

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee  
FROM Steve Allen, JBC Staff (303-866-4961)  
DATE May 5, 2020  
SUBJECT Additional budget balancing recommendations for the Department of Corrections

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The recommendations in this memo add to and amend the recommendations included in the Staff Budget Balancing document dated April 14, 2020 for the Department of Corrections (DOC). The first three recommendations are a consequence of the sharp decline of the DOC inmate population contained in the DOC's [April Monthly Population and Capacity Report](#), which was released yesterday, May 4. The report showed that DOC's Total Inmate Jurisdictional Population declined by 938 to a new total of 18,419 and its total parole population rose by 540 to a new total of 12,236. Staff had expected much smaller changes.

**Added recommendation for request BA2A (House inmates at Centennial South):**  
**Staff recommends that federal revenue from the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") be used to reduce by half the \$12,162,509 appropriation increase approved during DOC figure setting for request BA2A House inmates at Centennial South.** This reduction saves \$6,081,254 General Fund and affects 34 line items.

The CARES Act funding may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to COVID-19;
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act); and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

Guidance issued by the U.S. Department of the Treasury adds: "Eligible expenditures include... COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions."

The DOC is now using Centennial Correctional Facility South ("Centennial South") to improve social distancing within its facilities. When newly committed male inmates arrive from jail, they are quarantined in the single-occupant cells at Centennial South for two weeks. If they have no signs of COVID-19 after that period, they are sent to the Denver Reception and Diagnostic Center for intake processing. DOC plans to continue using Centennial South in this fashion during FY 2020-21.

The unexpected closure of a private prison in Colorado Springs earlier this session created overcrowding in male DOC prisons. Centennial South had sufficient space to handle the overcrowding but statute allowed it to hold no more than 126 inmates. The DOC supplemental bill provided funding to place 126 inmates in Centennial South during the remainder of FY 2019-20. House Bill 20-1019 authorized DOC to place offenders in two of Centennial South's three towers and provided funding to occupy one of those towers by the end of FY 2019-20. The combined FY 2019-20 appropriation in H.B. 20-1019 and the DOC supplemental bill is \$8,606,192 (\$8,524,032 General

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Fund, \$82,160 cash funds) and 37.0 FTE. The \$12,162,509 of FY 2020-21 funding for continued occupancy of the two towers was to be placed in the Long Bill, which will be approved after the March 27, 2020 cutoff date specified in the CARES act.

Between March 1, 2020 and May 1, 2020, DOC's in-prison male inmate population declined by 1,117 offenders, from 15,982 to 14,865. Vacant beds in male state prisons rose from essentially 0 percent of total beds to 9.6 percent, or approximately 1500 beds.

If coronavirus was not a consideration and DOC had not decided that Centennial South should be used to quarantine newly arrived male inmates, based on this prison population count, staff would recommend that the Committee include no appropriation for operation of Centennial South's 620 beds in the FY 2020-21 Long Bill because the facility would not be needed. Staff bases this conclusion on the fact that 14 months now remain until the end of FY 2020-21 and during the last 10 years DOC's in-prison male inmate population has only twice risen by 400 or more inmates over a 14 month period. The maximum increase was 431 male inmates between March 2016 and May 2017. Thus, in the absence of Coronavirus, it is nearly certain that the beds in Centennial South would not be needed during FY 2020-21.

Based on this analysis, staff concludes that the first two criteria for CARES Act funding are satisfied and recommends that appropriation adjustment *BA2A House inmates at Centennial South* be reduced by half, which corresponds to the period covered by criteria #3. Staff recommends this as a first round budget cut.

**Amended recommendation for request R6 (Realign funding for offender services):** In the Budget Balancing document, staff recommended that the Committee approve the Department's request for an additional \$800,000 reduction for the *Parolee Supervision and Support Services* line item.

The numbers in the DOC's April population report have changed the staff recommendation. During the two month period of March and April, the parolee population increased by 570 to 12,236 (4.9 percent) while the number of parolees on Regular and ISP parole increased by 1,090 to 8,972 (13.8 percent). Over this same period, the number of jailed parolees declined by 619 to 788 (44.0 percent) due to new DOC parole practices that minimize the number jailed for technical parole violations. The parolees who were not jailed due to the new policy must, of course, be supervised. In view of these changes, **staff no longer recommends this \$800,000 reduction as a first round cut.** These additional parolees need support. Staff recommends that the \$800,000 reduction be considered only as a last round measure.

*Parolee Supervision and Support Services* pays for drug screening, mental health treatment, in-home electronic monitoring, and fugitive returns. The broad title of the appropriation allows it to be used in other ways as well.

**Amended recommendation for request R5 (Jail bed caseload reduction):** The continuing sharp decline in the number of jailed parolees in the DOC's monthly population reports (a decline of 619 parolees or 44.0 percent since March 1) leads staff to conclude that **the additional reduction for request R5 of \$1,004,497 General Fund, which is recommended in the Budget Balancing document, be increased by half a million to \$1,504,497.**

**Amended recommendation for temporary suspension of volunteers program:** In the Budget Balancing document, staff recommended that the Committee suspend the Volunteers Program for FY 2020-21 to save \$465,439 General Fund. **Staff now recommends that the Volunteers Program be refinanced with an appropriation of \$465,439 cash funds from sales revenues earned by the Canteen Operation.** Since these cash funds are continuously appropriated by statute, the appropriation will be informational. Canteen revenues are sufficient to cover this increase.

**Additional recommendation for the Work Release Program:** During figure setting, the Committee approved an appropriation of \$3,500,000 General Fund for the *Work Release Program*, which was renamed the *Transitional Work Program*. This program gets vetted employers to hire offenders who are still incarcerated at Buena Vista Correctional Center and Sterling Correctional Facility. The Sterling inmates exit the prison during the day to work at an agricultural processing facility; the Buena Vista inmates exit the prison during the day to work with several local employers. DOC plans to expand the program in the future, but it is currently suspended because of the Coronavirus pandemic. The suspension has reduced operating costs to \$2,000,000. The program needs this level of continued appropriations to support the staff who supervise the inmates and to pay other costs. Thus **staff recommends that the *Transitional Work Program* appropriation be reduced by \$1,500,000 General Fund.**