Office of Research and Statistics (ORS) could examine the degree to which SGP participation led to post-release recidivism reduction. With the assumption that the SGP experiment would commence in FY14, this research could commence as early as Calendar Year 2017.

44. Should the experiment last for 4 months, 5 months, or for a different period?

RESPONSE: *Because a subsistence grace period has never been implemented in community corrections, the DCJ can only postulate the scale that is needed to effectively study any short-term and long-term outcomes. With that in mind, the DCJ believes that a minimum of three (3) months of intakes is necessary for a reliable experimental project. This would allow a representative sample of approximately 25% of annual intakes for a given fiscal year. The DCJ believes this 25% sample to be sufficient to study any impacts of the program. Naturally, a scale that is larger than 25% would increase reliability of the evaluation to some degree. However, generally speaking, a 25% sample yields enough cases in order to draw some conclusions about the impacts of the program.*

45. Is a 30 day grace period the appropriate length? Would a two week grace period, for example, be superior? Should the Department experiment with more than one grace period?

Response: *Because a subsistence grace period has never been implemented in community corrections, the DCJ can only postulate the dosage that is needed to effectively study any short-term and long-term outcomes. Theoretically speaking, there are potential benefits to either a 2-week or 4-week model. The DCJ has discussed this issue on several occasions with boards and providers. While most believe that four weeks would be an effective dosage, others believe that a two week dosage is minimally appropriate.*

This project would involve fairly complex implementation and billing and data collection by both DCJ and the providers. Given those challenges, it would be beneficial to minimize the variables in the experiment as much as possible. DCJ believes a uniform subsistence grace period of 4 weeks is most appropriate for the initial experimental project.

46. What would a statistical evaluation of the experiment cost?

Response: *An evaluation of simple program completion rates including escapes, technical violations, and other program failures could be accomplished for approximately \$20,000. This lower cost is due to the availability of necessary data in the current CCIB system used by community corrections. The report could not be completed for approximately 1 year after the implementation of subsistence forgiveness to allow offenders to complete a full cycle of residential and non-residential placement. A more robust study comparing longer term effects and recidivism rates could not be completed for at least 3 years after implementation and would require approximately \$50,000 and data from multiple systems.*

47. The staff proposal would reduce appropriations for community corrections placements by approximately 1.2 percent. As a consequence, community corrections boards and providers would see a 1.2 percent reduction in the amounts specified in their community corrections contracts. What effects would this have on provider expansion incentives?

Response: In light of past utilization data, it would not be prudent to apply a universal 1.2 percent reduction throughout all contracts. Rather, DCJ would apply those reductions to jurisdictions where funds are being underutilized. This would result in varying reduction amounts in contracts through the FY14 allocation process.

Expansion is influenced by a number of factors, only one of which is the available funding. Currently, community corrections expansion efforts are underway in Montrose, Colorado (7th Judicial District) and Adams County Colorado (17th Judicial District). Both jurisdictions are working to expand residential capacity for regular community corrections. The 7th JD anticipates opening a new residential facility in the current fiscal year. The 17th JD hopes to expand residential capacity sometime after FY13. The DCJ would ensure that these contracts are not adversely impacted by the 1.2 percent overall reduction.

In doing this, the DCJ must consider the effect any reduction may have on boards reducing spending even further. It is plausible that a reduced contract amount may result in further reductions in spending for boards who manage their annual budgets conservatively. If a reduction in the placement line is the preferred method of funding a subsistence grace period, the DCJ recommends a modest reduction. This would be especially important if figures are set to increase the capacity for specialized beds and decrease the appropriations for regular Diversion beds and Non-Residential slots at the beginning of the budget year.

48. Should the grace period apply to any of the specialized programs?

Response: Because the effects of a subsistence grace period are not yet known, any experiment should be focused and limited. Diversion and Transition offenders represent the majority of the community corrections population and the appropriations. The DCJ also has more baseline data available for these populations and can therefore reach more valid conclusions as to any results of the experiment.

Should the JBC approve an SGP experiment for FY14, the DCJ recommends that a start date of January 1, 2014 be targeted. This will allow the DCJ, boards, and providers to discuss and develop the most prudent and administratively feasible project possible before initial implementation. The first 6 months of the fiscal year will be used to plan the project and develop the required procedures and policies for responsible implementation.

