

JOINT BUDGET COMMITTEE



STAFF BUDGET BRIEFING FY 2021-22

DEPARTMENT OF PUBLIC SAFETY (Division of Criminal Justice)

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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ADDITIONAL RESOURCES

Brief summaries of all bills that passed during the 2019 and 2020 legislative sessions that had a fiscal impact on this department are available in Appendix A of the annual Appropriations Report:

<https://leg.colorado.gov/publications/appropriations-report-fiscal-year-2020-21>

The online version of the briefing document, which includes the Numbers Pages, may be found by searching the budget documents on the General Assembly's website by visiting leg.colorado.gov/content/budget/budget-documents. Once on the budget documents page, select the name of this department's *Department/Topic*, "Briefing" under *Type*, and ensure that *Start date* and *End date* encompass the date a document was presented to the JBC.

DIVISION OF CRIMINAL JUSTICE

DIVISION OVERVIEW

The Division of Criminal Justice (DCJ) contains the following offices.

- **Office of Administration:** provides oversight and support for the entire division.
- **Office for Victims Programs:** administers federally funded grant programs for crime victims and the State VALE (Victim Assistance and Law Enforcement) grant program. These grant programs help state and local agencies assist and support victims of crimes, including sexual assault victims and child abuse victims.
- **Office of Adult and Juvenile Justice Assistance:** administers (1) federally funded criminal and juvenile justice grant programs and (2) the state's juvenile diversion grant program.
- **Office of Community Corrections:** provides most of the funding for the state's community corrections programs and for the community corrections boards that provide local oversight and control of these programs. The Office also sets standards for facilities, audits for compliance, and provides technical assistance and training for boards and programs.
- **Office of Domestic Violence and Office of Sex Offender Management:** assists the Domestic Violence Offender Management Board and the Sex Offender Management Board in developing and implementing standards and policies for the evaluation, treatment, monitoring, and management of convicted adult domestic violence offenders and convicted adult and adjudicated juvenile sex offenders. Both boards maintain lists of approved treatment providers and help train providers.
- **Office of Research and Statistics:** collects and disseminates criminal justice information, analyzes justice policies and problems, evaluates criminal justice programs, and provides support to the Colorado Commission on Criminal and Juvenile Justice. The Office's reports include forecasts of adult and juvenile correctional and parole populations used by the Joint Budget Committee (Committee).
- **Office of Evidence Based Practices for Capacity (EPIC):** works with agencies around the state to implement and maintain evidence-based practices.

DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 *
General Fund	\$184,815,705	\$171,309,553	\$152,018,983	\$147,726,256
Cash Funds	217,279,782	239,452,903	235,478,753	247,261,344
Reappropriated Funds	43,455,354	52,591,767	46,820,156	51,442,222
Federal Funds	69,838,616	70,080,226	69,917,976	68,725,523
TOTAL FUNDS	\$515,389,457	\$533,434,449	\$504,235,868	\$515,155,345
Full Time Equiv. Staff	1,854.3	1,908.1	1,905.8	1,944.3

*Requested appropriation.

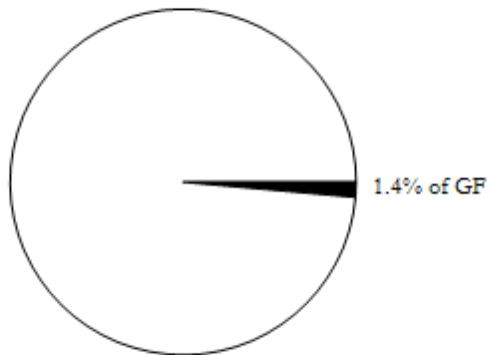
DIVISION BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 *
General Fund	\$76,769,169	\$90,630,993	\$82,859,182	\$63,817,049
Cash Funds	4,803,108	4,858,563	4,462,773	8,125,675
Reappropriated Funds	5,781,085	5,796,833	5,790,030	5,790,030
Federal Funds	34,611,523	34,638,209	34,706,986	34,553,326
TOTAL FUNDS	\$121,964,885	\$135,924,598	\$127,818,971	\$112,286,080
Full Time Equiv. Staff	82.1	85.0	85.2	81.0

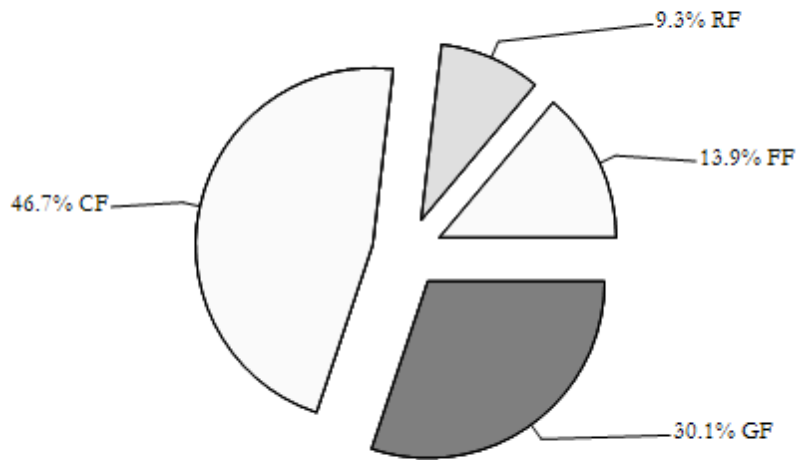
*Requested appropriation.

DEPARTMENT BUDGET: GRAPHIC OVERVIEW

Department's Share of Statewide General Fund

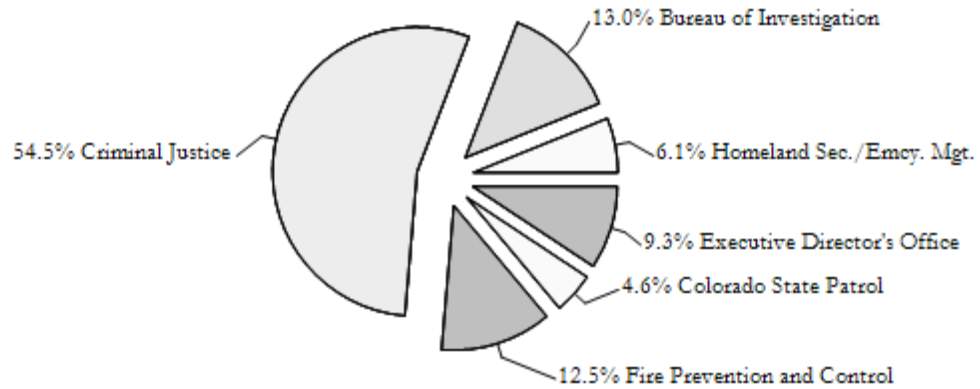


Department Funding Sources

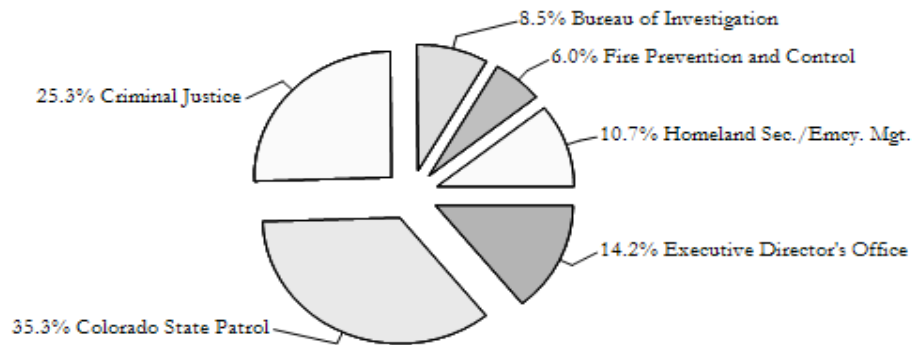


All charts are based on the FY 2020-21 appropriation.

Distribution of General Fund by Division



Distribution of Total Funds by Division



All charts are based on the FY 2020-21 appropriation.

