



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FINAL FISCAL NOTE

Drafting Number: LLS 18-0888 Date: June 11, 2018
Prime Sponsors: Sen. Lambert; Moreno Bill Status: Postponed Indefinitely
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Bill Topic: IMPLEMENT PRISON UTILIZATION STUDIES

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

This bill implements the recommendations of 2013 and 2016 prison utilization studies for the Department of Corrections. The bill increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2018-19, the bill requires an appropriation of \$11,256,561 to the Department of Corrections.

Fiscal Note Status: The fiscal note reflects the introduced bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Table 1 State Fiscal Impacts Under SB 18-274

Table with 4 columns: Category, FY 2018-19, FY 2019-20. Rows include Revenue, Expenditures (General Fund), Transfers, and TABOR Refund.

## **Summary of Legislation**

This bill implements recommendations from 2013 and 2016 prison utilization studies for the Department of Corrections (DOC). The bill specifies that it is the intent of the General Assembly that when prison population projections indicate excess capacity within correctional facilities that the DOC will proceed to close facilities as prioritized in the 2013 study.

**Centennial south campus.** Under current law, this facility must remain vacant, except that it may be used if necessary to provide support and other services to the Centennial correctional facility until such time as the DOC is able to sell or lease the property. This bill directs the DOC, beginning June 30, 2019, to use this facility to administer a diagnostic program, administer a reentry program, provide support and other services to the DOC, and use the remaining capacity to house offenders, as appropriate. Some of these services are currently provided at the existing Denver Reception and Diagnostic Center (DRDC), while decentralized reentry services are currently provided at other DOC facilities.

For FY 2018-19 fiscal year, the General Assembly must appropriate sufficient moneys to make any necessary physical modifications in order to comply with legal requirements for housing inmates at the facility. Employees currently employed at the DRDC who do not wish to relocate to Centennial south must be afforded other opportunities to retain their employment if possible.

The bill creates a reentry program at Centennial south and requires the DOC to:

- establish criteria for determining eligibility;
- identify services that inmates in the reentry program may require prior to release;
- create a mission for the program, including descriptions of services and clear objectives; and
- establish the functions and duties of parole officers employed by the program.

**Centennial north campus.** Beginning July 1, 2019, and subject to available appropriations, this campus must serve as a transportation unit for the DOC and support facility for the south campus.

**Denver facility.** The bill renames and repurposes the DRDC as the Denver Correctional Facility, and by, June 30, 2019, requires the facility to be used to house inmates with physical, cognitive, and medical conditions that require long-term treatment. Beginning July 1, 2019, and subject to available appropriations, this facility is required to administer a residential treatment program providing mental health treatment services to inmates.

**Reporting.** The DOC must provide information concerning the effects of this bill in its annual SMART Act hearings, including whether the implementation of the bill resulted in increased violations by parolees, information about the workload of parole officers, and any other recommendations of the DOC regarding these facilities and the impacts of the changes made by this bill. The bill's reporting requirements are repealed on July 1, 2023.

**Background**

According to the December 2017 Joint Budget Committee staff briefing for the DOC:

- Legislative Council Staff projects the FY 2018-19 prison population to grow by 751 offenders and the Division of Criminal Justice projects the FY 2018-19 prison population to grow by 1,114 offenders, both of which indicate the population will grow beyond current system capacity; and
- The February 2016 Colorado Prison Utilization Study Update made four recommendations for how the DOC could reconfigure and repurpose its facilities to make use of the Centennial south campus, which would increase the system capacity by 820 beds.

**State Expenditures**

This bill increases state General Fund expenditures by \$11.3 million in FY 2018-19 and by an estimated \$18.8 million in FY 2019-20 and future years. Table 2 and the discussion that follows present the costs of the bill.

**Table 2  
Expenditures Under SB 18-274**

	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Department of Corrections</b>		
Capital Construction Costs	\$10,495,993	-
Start up Expenses	\$760,568	-
Estimated Ongoing Operating Costs	-	\$18,834,942
<b>Total Cost</b>	<b>\$11,256,561</b>	<b>\$18,834,942</b>

**Department of Corrections.** In FY 2018-19, \$11.3 million is required to make capital improvements to the facilities. This includes \$3.2 million for Centennial south, \$3.6 million for Centennial north, and \$3.8 million for the DRDC. An additional \$760,568 is required for start up costs, including software (\$240,320), data and communications equipment (\$128,380), IT technical staff support (\$200,000), uniforms (\$38,065), commodities (\$49,654), staff relocation expenses for an estimated 38 FTE (\$60,000), and reentry program materials (\$44,149).

Beginning in FY 2019-20, costs are expected to increase by \$18.8 million per year to operate the additional 820 beds. This includes an estimated \$14,754,730 for personal services, \$166,329 for the Office of Information Technology, and \$3,913,883 for support costs. Further detail about the breakdown of these operating costs, and the number of new FTE required, is not available as of this writing. Such costs will be addressed through the annual budget process.

Workload will increase on an ongoing basis to meet the reporting requirements of the bill. The fiscal note assumes that the effort to meet reporting requirements does not require additional appropriations for the DOC.

**Effective Date**

The bill was postponed indefinitely by the House Judiciary Committee on May 8, 2018.

**State Appropriations**

For FY 2018-19, the bill requires an appropriation of \$11,256,561 General Fund to the Department of Corrections.

**State and Local Government Contacts**

Corrections