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED

1. The Joint Budget Committee has recently reviewed the State Auditor's Office *Annual Report of Audit Recommendations Not Fully Implemented* (October 2012). If this report identifies any recommendations for the Department that have not yet been fully implemented and that fall within the following categories, please provide an update on the implementation status and the reason for any delay.
 - a. Financial audit recommendations classified as material weaknesses or significant deficiencies;

Response: *The department has had recurring audit findings that have not been fully addressed. These findings relate to excess uncommitted reserves under 24-75-402 C.R.S., in which several funds managed by the Division of Fire Prevention and Control (DFPC) have exceeded the statutory limit. DFPC has been developing a database which will be used by all programs to manage information and documents from their customers. Last year (FY 2011-12), a contract was awarded to build the database and the selected vendor had not been performing. DFPC notified the vendor to cease working on the project and are now in the process of terminating the contract. The division will be procuring information technology services from another vendor to complete the project and it is anticipated that there will be some reduction in the excess reserves this year.*

- b. Financial, information technology, and performance audit recommendations that have been outstanding for three or more years.

Response: *The Department only has the one audit recommendation listed above, that have been outstanding for three years or more.*

January 2, 2013

Senator Pat Steadman, Chair
Joint Budget Committee
200 E. 14th Avenue
Denver, CO 80203

RE: Wildland Fire Cost Recovery Fund

Dear Senator Steadman and Members of the Joint Budget Committee:

The Colorado Department of Public Safety (CDPS) respectfully requests that the Joint Budget Committee sponsor legislation to clarify and improve the functioning of the Wildland Fire Cost Recovery Fund (Fund). Specifically, the Department requests legislation to designate the Fund as non-interest bearing and to exempt the Fund from the current \$12 million limit on negative accruals. We appreciate your consideration of this matter and look forward to answering any questions you may have.

Background

The Wildland Fire Cost Recovery Fund was created within the Division of Fire Prevention and Control (DFPC) pursuant to HB 12-1283 to account for transactions associated with wildland fire suppression costs. Prior to HB 12-1283, these transactions were accounted for by Colorado State University through the Colorado State Forest Service with no designated fund. Accounting for these costs in a single fund makes financial reporting more efficient and provides program managers with one report to monitor operations. The transactions associated with this fund are of two types: 1) initial payments to vendors or cooperators to extinguish fires, and payment of state employee travel and payroll for fire suppression, and; 2) reimbursements from responsible parties (i.e., federal agencies, other states, county governments, or private land owners) for the costs incurred by vendors, cooperators, or the state. This fund incurs an initial cash outflow for the amounts paid to cooperators with a subsequent reimbursement of direct and indirect costs related to wildland fire suppression.

John W. Hickenlooper
GOVERNOR

James H. Davis
EXECUTIVE DIRECTOR

Colorado State Patrol

Colorado Bureau
of Investigation

Division of
Criminal Justice

Division of Fire
Prevention and Control

Division of Homeland Security
and Emergency Management



As an example, DFPC pays a cooperator \$10,000 for initial wildland fire suppression efforts. DFPC then bills the responsible party \$11,000 for the cooperator's payment plus an additional amount to cover the indirect costs of managing the fire, reviewing cooperator invoices, and billing the responsible party. The excess \$1,000 in this example is used to fund overhead costs. This process is no more than a break-even operation with a cash deficit at most points.

Proposed Legislative Change #1: Designate the Fund as non-interest bearing

Current law states that the Wildland Fire Cost Recovery Fund is interest-bearing, meaning that the Department of Treasury will pay interest on a positive cash balance, charge interest on a negative cash balance, and require a loan application on any cash deficits. Since this fund operates at a cash deficit, it would not be credited with interest earnings and the Department would be required to pay interest, which would likely increase the overhead costs charged to responsible parties.

The Department obtained authorization from the Office of the State Controller to account for wildland fire suppression costs in the General Fund (a non-interest-bearing fund) when the responsible party is a federal agency. This has provided significant interest expense savings because federal agencies have been responsible for approximately \$8.3 million in wildland fire suppression expenditures during the first five months that the program has been at CDPS, while non-federal agencies have been responsible for approximately \$.95 million.