GENERAL FACTORS DRIVING THE BUDGET

OFFICE OF COMMUNITY CORRECTIONS

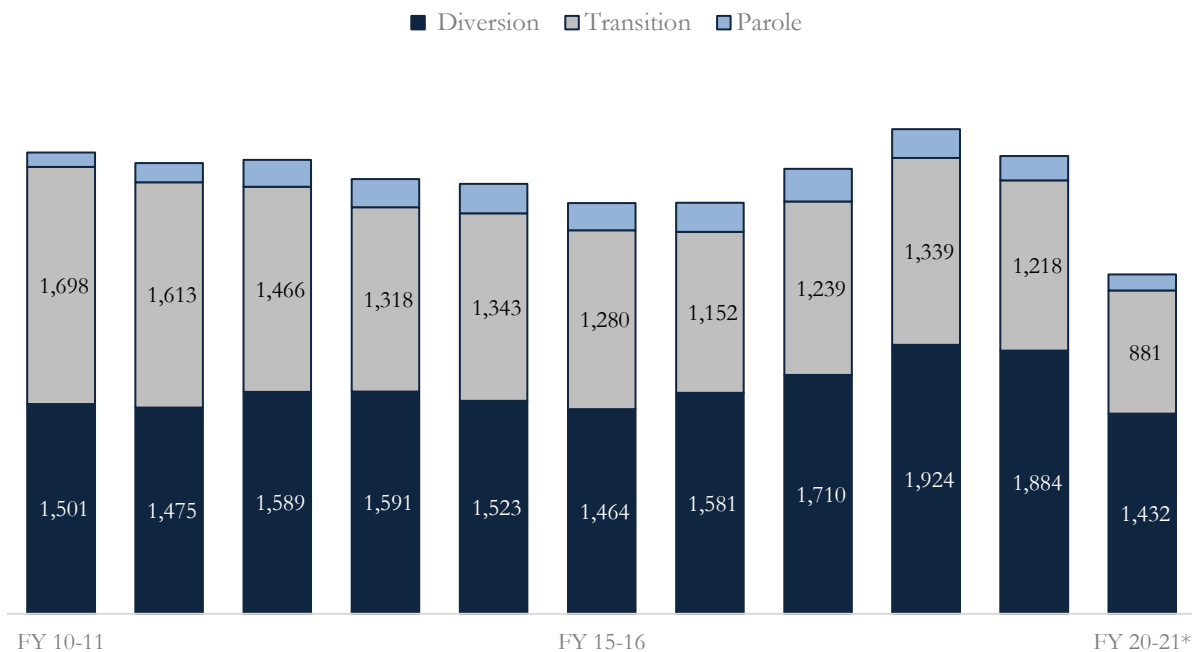
About \$78.3 million is appropriated for community corrections programs in FY 2020-21, including \$73.0 million General Fund. This accounts for 48.0 percent of the Department of Public Safety’s total General Fund appropriation in FY 2020-21. DCJ allocates most of these funds via contracts with community corrections providers, such as local governments, private entities, and non-profit organizations. Allocations to providers are based on the services they offer, the per-diem rate set by the General Assembly, and the number of people placed in their programs.

There are three main paths to placement in a community corrections facility:

- 1 **Diversion** placements for offenders (often called “clients”) sentenced directly to community re-entry by the courts in lieu of a prison sentence;
- 2 **Transition** placements for Department of Corrections inmates who have served time in prison and are released to a residential community re-entry bed in preparation for parole; and
- 3 **Parole** placements for offenders who are required to spend part of their time on parole in a community re-entry facility.

Diversion placements are the most common and have increased in recent years. From FY 2010-11 to FY 2019-20, the share of residential diversion placements grew from 45.5 to 57.5 percent. The following graph shows the average daily number of residential placements over the past decade. The drop off in FY 2020-21 stems from measures taken to mitigate the spread of the coronavirus.

Average Daily Placements in Residential Community Corrections
FY 2010-11 to FY 2020-21



*As of October 31, 2020

SPECIALIZED TREATMENT

All residential community re-entry facilities provide programs for their offenders, such as drug and alcohol education, anger management classes, parenting, and money management. However, some residential programs provide much more extensive, specialized therapy and receive higher per-diem payments as a result (shown in the table below). These therapies include, but are not limited to:

- *Intensive Residential Treatment* (IRT), a 90-day residential substance-abuse program;
- *Therapeutic Communities* (TC), which focuses on substance abuse, sometimes in combination with mental illness;
- *Residential Dual Diagnosis Treatment* (RDDT) programs, which address co-occurring mental health and substance abuse problems.

Placement Type	Rate	Diversion	Transition	Parole	Appropriation
Standard residential	\$47.96	1,470	1,110	94	\$44,253,271
Cognitive behavioral treatment pilot program	\$94.07	24	24	0	\$1,648,103
Intensive Residential Treatment	\$92.54	161	28	35	\$7,565,952
Inpatient Therapeutic Community	\$80.14	68	37	3	\$3,159,139
Residential Dual Diagnosis Treatment	\$81.81	82	25	13	\$3,583,470
Sex Offender	\$81.81	75	28	13	\$3,464,021
Standard Non-residential	\$6.49	774	6	6	\$1,863,137
Outpatient Therapeutic Community	\$23.28	39	23	0	\$526,881
Total	-	2,547	1,281	164	\$66,063,973

FACILITY PAYMENTS

Starting in FY 2014-15, community re-entry facilities began receiving a fixed payment called a “facility payment.” The facility payment is designed to be proportionately more valuable to a small facility than a large one. The intent of the facility payment is to level the playing field for small community re-entry facilities, which cannot take advantage of economies of scale. The appropriation for facility payments in FY 2020-21 is \$4.2 million General Fund.

COMMUNITY CORRECTIONS BOARDS

Local community corrections boards oversee the programs that operate in their communities. These boards:

- Approve community corrections programs in their judicial district and contract with the Office of Community Corrections;
- Accept or reject offenders who are referred by the courts or by the Department of Corrections for placement in community corrections programs in their district; and
- Receive pass-through state funds from the Office of Community Corrections. Boards pay community corrections providers in their judicial district for housing offenders.

The State makes payments to community corrections boards for their administrative costs. Statute requires that payments cannot exceed 5.0 percent of total community corrections appropriations. On average, the appropriation for the boards (\$2.5 million in FY 2020-21) is about 3.5 percent of total community corrections appropriations and has remained relatively flat over the last decade when adjusting for inflation.

SUMMARY: FY 2020-21 APPROPRIATION & FY 2021-22 REQUEST

DEPARTMENT OF PUBLIC SAFETY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION:						
HB 20-1360 (Long Bill)	505,823,820	153,040,145	235,729,989	47,135,710	69,917,976	1,904.5
Other Legislation	(1,587,952)	(1,021,162)	(251,236)	(315,554)	0	1.3
TOTAL	\$504,235,868	\$152,018,983	\$235,478,753	\$46,820,156	\$69,917,976	1,905.8
FY 2021-22 REQUESTED APPROPRIATION:						
FY 2020-21 Appropriation	\$504,235,868	152,018,983	\$235,478,753	\$46,820,156	\$69,917,976	1,905.8
R01 Wildfire stimulus package	24,399,323	15,256,823	8,542,500	600,000	0	32.7
R02 Community corrections grants	(22,000,000)	(22,000,000)	0	0	0	0.0
R03 Underground market marijuana interdiction unit	890,901	0	890,901	0	0	5.0
R04 Increase body-worn camera grant funding	6,650,000	3,000,000	3,650,000	0	0	0.0
R05 Restructuring evidence-based practice to promote equity	(323,090)	(323,090)	0	0	0	(3.0)
R06 Refinance troopers with vehicle inspection funds	0	(293,962)	293,962	0	0	0.0
R07 Technical spending authority adjustments	0	0	700,000	(700,000)	0	0.0
R08 Administrative efficiency	(169,404)	(169,404)	0	0	0	0.0
Indirect cost adjustment	5,312,913	(2,976,683)	(24,745)	9,295,930	(981,589)	0.0
Centrally appropriated line items	1,868,911	4,332,225	3,626,266	(5,837,475)	(252,105)	0.0
Annualize prior year budget action	1,169,264	2,060,165	(890,901)	0	0	(5.0)
Non-prioritized decision items	1,044,400	(195,644)	1,359,440	(156,841)	37,445	0.0
Technical adjustments	0	0	(9,145)	6,273	2,872	3.7
Annualize prior year legislation	(7,923,741)	(1,893,077)	(6,355,687)	324,099	924	5.1
TOTAL	\$515,155,345	\$148,816,336	\$247,261,344	\$50,352,142	\$68,725,523	1,944.3
INCREASE/(DECREASE)	\$10,919,477	(\$3,202,647)	\$11,782,591	\$3,531,986	(\$1,192,453)	38.5
Percentage Change	2.2%	(2.1%)	5.0%	7.5%	(1.7%)	2.0%

This briefing only covers the items highlighted in the table above. All other items were covered in a separate staff briefing on November 16, 2020.¹

R02 COMMUNITY CORRECTIONS GRANTS: The Department requests a reduction of \$22.0 million General Fund in FY 2021-22 and future years. Briefing Issue #2 provides additional details about this request.