Based on year-to-date billings and an average annual interest rate of 1.5 percent, it is estimated that the interest expenses on federal wildland fire suppression costs would have been \$12,000, and that non-federal costs have accumulated approximately \$1,500 in interest charges. The interest rate is currently unusually low and in an improved economy may be closer to 5.0 percent, which would triple interest costs.

CDPS does not have the resources to cover large cash deficits, and has thus relied on the General Fund when possible to reduce interest costs to the program and increased overhead costs to responsible parties. Going forward, it is preferable that the Wildland Fire Cost Recovery Fund is designated as non-interest-bearing to avoid charging interest to a program that is designed to be a break-even operation.

Fiscal Year	Amount of Reimbursements Paid	Interest Paid
FY 2010-11	\$5,505,531	\$0
FY 2011-12	\$16,645,239	\$0
FY 2012-13 (year to date)	\$9,763,028	\$1,500*

*This is an estimate. Interest has not yet been assessed by Treasury due to a delay in setting up the account. The interest will probably be assessed this month.

Proposed Legislative Change #2: Exempt the Fund from the \$12 million limit on negative accruals

Billings to and from the Wildland Fire Cost Recovery Fund are highly variable between fiscal years depending on the severity of the fire season. It is possible that during a severe fire season, cash outflow to vendors or cooperators will exceed the \$12 million limit on negative accruals. As such, the Department is seeking to have this limit raised or removed for this fund.

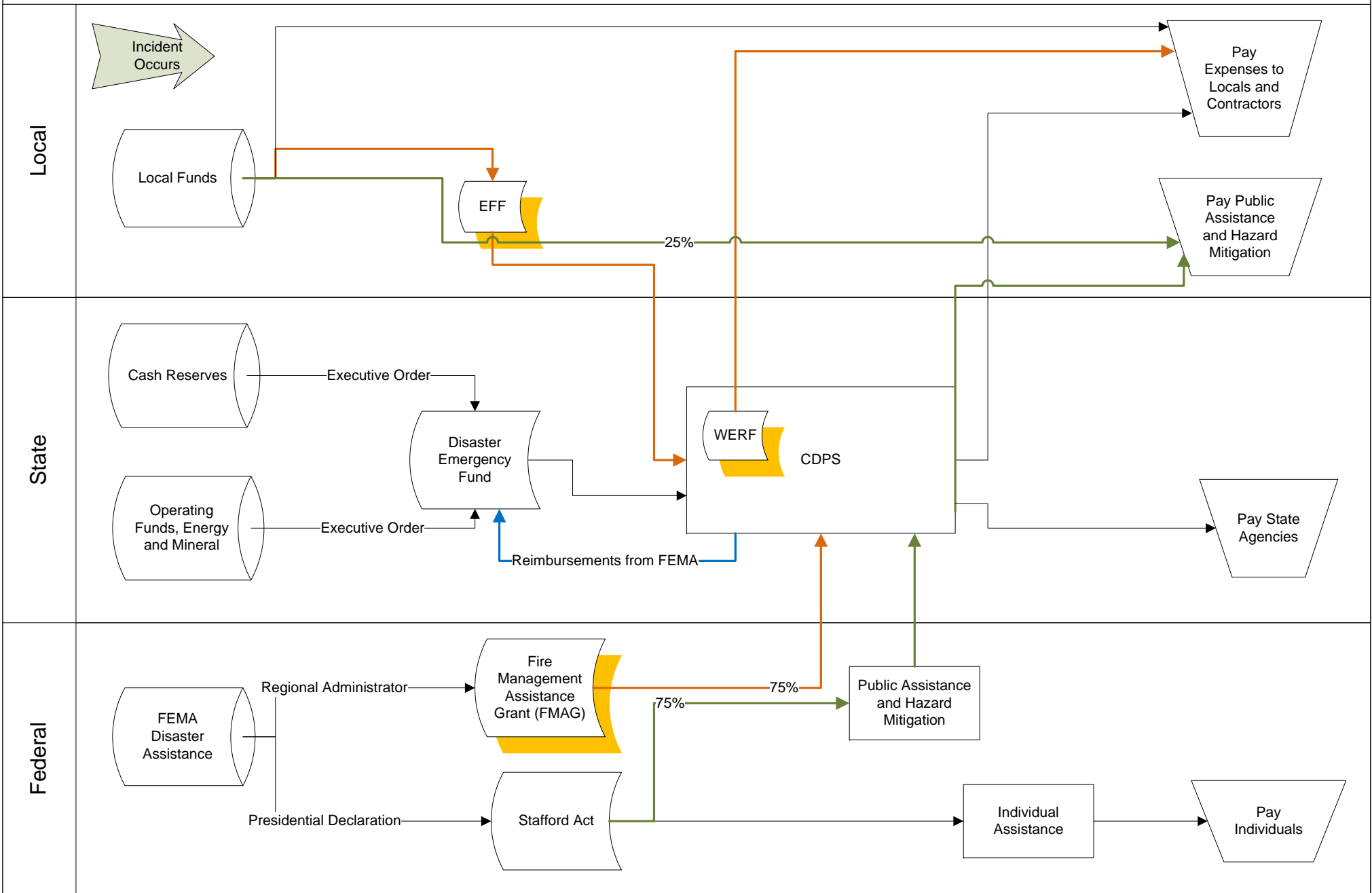
Thank you for your review and consideration of this matter. Please do not hesitate to contact me should you have questions or require additional information.