R04 INCREASE BODY-WORN CAMERA GRANT FUNDING: The Department requests an increase of \$6.7 million total funds, including \$3.0 million General Fund and \$3.7 million cash funds, for the Body-worn Camera Grant Program in FY 2021-22. The General Fund appropriation would be a transfer into the Body-worn Camera Fund; most of the requested cash funds are for spending authority. The request aims to provide state and/or local law enforcement agencies with an

¹ https://leg.colorado.gov/sites/default/files/fy2021-22_pubsafbrf.pdf

opportunity to apply for funds to purchase body-worn cameras and comply with S.B. 20-217 (Enhance Law Enforcement Integrity).

R05 RESTRUCTURING EVIDENCE-BASED PRACTICE TO PROMOTE EQUITY: The Department requests a reduction of \$323,090 General Fund and 3.0 FTE in FY 2021-22 and future years as part of a restructuring of the Evidence-based Practices and Implementation (EPIC) team. The Department would move \$313,958 General Fund and 3.0 FTE from DCJ to the Executive Director's Office and reduce the DCJ appropriation by an additional \$323,090 General Fund and 3.0 FTE. This would leave 3.0 FTE on the EPIC team. The overall aim of the request is to better address evidence-based policies related to equity, diversity and inclusion within the criminal and juvenile justice systems.

INFORMATIONAL ISSUE: 2020 SESSION BUDGET BALANCING ACTIONS (DCJ ONLY)

In response to the budget challenges in the 2020 Session, the Joint Budget Committee and the General Assembly reduced General Fund appropriations to the Division of Criminal Justice by \$2.8 million in FY 2020-21. These adjustments contributed to a net decrease of \$8.1 million total funds, including 7.8 million General Fund.

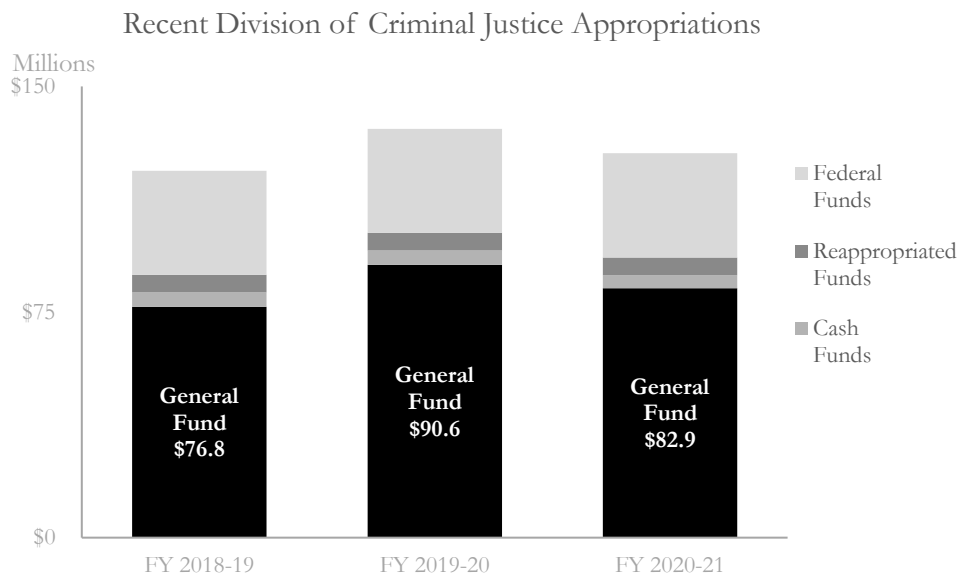
SUMMARY

FY 2020-21 Budget

- The General Assembly reduced appropriations for community corrections placements by \$2.0 million General Fund. There was also a one percent common policy reduction for community provider rates. For DCJ, this includes rates paid to community corrections providers.

DISCUSSION

The following graph shows the Division's appropriations for FY 2018-19 through FY 2020-21. The increase from FY 2018-19 to FY 2019-20 was mainly the result of a large increase in rates paid to community corrections providers. A table with appropriations detail by major fund source follows the graph.



Division of Criminal Justice Appropriations FY 2018-19 through FY 2020-21						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2018-19 Final	\$121,964,885	\$76,769,169	\$4,803,108	\$5,781,085	\$34,611,523	82.1
FY 2019-20 Adjusted for balancing	135,924,598	90,630,993	4,858,563	5,796,833	34,638,209	85.0
FY 2020-21	127,818,971	82,859,182	4,462,773	5,790,030	34,706,986	85.2
Change from FY 19-20 to FY 20-21	(\$8,105,627)	(\$7,771,811)	(\$395,790)	(\$6,803)	\$68,777	0.2
Percent change FY 19-20 to FY 20-21	-6.0%	-8.6%	-8.1%	-0.1%	0.2%	0.2%

SUMMARY OF 2020 SESSION BUDGET BALANCING APPROPRIATION CHANGES

The following table summarizes the budget balancing actions that impacted appropriations to the Department of Public Safety, including actions taken through the Long Bill and other legislation. The highlighted items are specific to DCJ.

Unless otherwise indicated, JBC Staff assumes that the FY 2020-21 adjustments are ongoing for FY 2021-22. Staff has noted where the Committee (or the General Assembly) specifically designated actions as one-time in nature. Staff has also noted whether the Department's budget request proposes to continue the reduction in FY 2021-22 or restore the funding.

2020 Session Budget Balancing Appropriation Changes - Department of Public Safety ^a						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION BALANCING ITEMS:						
None.	\$0	\$0	\$0	\$0	\$0	0.0
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
FY 2020-21 APPROPRIATION BALANCING ITEMS:						
Appropriation Reductions						
Adjust funding 2013 flood recovery	(\$5,509,318)	(\$5,509,318)	\$0	\$0	\$0	0.0
PERA direct distribution (HB 20-1379) ^b	(3,859,353)	(1,021,162)	(2,518,486)	(319,705)	0	0.0
HLD decrease/personal services base reduction	(2,064,868)	(2,064,868)	0	0	0	0.0
Adjust funding for community corrections placements	(1,989,330)	(1,989,330)	0	0	0	0.0
Community provider rate adjustment	(834,500)	(808,344)	0	(26,156)	0	0.0
Extend CBI vacancy savings	(250,000)	(250,000)	0	0	0	(4.0)
Subtotal - Appropriation Reductions	(\$14,507,369)	(\$11,643,022)	(\$2,518,486)	(\$345,861)	\$0	(4.0)
Fund Source Adjustments						
Refinance School Safety Resource Center	0	(558,222)	558,222	0	0	0.0
Subtotal - Fund Source Adjustments	\$0	(\$558,222)	\$558,222	\$0	\$0	0.0
TOTAL	(\$14,507,369)	(\$12,201,244)	(\$1,960,264)	(\$345,861)	\$0	(4.0)
BALANCING ITEMS AS PERCENTAGE OF TOTAL APPROPRIATION:						
FY 2019-20 Appropriation	\$533,434,449	\$171,309,553	\$239,452,903	\$52,591,767	\$70,080,226	1,908.1
FY 2020-21 Appropriation	\$504,235,868	\$152,018,983	\$235,478,753	\$46,820,156	\$69,917,976	1,905.8
FY 2020-21 Actions as Percentage of FY 2019-20 Appropriation						
	(2.7%)	(7.1%)	(0.8%)	(0.7%)	0.0%	(0.2%)

^a Unless otherwise indicated, actions were reflected in the Long Bill (H.B. 20-1360)

^b House Bill 20-1379 eliminated PERA Direct Distribution appropriations for all departments.