Sincerely,

James H. Davis
Executive Director
Colorado Department of Public Safety

CC: Representative Claire Levy, Vice-Chair, Joint Budget Committee
Senator Mary Hodge, Joint Budget Committee
Senator Kent Lambert, Joint Budget Committee
Representative Crisanta Duran, Joint Budget Committee
Representative Cheri Gerou, Joint Budget Committee
John Ziegler, Joint Budget Committee Staff Director
Viktor Bojilov, Joint Budget Committee Staff
Henry Sobanet, Director, Office of State Planning and Budgeting
Christine Scanlan, Director, Governor's Office of Legislative Affairs and Strategic Initiatives

Colorado Disaster Funding Flowchart



WERF = Wildfire Emergency Response Fund, which pays for limited initial attack resources at the local fire chief or sheriff's Request

EFF = Emergency Fire Fund, which are local funds that are administered by DFPC

Fire Name	Encumbrance/ Authorization	Net Expenditures to Date*	Remaining Obligations	New Revenue from Executive Orders
Four Mile Fire Total	5,200,000	2,051,350	-	-
Reservoir Road Fire Total	1,700,000	639,808	-	2,900,000
Four Mile Fire Total	900,000	900,000	-	900,000
Indian Gulch Fire Total	1,500,000	102,648	1,397,352	1,500,000
Crystal Fire Total	1,000,000	846,688	153,312	1,700,000
Bear and Purgatoire Fires Total	2,500,000	830,212	1,669,788	2,500,000
Navajo Fire Total	200,000	24,624	175,376	200,000
Shell Complex Total	1,100,000	256,071	843,929	1,100,000
Duckett Fire Total	1,900,000	1,041,643	858,357	1,900,000
Track Fire Total	1,450,000	211,101	1,238,899	1,450,000
Lower North Fork Fire Total	3,865,000	317,388	3,547,612	-
Hewlett Gulch Fire Total	1,000,000	422,425	577,575	1,000,000
High Park Fire Total	25,195,000	5,836,377	19,358,623	21,000,000
Stuart Hole Total	200,000	21,464	178,536	200,000
Springer Fire Total	1,000,000	283,829	716,171	1,000,000
Waldo Canyon Fire Total	6,370,000	713,886	5,656,114	6,175,000
Weber Fire Total	2,135,000	240,748	1,894,252	2,135,000
Flagstaff Fire Total	2,500,000	222,611	2,277,389	2,500,000
Pine Ridge Fire Total	500,000	350,914	149,086	500,000
Bull Basin Total	200,000	-	200,000	200,000
Powell Complex Total	210,000	167,813	42,187	210,000
Wetmore Total	3,515,000	43,910	3,471,090	3,515,000
Roatcap Total	250,000	1,542	248,458	-
Fern Lake Fire National Guard Total	13,000	-	13,000	-
Cedar Knob Fire Total	110,000	-	110,000	-
Highway 13 Fire Total	150,000	-	150,000	150,000
GRAND TOTAL	64,663,000	15,527,051	44,927,107	52,735,000

*Includes expenditures that have been offset by FEMA reimbursements.