FY 2020-21 APPROPRIATION – APPROPRIATION REDUCTIONS

ADJUST FUNDING FOR COMMUNITY CORRECTIONS PLACEMENTS: The Long Bill reduced appropriations for community corrections placements by \$1,989,330 General Fund. The reduction reflected fewer placements in the system as a result of the COVID-19 disaster emergency.

COMMUNITY PROVIDER RATE ADJUSTMENT: The Long Bill reduced appropriations by \$834,500 total funds for a one percent common policy reduction for most community providers.

ISSUE 2: R02 COMMUNITY CORRECTIONS GRANTS

This brief provides an overview of the current community corrections system and discusses the Department's proposed budget reduction and grant-based allocation model.

SUMMARY

- This request has two key components: (1) A \$22.0 million reduction, and (2) A major change in the way the State allocates funds for community corrections services.
- The Department proposes a change from per-diem allocations to competitive grants. The Department has said the grant model would not be implemented until FY 2022-23. The specific details of the grant program have not been determined and the Department has not officially asked the JBC to sponsor legislation. The latter point is still under consideration.
- A grant program would likely lead to a system-wide reduction in community corrections capacity, especially if paired with a significant budget reduction. If or when the criminal justice system recovers from coronavirus-related reductions in caseload, lower capacity in community corrections would likely increase caseload for the Department of Corrections and probation services in the Judicial Department.

DISCUSSION

The remainder of this brief provides an overview of the current system, explains the Department's request, and highlights a few challenges that may accompany the implementation of a grant program. The Department has not officially requested JBC action on the grant program and many of the details of the grant program have not been determined. However, the Committee may wish to discuss a grant program model with the Department given the possibility that the Department will request legislation to codify the grant program's existence and pave the way for its implementation in FY 2022-23. This brief aims to facilitate that discussion.

SYSTEM OVERVIEW

This section provides a general overview of how the community corrections system currently works, including its purpose as provided by the General Assembly, how it gets funded, who provides services, how offenders end up in the system, who those offenders are, and the results produced by the system.

PURPOSES OF COMMUNITY CORRECTIONS

Statute provides the following purposes of community corrections:

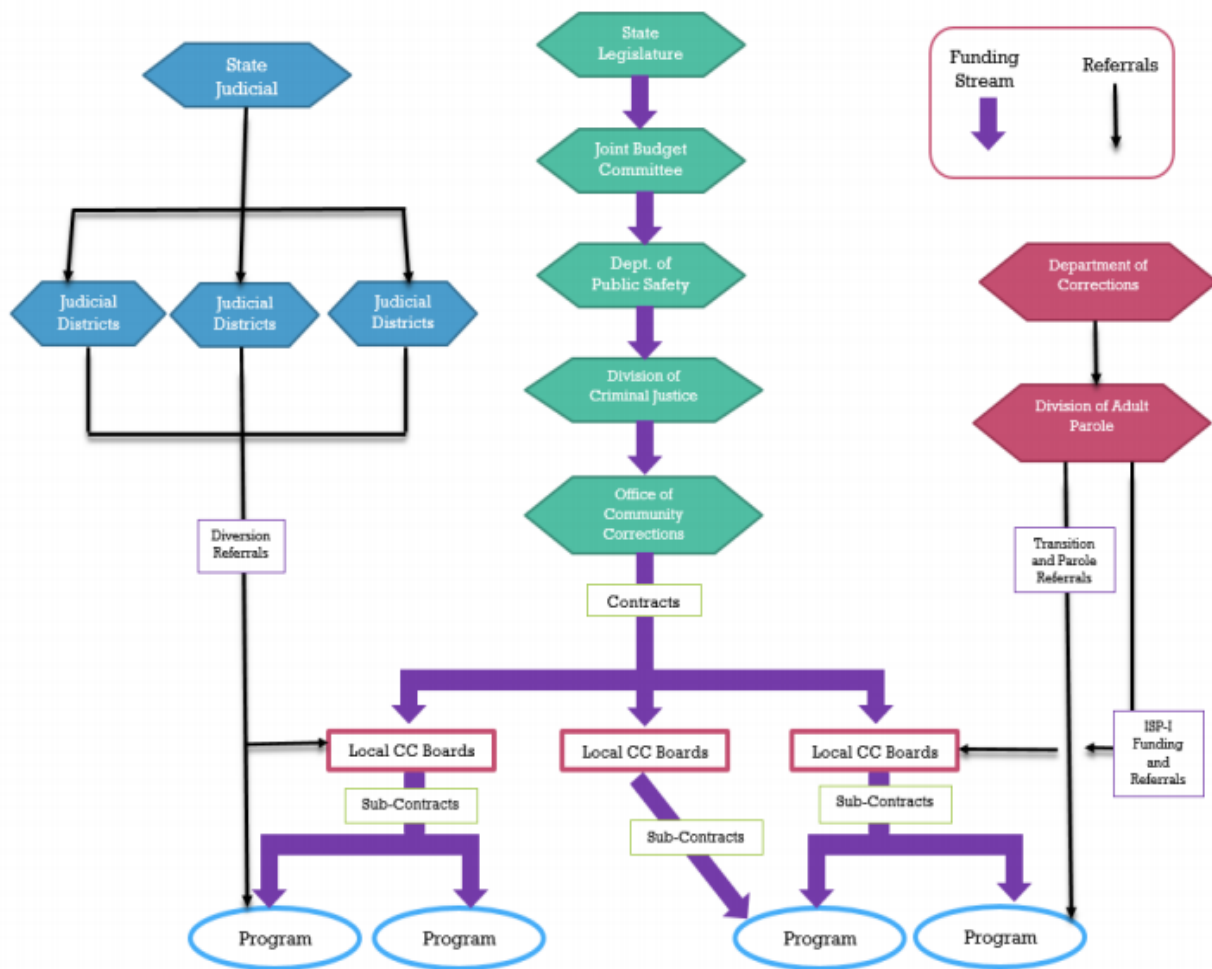
- Increase public safety by reducing the incidence of future crime
- Provide the criminal justice system with more flexibility and a broader range of correctional options
- Promote community-based correctional programming
- Prepare incarcerated people to return to the community
- Set individualized conditions of supervision and services
- Achieve a successful discharge by reducing risks and needs²

² Sections 17-27-101 & 101.5, C.R.S.

FUNDING STREAM AND PLACEMENT PROCESS

The State currently allocates money for community corrections based on the projected caseload (number of placements in the system) and per-diem rates established by the General Assembly. The State also provides a fixed facility payment that is not tied to caseload, as well as funding for some of the administrative costs incurred by local community corrections boards.

DCJ allocates **funding** through contracts with local community corrections boards, who then subcontract with providers for services in their communities. In some cases, DCJ contracts directly with certain providers for specialized supervision and treatment services. **Placements** are a function of referrals from the different parts of the criminal justice system, the willingness of community corrections boards and providers to accept referred offenders into their community and facilities, and in some cases the willingness of an offender to participate in community corrections. The graphic below shows the entire process.



Source: DCJ FY 2018-19 Community Corrections Annual Report

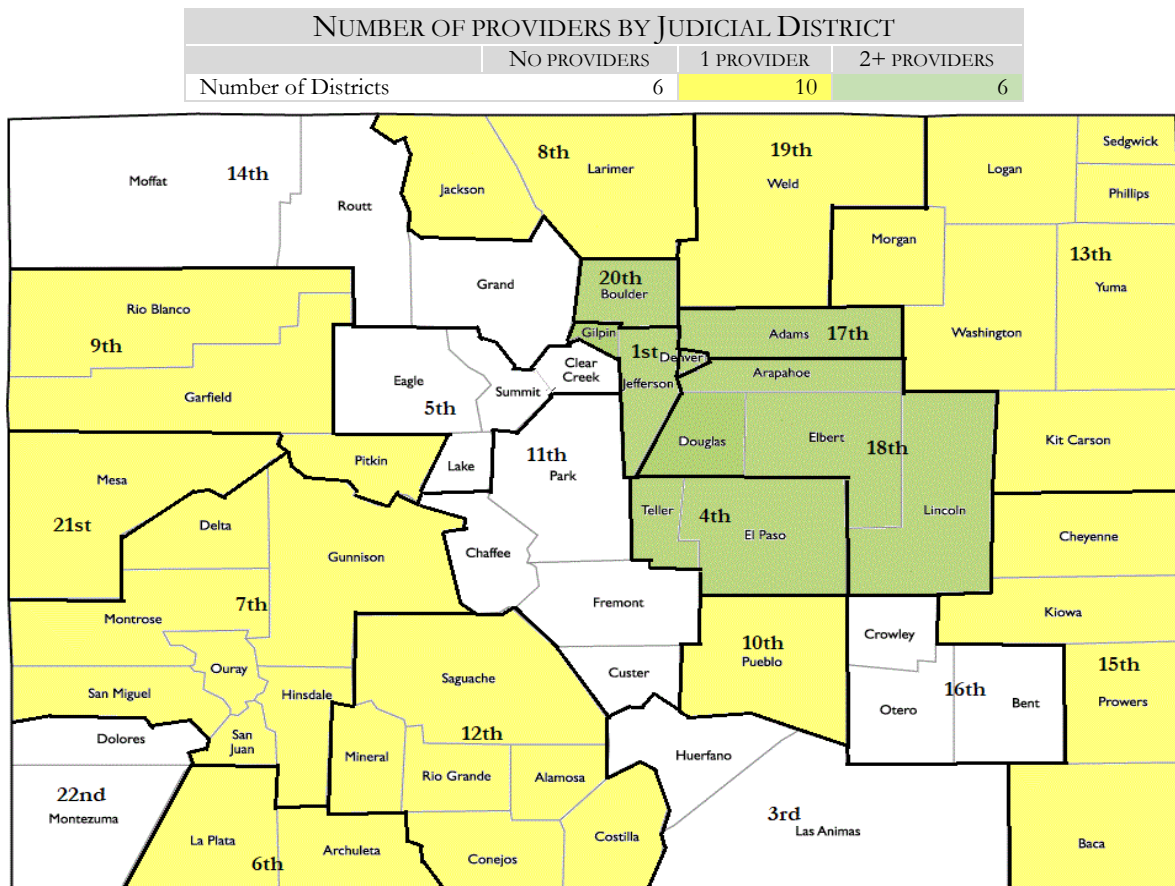
Some smaller judicial districts have no community corrections facilities (see map on next page). Boards in these districts send their community corrections clients to facilities in other judicial districts and pay for the placements. The community corrections board in the recipient district and the program must both accept the client.

Role of the JBC and the General Assembly

The JBC and the General Assembly provide appropriations, but they also guide DCJ’s allocations through a Long Bill footnote that establishes per-diem rates (see Appendix B). The footnote says that the appropriation for community corrections placements “assumes the daily rates and average daily caseloads” listed in a table included in the footnote. Because this is only an assumption, DCJ may allocate funds based on actual caseload and is not required to allocate funds based on the estimated caseload in the table. However, DCJ still defers to the General Assembly on per-diem rates.

CURRENT PROVIDERS

As of September 2020, there were 31 community corrections facilities in the state operated by at least 11 different entities. As the map below shows, just over two-thirds of these facilities are located along the Front Range, particularly in the Denver metro area. Nine facilities offer Intensive Residential Treatment services, two offer Therapeutic Communities treatment, twelve offer Sex Offender Supervision and Treatment, and eight offer Residential Dual Diagnosis treatment.³



Sources: JBC staff map using DCJ data

COMMUNITY CORRECTIONS POPULATION

The statistically average offender in a residential community corrections facility is a white male between the ages of 21 and 40 who graduated high school or has a GED equivalent.⁴ They likely

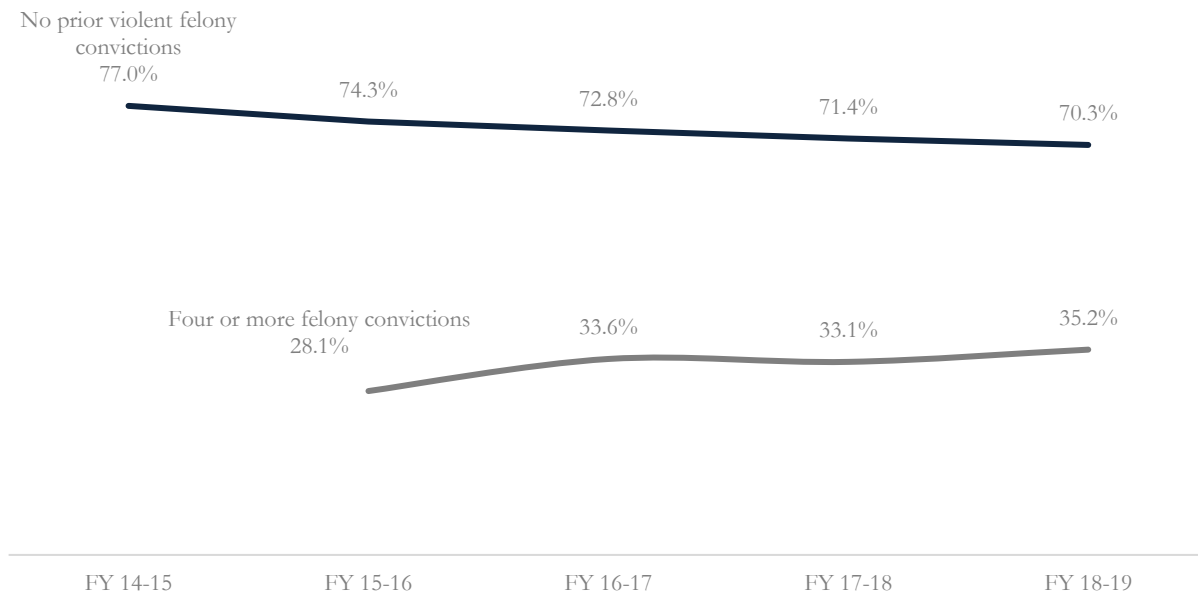
³ To see which providers offer which services, see the [DCJ website](#).

⁴ Data taken from the [FY 2018-19 DCJ Office of Community Corrections Annual Report](#). For the full demographic profile, see page 13 of the report.

committed a Class 4, 5, or 6 felony, had three or fewer prior convictions, and were placed in community corrections by the courts (a “diversion” placement). Their felony conviction was probably related to controlled substances, burglary or trespassing, a driving offense, or assault. Lastly, they are probably classified as “medium” or “high” risk to recidivate based on an assessment of their criminal history, education and employment, financial and familial situation, and other factors.

There are a couple population trends worth noting. DCJ data suggest that: (A) an increasing number of offenders in community corrections have four or more felonies, and (B) an increasing number of offenders have a violent felony conviction. These data are shown in the graph on the following page.