Long Term Strategic Plan for
CAPITAL IMPROVEMENT



***Also containing Facility Master Plan
and Program Plan Elements***

Motor Carrier Services, Port of Entry
Colorado Department of Revenue
Revised July 2006

INTRODUCTION

In Colorado, the Port of Entry (POE) is the primary mechanism for ensuring commercial vehicle compliance with state and federal size and weight regulations. Though POE is under the Department of Revenue's Motor Carrier Services, in many ways its functions are unique to most of the department's other revenue-collection activities. POE's permanent ("fixed") sites and mobile units enforce commercial vehicles regulations throughout the state. POE performs significant enforcement functions for the state, including size and weight compliance, vehicle safety and hazardous materials transportation standards, and vehicle registration and drivers' licensing requirements. Port of Entry facilities are required to support a variety of activities and must do so in manner that is safe, efficient, customer-friendly, and technologically appropriate.

OPERATIONAL OVERVIEW

Capital construction funds are directed primarily toward the ten permanent ports. These facilities include buildings, at-grade scales, a scale "lane" or "runway" over which the trucks pass, inspection areas, and customer and employee parking. Seven of the fixed ports are "dual ports," meaning two sites at the same location that address traffic from different directions, such as north- and southbound Ft. Collins or east- and westbound Dumont. Two port locations—Cortez and Platteville—have one building to accommodate two-directional traffic.

Each fixed port accommodates hundreds of thousands of commercial vehicles annually. Traffic volume is often so high that vehicles are "queued" along the entire length of the exit ramp and scale lane. Although the majority of trucks pass over the truck scales and continue without stopping, a significant percentage must park to have credentials checked and/or vehicles inspected. This results in a number of parked vehicles and pedestrian activity as drivers go to and from the port building. Trucks are often stacked several deep and two or three lanes wide in one parking area.

This volume is not expected to decrease. Colorado's population growth brings additional commercial traffic. Furthermore, Colorado is home to two North American Free Trade Agreement (NAFTA) trade routes. As these routes develop, commercial trade and traffic is expected to increase even more.

PHYSICAL PLANNING

Rather than respond to traffic increases by expanding the ports' physical capacity, Motor Carrier Services will orient enforcement activities increasingly toward commercial carriers who violate regulations and thereby direct less attention to compliant carriers. Such specific targeting will improve operational efficiency.

To further streamline facility use, MCS will pursue more joint port operations with neighboring states, particularly Wyoming and Nebraska (Colorado has such operations currently New Mexico and Utah).

The success of these strategies will be aided by greater use of automated systems and expansion of electronic capabilities (as well as policy modifications), but will in no way decrease the demand for modern, efficient physical locations for law enforcement and customer service functions. The impact of these strategies on capital construction will necessitate the on-going commitment to, and implementation of, MCS' 20-year plan, the "Port of Entry Building and Fixed Scale Replacement Schedule." Historically this plan identified only buildings and fixed scale replacement, but the critical needs of pavement maintenance can not be overlooked. MCS is working with the Colorado Department of Transportation (CDOT) to develop a memorandum of understanding that will define CDOT's role in providing pavement maintenance in accordance with section 42-8-107, CRS.

The long-term strategy for MCS requires capital construction and other funding sources to be directed toward the critical components of the fixed port system:

1. building replacement;
2. building maintenance;
3. scale replacement;
4. scale maintenance; and
5. pavement management.

Note that capital construction funds are used for building replacement, scale replacement, and pavement replacement. Funds for maintenance that is not pavement related is requested as controlled maintenance and/or other appropriate funding mechanisms. MCS currently has no funding allocated for pavement maintenance projects, and, as mentioned above, is exploring options with CDOT to provide their assistance and expertise role in providing pavement maintenance and development of a pavement plan for MCS facilities that may be incorporated into CDOT's existing pavement plan.