Residential Community Corrections: Prior Offense History

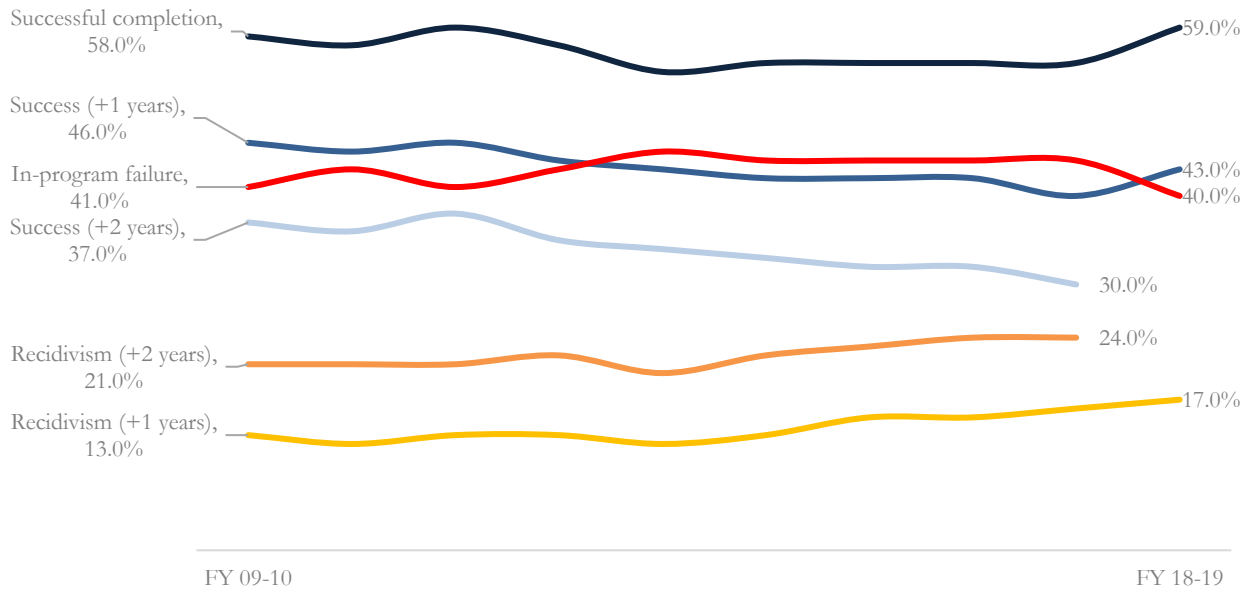


Source: JBC staff graph using DCJ data in the FY 2018-19 Community Corrections Annual Report

RESIDENTIAL COMMUNITY CORRECTIONS OUTCOMES

The following graph shows program outcomes for most residential community corrections programs, excluding therapeutic communities. Note the decline in the percentage of offenders who successfully complete their programming and are not charged with a new crime within two years (30.0 percent for those who completed their programs in FY 2017-18).

Program Outcomes for Residential Community Corrections
FY 2009-10 to FY 2018-19



Sources: JBC staff graph using DCJ data

This data comes with a caveat. DCJ defines recidivism as a new misdemeanor or felony court filing. In other words, recidivism is measured at the allegation stage, not the conviction stage. In JBC staff's view, this definition limits the data's utility as an indication of public safety, which consequently limits its value as a tool for assessing whether community corrections "works."

If a purpose of community corrections is to increase public safety by reducing the public's risk of being a victim of crime, the quality and severity of the harm incurred by an individual's actions should factor into system-level performance assessments. DCJ has mentioned a possible change in the definition of recidivism to something like a new felony conviction. In JBC staff's view, this definition of recidivism would provide more accurate assessment of the system's successes and failures as a public safety tool.

REQUEST OVERVIEW

The Department's request has two main components the \$22.0 million reduction and the shift to a competitive grant program.

FY 2021-22 REDUCTION: \$22.0 MILLION GENERAL FUND

The requested reduction is about \$6.0 million more than necessary to match appropriations with current caseload based on current per-diem rates. Current appropriations can support about 4,000 beds, including specialized programs. However, the average daily population in FY 2020-21 has been closer to 3,330 beds. A corresponding reduction in appropriations would be about \$16.0 million, not \$22.0 million.

One reason for the extra \$6.0 million reduction is to offset suggested changes in the structure of the Long Bill. The Department’s request proposes to combine the following line items into a single line called “Community Corrections Grant Funding”: Community Corrections Placements, Community Corrections Facility Payments, and Community Corrections Boards Administration. Assuming a \$22.0 million reduction to Community Corrections Placements, the new line item would total about \$50.8 million General Fund.

COMMUNITY CORRECTIONS GRANTS

This subsection focuses on three things: (1) why the Department wants to switch to a grant program, (2) what the grant program could look like, and (3) Potential challenges or risks. The Department has said it would not implement this change until FY 2022-23, but staff believes it is worth discussing now because many of the details are fluid and the General Assembly may wish to weigh in on the process.

(1) Reasons for the change

The Department believes the current system of per-diem payments based on caseload does not promote good performance by providers, which inhibits improved outcomes. In the Department’s view, moving to a competitive grant program would:

- **Incentivize providers to perform better**, especially if paired with performance-based incentive pay at a later date (“allows a future path forward for [performance-based contracting]”).
- **Increase competition** by allowing providers to bid the “true-cost” of services, which could also help improve performance.
- **Provide flexibility** by allowing local governments to tailor services to local needs and account for location-specific costs.

(2) Grant Program Overview

State appropriations would be based on available funds and needs analysis by the Department, who would allocate those appropriations through competitive grants. Local governments would apply for grants, which would be awarded based on:

- Performance related to outcomes;
- Alignment with evidence and research;
- Ability to meet the Department’s expectations;
- Local need and number of clients served; and
- Collaboration with community partners and stakeholders.

Annual reversions could be eliminated by allowing the local unit of government to keep unspent funds for “approved innovations and cost-saving measures...” If local governments require additional funds (e.g. caseload higher than expected), they would have to find another source.

The Department is still working out most of the details. For example, it has not made a decision on which outcomes it will use to measure provider performance. Possible outcomes include employment retention or gain, risk reduction, successful program completion, technical violations, escapes, and reconvictions (i.e. recidivism).⁵ As for “meeting the Department’s expectations,” DCJ expressed a desire to make community corrections standards less prescriptive, but the details remain in flux.⁶

⁵ DCJ cited a study of performance-based contracting in Colorado community corrections by the Urban Institute, which includes a section on possible outcome measures. [Link to the 59-page report](#), see pages 19-23 of the PDF.

⁶ [Link](#) to Colorado Community Corrections Standards, which were most recently revised in 2017.

(3) Challenges and Consequences

The request acknowledges that a grant model *and* a budget cut would reduce the system's capacity, which could **increase the financial burden on the Department of Corrections and the Judicial Department** unless there is "accompanying sentencing reform..." The request does not explain which reforms are necessary.

The request also acknowledges that **some providers would "no longer be financially viable with reduced capacity."** However, the request emphasizes that financial insolvency would be more likely in the current model than a grant model because the grant model would allow providers to "innovate or provide programming differently."

Lastly, the request states that **contracts for specialized treatment programs would be eliminated**, claiming that there is "little direct evidence to demonstrate that these programs are valuable return on investment for the state." The request further states that mental health and substance abuse services would be left to "experts in those respective fields," leaving community corrections providers to focus on other criminogenic needs.⁷

JBC Staff Analysis

Staff recognizes that many of the details in the Department's proposal are fluid and there is sufficient time to discuss those details before the start of the 2022-23 fiscal year. This section aims to inform that discussion by expanding on the benefits and challenges noted by the Department and adding other possible challenges.

First and foremost, the Department's request did not include evidence to support the claim that a grant program would produce better results than the current model, where available data shows relative stagnation or a slight decline in outcomes. A grant model could be an improvement on the current model if the grant's design can mitigate some of the challenges discussed below. However, at this point it has not been clearly demonstrated that provider performance, a lack of local control, or a lack of competition are the key variables standing in the way of better outcomes. On the other hand, staff has not seen evidence to suggest a grant model would produce worse outcomes.

Certain aspects of a grant model could simultaneously have positive and negative impacts. For example, a grant model would allow providers to bid "true-costs." Prior JBC staff analysis has shown that per-diem rates have not kept pace with inflation, nor have they matched true costs as reported by providers.⁸ For example, staff estimated that the standard residential rate in FY 2019-20 was about half of reported costs. It is not clear how providers are covering that gap, but one can accept the premise that a gap of some kind exists. This may have an impact on provider performance; some providers have indicated to staff that it is difficult to attract and retain personnel because current rates do not allow for attractive compensation packages.⁹

However, if grant bids exceed current rates and appropriations remain constant, system capacity would decline. If paired with a \$22.0 million funding cut, capacity would decline significantly. For example, in FY 2019-20 the average daily population for standard residential programs was 2,720. At the current

⁷ Criminogenic means producing or leading to crime.

⁸ See the [FY 2014-15 JBC Staff Budget Briefing](#) and the [FY 2019-20 JBC Staff Figure Setting](#) document.

⁹ This is consistent with JBC staff analysis back 2014. [Link](#) to the staff figure setting document from FY 2014-15, see pages 25-36 of the PDF.

per-diem rate of \$47.96, it would take about \$47.6 million to fully fund that number of beds for a full year. If providers bid the true per-diem cost, as estimated by JBC staff through provider surveys, the State could only support about 1,517 standard residential beds.

This decline in capacity could be partially offset by reducing the duration of programming for some offenders (e.g. from 6 months to 3 months), thus allowing more people to move through a smaller system. But the fact remains that a grant program model would initially cause a system-wide reduction in capacity unless it is paired with an increase in appropriations, not a decrease. If or when the criminal justice system recovers from coronavirus-related reductions in caseload, lower capacity in community corrections would likely increase caseload for the Department of Corrections (DOC) and probation services in the Judicial Department.

For example, the DOC calculated that the reduction for community corrections would drive a 765 bed increase in prison placements for offenders who would have otherwise gone to community corrections. Given prison caseload reductions elsewhere, DOC is not requesting additional funds at this time to account for a possible reduction in community corrections. However, it did factor these changes into its now-withdrawn request for reduced appropriations related to prison caseload.

The table below displays the JBC staff-calculated cost of 765 prison beds in the DOC system. To arrive at the breakdown of beds below, JBC staff extrapolated data from the January 2020 monthly prison population report (pre-coronavirus). Staff used the percentage of bed usage by security level and applied those percentages to a 765 bed increase in the DOC. Staff estimates the total annual cost for these prison beds at \$35.8 million. After factoring in the \$22.0 million reduction, the net cost to the state would be about \$13.8 million.

PRISON BED COST CALCULATION				
DOC PRISON LEVEL	NUMBER OF BEDS	DAILY BED COSTS	DAILY TOTAL	ANNUAL TOTAL
5	285	\$153.53	\$43,724	\$15,959,421
4	50	\$124.76	6,285	2,294,001
3	302	\$115.54	34,948	12,755,996
2	84	\$101.77	8,576	3,130,245
1	43	\$102.50	4,416	1,611,967
Total	765		\$97,950	\$35,751,631
R02 Community Corrections Grants				(22,000,000)
Net Cost to State FY 2021-22				\$13,751,631

Regarding the financial impact on providers, reduced appropriations in a grant model could have negative financial impacts just as much, if not more so, than the current model. Providers who do not win bids in a competitive grant system will have to find funding elsewhere or stop providing community corrections services. This could force some providers to shut down if their finances depend solely or primarily on allocations from the State for community corrections services.¹⁰ Additional flexibility with programming or standards may allow some providers to remain viable, but that remains an uncertainty, along with many other aspects of the grant model proposal.

Lastly, the Department’s justification for eliminating specialized programs—that they provide little return on investment to the State—may stem from an FY 2015-16 report by the Pew-MacArthur

¹⁰ This is consistent with feedback provided to DCJ by community corrections stakeholders, particularly those in rural communities. DCJ shared some of this feedback with JBC staff.

Results First Initiative, in partnership with OSPB.¹¹ The report found that most specialized community corrections programs cost more than they provide in benefits. During the FY 2016-17 budget cycle, JBC staff argued that the report's findings could be misleading and therefore cautioned against adjusting appropriations accordingly, at least until the report's findings could be examined in greater detail.¹² However, staff was only analyzing preliminary findings related to Intensive Residential Treatment, and current staff has not found a subsequent analysis of the full report. DCJ's hearing response supported the report's findings.¹³

Additional Challenges: Competition and Geography

Moving to a grant model involves other challenges as well. For example, the grant model aims to increase competition. Apart from anecdotal evidence provided by DCJ in a conversation with JCB staff, it is not clear that a grant program will encourage more providers to enter the community corrections space. Rather, a competitive grant system may favor larger providers with deeper pockets and could foster consolidation, exacerbating an ongoing trend noted in the FY 2018-19 JBC Staff Budget Briefing document for DCJ:

There has been a significant change in the type of providers over the past couple of years as more for-profit providers acquire smaller non-profit and other for-profit providers. As more smaller providers are purchased by the one of the two larger for profit companies, the built in incentive to be competitive is dimensioned (for example having three small providers have to compete for clients creates an environment that may lead to higher quality services than would otherwise exist without competition). As the larger for profit companies continue to expand their ownership of community corrections providers and facilities, the burden is placed on the Office of Community Corrections and local boards to ensure that the quality of services is not undercut by the lack of provider competition.¹⁴

In the current system based on caseload and per-diem rates, providers with deeper pockets and larger operations are able to withstand low per-diem rates by making money elsewhere (e.g. in other states) and by taking advantage of "economies of scale" to provide services at lower costs. If a grant model is designed, either implicitly or explicitly, to allocate money to the most product (i.e. number of individuals served) at the lowest cost, larger providers are in the best position to win grant funding. If a grant model really aims to encourage competition, it has to clarify and prioritize award criteria to foster that outcome. For example, is the State willing to pay more for better outcomes, or is cost reduction the primary consideration? Would a smaller provider in a rural area have to perform 20.0 percent better than a larger provider in an urban area who would cost 20.0 percent less?

There are a couple geographic components to consider as well. The first component is the geographic distribution of community corrections providers. The second component is local control and the possibility that some local jurisdictions do not want or cannot handle additional control in this domain.

As the map on page 14 of this document shows, most judicial districts have either zero or one community corrections provider. If capacity is reduced and closures occur, the number of judicial

¹¹ [Link](#) to the 51-page Results First report.

¹² [Link](#) to FY 2016-17 JBC Staff Budget Briefing for the Division of Criminal Justice, see pages 28-31 of the PDF.

¹³ [Link](#) to DCJ hearing responses from January 2016, see pages 19-27.

¹⁴ [Link](#) to FY 2018-19 JBC Staff Budget Briefing for the Division of Criminal Justice, see page 13 of the PDF.

districts without a community corrections provider would likely increase unless there are mitigating provisions built into the grant program. If a grant program causes or contributes to a reduction in the geographic distribution of community corrections providers, it could be in direct conflict with the request's claims to "further the ability for local units of government to...tailor programming and services to the local needs of the community, while also honoring local values." It could also be in conflict with a couple of the statutory purposes of community corrections. Namely, it would limit correctional options in those districts and reduce the ability of those districts to engage in local community-based correctional programming.

Furthermore, a grant model that aims to increase local control assumes that local jurisdictions want additional control and, if they do want it, that they have the capacity to utilize it. DCJ has solicited feedback from community corrections stakeholders and shared some of that feedback with JBC staff. Among that feedback was a concern that local governments would simply end community corrections services and utilize scarce resources elsewhere. If community corrections providers withdraw from some communities, due to their own financial considerations or those of their local partners, it could be difficult to reestablish community corrections services. For example, if a space previously occupied for community corrections is rezoned for another purpose, it can be very difficult to reacquire the zoning permissions necessary to resume services.¹⁵

CONCLUSION

For long-term budgetary considerations, staff cautions against implementing a new grant program model amid a \$22.0 million budget cut. If grant program bids exceed current per-diem rates, the State would end up paying more per bed. If that holds true amid a \$22.0 million budget cut, there would be a severe reduction in community corrections capacity. Reduced capacity in community corrections would likely increase caseload and costs for the Department of Corrections and the Judicial Department, potentially incurring a net cost to the state.

Regarding the grant program model, the program's design could mitigate many of the challenges discussed above. Ultimately, the General Assembly must decide if the grant program's purported benefits—better outcomes, tailored programming, increased competition— outweigh potential costs and consequences.

¹⁵ Anecdotal, based on JBC staff's conversations with community corrections providers.