POE REPLACEMENT SCHEDULE FOR CAPITAL CONSTRUCTION PROJECTS

FISCAL YEAR	LOCATION	DESCRIPTION	YR CONST	PRELIM. BUDGET ESTIMATE*
FY 2007	Monument	Scale Pit Replacement		\$ 191,40
FY 2007	Ft. Morgan	Replace EB lot and continue repair of WB	—	\$ 1,918,134
FY 2007	Dumont	Rehab WB scale lane		\$ 835,331
FY 2007	Limon	Rehab EB and WB scale lane	—	\$ 1,025,251
FY 2008	Ft. Collins	Repair NB and SB lots	—	\$ 184,039
FY 2008	Limon	Replace EB and WB buildings	1974	\$ 750,000
FY 2008	—	Replace portable scale sets	—	\$ 153,000
FY 2009	Platteville	Replace building and repair lot	1965	\$ 609,375
FY 2009	—	Replace portable scale sets	—	\$ 157,758
FY 2009	Trinidad	Replace fixed scales		\$ 200,000
FY 2009	Trinidad	Replace scale lane		\$ 985,000
FY 2010	Dumont	Replace EB building	1975	\$ 385,000
FY 2010	—	Replace portable scale sets	—	\$ 163,447
FY 2010	Lamar	Replace EB and WB buildings (note: port may be relocated)	—	\$ 850,000
FY 2011	Monument	Replace SB building	1976	\$ 395,000
FY 2011	—	Replace portable scale sets	—	\$ 169,376
FY 2012	Lamar	Rehab EB and WB lots	—	\$ 1,100,000
FY 2012	Loma	Replace EB and WB buildings	1985	
FY 2010	—	Replace portable scale sets	—	
FY 2013	—	Replace portable scale sets	—	
FY 2013	Lamar	Replace EB and WB buildings	1977	
FY 2013	—	Replace portable scale sets	—	
FY 2014	Monument	Replace NB scales		
FY 2014	—	Replace portable scales (3)	—	
FY 2015	Loma	Replace EB and WB fixed scales	1985	
FY 2015	—	Replace portable scale sets	—	
FY 2016	Monument	Replace WB fixed scales	1996	
FY 2016	—	Replace portable scale sets	—	
FY 2017	Ft. Morgan	Replace EB fixed scales	1997	
FY 2017	—	Replace portable scale sets	—	
FY 2018	—	Replace portable scale sets	—	
FY 2019	—	Replace portable scale sets	—	
FY 2020	Loma	Replace fixed scales	1999	
FY 2020	—	Replace portable scale sets	—	
FY 2021	—	Replace portable scale sets	—	
FY 2022	—	Replace portable scale sets	—	
FY 2023	—	Replace portable scale sets	—	
FY 2024	—	Replace portable scale sets	—	

* Estimates are based on previous projects. No pre-engineering work has been done on items marked with ~~\$.~~

FACILITY MASTER PLAN

While the strategic plan supports the agency's mission, the facility master plan (FMP) supports the short-term and long-term goals of the strategic plan. Through good planning and decision-making, budget requests are developed with the priority of maximizing the effectiveness of every dollar available for maintenance, renovation, rehabilitation, and replacement of port facilities. Problems related to rising costs, reduced resources, increased use of the facilities, budget needs that exceed revenues, and an emphasis on technology are some of the issues a well-planned and implementable master planning process attempts to address.

The FMP integrates planning, budgeting, scheduling, performance evaluation, and research. It is used for prioritizing, funding, setting strategies, selecting alternatives, identifying problem areas, providing general and specific facility information for decision-makers, as well as communicating with the legislature and public.

FACILITY OVERVIEW

Colorado's port facilities must have the capability to weigh hundreds of thousands of trucks and to physically inspect thousands of them. At minimum, a fixed port lot has lanes of travel, a weighing device, parking areas, and a building. Most of the ports are busy nearly continuously.

Each lot includes at least one at-grade vehicle scale. The scale deck is constructed of concrete and steel. The scale mechanism is housed in a large concrete "pit" below the deck. Similar to a bridge structure, the scales are subject to weather conditions in addition to the constant onslaught of heavy commercial vehicles. Leading to and away from the scale deck is a concrete "ribbon," the scale lane. The remainder of the lot includes more traffic lanes, areas to park, area(s) to inspect, and staff parking. These areas are concrete or asphalt, or both.

The building is staffed by port officers who record scale readout data, review driver credentials, monitor truck traffic, provide counter assistance, write penalty assessments/summons, in addition to a myriad of other duties. The safety inspectors and mobile port of entry crews normally office out of these buildings part of the time.

Typically, the building's interior includes counter area(s), workstations, a supervisor's office, and restroom(s). Each building includes a significant amount of electronic equipment. Workstations have monitors, keyboards, and equipment for operating scale readouts, variable message signs, and speakers. The building includes other electronics, for example, servers (workstations are networked to the DOR Business System), printers, and faxes, other sophisticated technology, including weigh-in-motion system

and automated vehicle identification equipment, real-time cameras, and other traffic-related devices.

PLANNING ISSUES

For Motor Carrier Services, and more specifically, the Port of Entry, a facility master plan must include these components:

1. building replacement;
2. building maintenance,
3. scale replacement,
4. scale maintenance, and
5. pavement management (pavement maintenance, rehabilitation, and reconstruction).

Capital construction dollars are required for building replacement, scale replacement, and pavement replacement (ultimately maintenance should be included).

A viable master or strategic plan is a living, working document to which modifications and adjustments are routinely made. Plans must respond to conditions, changes in policy, new information, fiscal constraints, etc.

In the mid/late 1990s, MCS developed, and the Capital Development Committee approved, a 20-year building and fixed scale replacement schedule. The replacement schedule is based principally on lifecycle expectations. The lifecycle of a building, for example, can be estimated more accurately than anticipating concrete replacement needs. However, policy changes can impact design requirements. Estimates and projections are based on goals that are subject to change.

Port of Entry Facility Planning

The MCS' facility replacement schedule primarily comes from an analysis of building age and usage, among other things. Most port buildings are dated—the oldest buildings currently date to the 1960s. These structures are poorly equipped to handle the onslaught of technological changes, energy conservation requirements, code compliance, ergonomics, staff amenities, modern customer service, as well as law enforcement and safety and security needs. Furthermore, policy makers envision port facilities expanding into “service centers” for commercial vehicle operations. Thus, an analysis of port facilities must assess existing needs, evaluate the appropriateness and functionality of operational processes, and anticipate future demand and function changes—all within the context of scarce resource allocation and lengthy planning horizons.

Port of Entry Weigh Stations with Fixed Scales Facility Inventory and Programs Served

Programs Served: #1 Commercial vehicle weight and size enforcement #2 Commercial vehicle safety #3 Commercial vehicle taxation through the international fuel tax agreement, the international registration program, and fuel tax.						
Facility Description and Location	Owned/Leased (O or L)	Total ASF ¹	Total GSF	Total Facility FTE	Num. of Clients /Other ²	Facility Condition Index ³
Ft. Collins , NB and SB 2237 Frontage Rd SE, Ft. Collins 80524	O	151 SF	1,000 SF	16	746,685	E
	O	270 SF	1,000 SF			E
Platteville 13336 HWY 85, Platteville 80651	O	156 SF	576 SF	2	144,952	P
Ft. Morgan , EB and WB 13395 I-76 Frontage Rd, Ft. Morgan 80701	O	181 SF	672 SF	15	732,042	G
	O	181 SF	672 SF			G
Limon , EB and WB 53407 State Rd 71, Limon 80828	O	187 SF	693 SF	15	932,177	A
	O	187 SF	693 SF			A
Lamar , EB and WB 7100 HWY 50, Lamar 81052	O	183 SF	677 SF	13	507,676	A
	O	153 SF	567 SF			A
Trinidad 10211 I-25 Exit 11, Trinidad, 80182	O	181 SF	1,000 SF	9	216,339	E
Cortez 24125 Cnty Rd G, Cortez 81321	O	263 SF	975 SF	11	229,797	E
Loma , EB and WB 1255 Thirteen Rd, Loma 81524	O	183 SF	677 SF	12	454,697	A
	O	183 SF	677 SF			A
Dumont , EB and WB 1120 Cnty Rd 308, Dumont 80436	O	181 SF	672 SF	11	635,470	P
	O	151 SF	560 SF			G
Monument , NB and SB 600 8 th St, Monument 80132	O	181 SF	672 SF	16	953,390	A
	O	187 SF	693 SF			P
Headquarters⁴ 1881 Pierce St 118, Lakewood 80214	L	1,211 SF	2,172 SF	10 ⁵	NOTE ⁶	

¹ An average of 27 percent is used as an approximate average of ASF. The ASF is the combined amount of workspace and does not represent the amount of space per FTE.

² Number of commercial vehicles that cleared the port FY05.

³ "Building Condition" from the annual risk management report is used. E = Excellent; G = Good; A = Average; P = Poor.

⁴ Space is owned by Central Services; MCS does not actually lease the space used.

⁵ The MCS Division includes 2 FTE in administration, 1 FTE as POE HQ, and 1FTE Motor Carrier Safety Administration Program (MCSAP: safety program).

⁶ The program administration provides support to field offices, commercial carriers, and federal, state, and local stakeholders.

Port of Entry Building Maintenance

For maintenance purposes, MCS either has or is developing inventory and inspection data for the following:

- structural systems
- interior and exterior finishes
- landscaping and grounds facilities
- mechanical systems and equipment
- electrical equipment and systems
- custodial and maintenance management
- energy use
- lighting appropriateness

Fixed and Portable Scales

Fixed scales are expected to last about 35 years. However, if structurally sound with no sub-surface problems (e.g., soil subsidence, groundwater leakage, etc.); a scale pit may last far longer. Structural problems usually become evident overtime. Fixed scales should not automatically be replaced simply due to age, but after engineering and geotechnical inspection and recommendation.

Portable and Semi-Portable Scales are included in capital construction requests because of their cost. Mobile ports use mobile scales—portable and semi-portable. The “portable” units are wheel weighers; the “semi-portables” are used in tandem and are designed to weigh axles. Portable scale sets are replaced on a rotating basis. This maintains field inventory and provides backup equipment. The table on page four listed the anticipated replacement schedule for fixed and portable scales. General estimates are given for the first few years, rounded to the nearest thousand.

Pavement

Pavement—scales lanes, traffic lanes, lot work, and parking—is the most capital-intensive requirement for port operations. Pavement must be designed and maintained for continual heavy loading. Concrete deterioration is a constant threat and results from many factors. Managing this requires a specialized strategy, a *pavement management strategy* that is unique to highway-related systems. MCS is formalizing its pavement management system, in conjunction with CDOT, to include:

1. An inventory of pavements in the port of entry network,
2. A database of information pertinent to past and current condition of pavements (including design criteria),
3. Budget requirements needed to preserve the pavement network to acceptable levels of performance,
4. Methods of prioritizing expenditures, and

5. A process for communicating, consulting, and coordinating with regional CDOT offices.

CONCLUSION/SUMMARY

Motor Carrier Services' Port of Entry will continue to seek ways to improve its service to the commercial vehicle industry and the State of Colorado as it carries out its statutory mandates. Solutions will be sought and adopted to enhance efficiencies, whether in terms of regulatory changes, technology improvements, safety enhancements, or customer and employee relations, or factors yet to be identified. Changes aimed toward efficiency improvements may modify or change priorities contained currently in this document.

APPROPRIATION FROM

ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

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

- 49 Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placement – This appropriation assumes the daily rates and average daily caseloads listed in the following table. The base rate for standard nonresidential services is a weighted average of the rates for four different levels of service. The appropriation also assumes that community corrections providers will collect client fees of up to \$17 per day for residential placements and up to \$3 per day for nonresidential placements. 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.

Placement Type	Rates			Caseload			Funds
	Base	Differential	Total	Diversion	Transition	Parole	
Standard Residential	\$37.74	\$0.00	\$37.74	1,270.0	1,541.5	70.0	\$39,692,951
Intensive Residential Treatment	\$37.74	\$17.78	\$55.52	43.0	42.0	35.0	\$2,431,776
Inpatient Therapeutic Community	\$37.74	\$14.34	\$52.08	114.0	69.0	5.0	\$3,573,730
Residential Dual Diagnosis Treatment	\$37.74	\$33.02	\$70.76	50.0	54.0	20.0	\$3,202,598
John Eachon Re-entry Program	\$37.74	\$52.80	\$90.54	0.0	15.0	0.0	\$495,706
Sex Offender Residential	\$37.74	\$33.02	\$70.76	8.0	8.0	10.0	\$671,512
Standard Non-residential	\$5.12	\$0.00	\$5.12	970.0	0.0	0.0	\$1,812,736
Outpatient Day Treatment	\$33.27	\$0.00	\$33.27	8.0	0.0	0.0	\$97,148
<u>Outpatient Therapeutic Community</u>	\$13.32	\$0.00	\$13.32	<u>52.0</u>	<u>52.0</u>	<u>0.0</u>	<u>\$505,627</u>
Total				2,515.0	1,781.5	140.0	\$52,483,784