APPENDIX A
NUMBERS PAGES
(DIGITAL ONLY)

Appendix A details actual expenditures for the last two fiscal years, the appropriation for the current fiscal year, and the requested appropriation for next fiscal year. This information is listed by line item and fund source. ***Appendix A is only available in the online version of this document.***

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
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DEPARTMENT OF PUBLIC SAFETY
Stan Hilkey, Executive Director

(4) DIVISION OF CRIMINAL JUSTICE
(A) Administration

DCJ Administrative Services	<u>3,904,755</u>	<u>4,366,598</u>	<u>6,009,634</u>	<u>9,541,657</u> *
FTE	37.3	45.5	45.7	47.5
General Fund	2,911,758	3,306,219	3,660,186	4,191,684
Cash Funds	615,799	608,353	1,722,463	4,722,463
Reappropriated Funds	377,198	452,026	492,848	492,848
Federal Funds	0	0	134,137	134,662
Appropriation to the Body-worn Cameras for Law Enforcement	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,650,000</u> *
General Fund	0	0	0	3,000,000
Cash Funds	0	0	0	650,000
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
Indirect Cost Assessment	<u>715,864</u>	<u>743,318</u>	<u>776,884</u>	<u>635,601</u>
General Fund	0	0	0	0
Cash Funds	74,480	102,171	98,003	110,905
Reappropriated Funds	0	0	0	0
Federal Funds	641,384	641,147	678,881	524,696

*Line item includes a decision item.

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
SUBTOTAL - (A) Administration	4,620,619	5,109,916	6,786,518	13,827,258	103.7%
<i>FTE</i>	<u>37.3</u>	<u>45.5</u>	<u>45.7</u>	<u>47.5</u>	3.9%
General Fund	2,911,758	3,306,219	3,660,186	7,191,684	96.5%
Cash Funds	690,279	710,524	1,820,466	5,483,368	201.2%
Reappropriated Funds	377,198	452,026	492,848	492,848	0.0%
Federal Funds	641,384	641,147	813,018	659,358	(18.9%)

(B) Victims Assistance

Federal Victims Assistance and Compensation Grants	<u>27,003,971</u>	<u>34,606,523</u>	<u>25,093,968</u>	<u>25,093,968</u>
FTE	12.6	8.6	8.6	8.6
General Fund	0	0	0	0
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	27,003,971	34,606,523	25,093,968	25,093,968
State Victims Assistance and Law Enforcement Program	<u>1,411,894</u>	<u>1,244,549</u>	<u>1,500,000</u>	<u>1,500,000</u>
General Fund	0	0	0	0
Cash Funds	1,411,894	1,244,549	1,500,000	1,500,000
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
Child Abuse Investigation	<u>1,089,279</u>	<u>1,296,545</u>	<u>1,297,693</u>	<u>1,297,693</u>
FTE	0.3	0.3	0.3	0.3
General Fund	800,000	1,000,000	1,000,000	1,000,000
Cash Funds	289,279	296,545	297,693	297,693
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Sexual Assault Victim Emergency Payment Program	<u>167,897</u>	<u>166,228</u>	<u>167,933</u>	<u>167,933</u>	
FTE	0.1	0.2	0.2	0.2	
General Fund	167,897	166,228	167,933	167,933	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Statewide Victim Information and Notification System (VINE)	<u>424,720</u>	<u>424,720</u>	<u>434,720</u>	<u>434,720</u>	
General Fund	424,720	424,720	434,720	434,720	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (B) Victims Assistance	30,097,761	37,738,565	28,494,314	28,494,314	0.0%
<i>FTE</i>	<u>13.0</u>	<u>9.1</u>	<u>9.1</u>	<u>9.1</u>	<u>(0.0%)</u>
General Fund	1,392,617	1,590,948	1,602,653	1,602,653	0.0%
Cash Funds	1,701,173	1,541,094	1,797,693	1,797,693	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	27,003,971	34,606,523	25,093,968	25,093,968	0.0%

(C) Juvenile Justice and Delinquency Prevention

Juvenile Justice Disbursements	<u>859,420</u>	<u>744,011</u>	<u>800,000</u>	<u>800,000</u>	
FTE	2.0	1.2	1.2	1.2	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	859,420	744,011	800,000	800,000	

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Juvenile Diversion Programs	<u>1,609,411</u>	<u>2,907,948</u>	<u>3,561,677</u>	<u>3,561,677</u>	
FTE	1.2	3.0	3.0	3.0	
General Fund	1,239,743	2,508,067	3,161,677	3,161,677	
Cash Funds	369,668	399,881	400,000	400,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (C) Juvenile Justice and Delinquency					
Prevention	2,468,831	3,651,959	4,361,677	4,361,677	0.0%
FTE	<u>3.2</u>	<u>4.2</u>	<u>4.2</u>	<u>4.2</u>	0.0%
General Fund	1,239,743	2,508,067	3,161,677	3,161,677	0.0%
Cash Funds	369,668	399,881	400,000	400,000	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	859,420	744,011	800,000	800,000	0.0%
(D) Community Corrections					
Community Corrections Placements	<u>62,437,816</u>	<u>68,820,643</u>	<u>66,063,973</u>	<u>44,063,973</u> *	
General Fund	62,437,816	68,820,643	66,063,973	44,063,973	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Correctional Treatment Cash Fund Residential Placements	<u>2,916,011</u>	<u>2,328,955</u>	<u>2,707,740</u>	<u>2,707,740</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	2,916,011	2,328,955	2,707,740	2,707,740	
Federal Funds	0	0	0	0	

*Line item includes a decision item.

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Community Corrections Facility Payments	<u>4,134,960</u>	<u>4,237,254</u>	<u>4,194,881</u>	<u>4,194,881</u>	
General Fund	4,134,960	4,237,254	4,194,881	4,194,881	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Community Corrections Boards Administration	<u>2,507,496</u>	<u>2,538,726</u>	<u>2,514,307</u>	<u>2,514,307</u>	
General Fund	2,507,496	2,538,726	2,514,307	2,514,307	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Services for Substance Abuse and Co-occurring Disorders	<u>2,401,250</u>	<u>2,264,500</u>	<u>2,589,442</u>	<u>2,589,442</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	2,401,250	2,264,500	2,589,442	2,589,442	
Federal Funds	0	0	0	0	
Specialized Offender Services	<u>240,745</u>	<u>191,208</u>	<u>263,549</u>	<u>263,549</u>	
General Fund	240,745	191,208	263,549	263,549	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Offender Assessment Training	<u>8,304</u>	<u>5,224</u>	<u>10,507</u>	<u>10,507</u>	
General Fund	8,304	5,224	10,507	10,507	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Intensive Residential Treatment Expansion	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Subsistence Payment	<u>254,786</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	254,786	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (D) Community Corrections	74,901,368	80,386,510	78,344,399	56,344,399	(28.1%)
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	0.0%
General Fund	69,584,107	75,793,055	73,047,217	51,047,217	(30.1%)
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	5,317,261	4,593,455	5,297,182	5,297,182	0.0%
Federal Funds	0	0	0	0	0.0%

(E) Crime Control and System Improvement

State and Local Crime Control and System Improvement

Grants	<u>1,251,948 1.3</u>	<u>1,877,788</u>	<u>3,000,000</u>	<u>3,000,000</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	1,251,948	1,877,788	3,000,000	3,000,000	

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	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Sex Offender Surcharge Fund Program	<u>210,029</u>	<u>228,275</u>	<u>235,479</u>	<u>235,479</u>	
FTE	2.3	2.4	2.4	2.4	
General Fund	82,513	83,356	83,471	83,471	
Cash Funds	127,516	144,919	152,008	152,008	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Sex Offender Supervision	<u>358,535</u>	<u>316,211</u>	<u>375,364</u>	<u>375,364</u>	
FTE	3.8	3.2	3.2	3.2	
General Fund	358,535	316,211	375,364	375,364	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Treatment Provider Criminal Background Checks	<u>36,119</u>	<u>34,414</u>	<u>49,606</u>	<u>49,606</u>	
FTE	0.2	0.6	0.6	0.6	
General Fund	0	0	0	0	
Cash Funds	36,119	34,414	49,606	49,606	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Federal Grants	<u>3,652,513</u>	<u>3,962,068</u>	<u>5,000,000</u>	<u>5,000,000</u>	
FTE	3.3	10.5	10.5	10.5	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	3,652,513	3,962,068	5,000,000	5,000,000	

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
EPIC Resource Center	<u>657,557</u>	<u>869,659</u>	<u>928,614</u>	<u>354,983</u> *	
FTE	5.7	9.0	9.0	3.0	
General Fund	657,557	869,659	928,614	354,983	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Criminal Justice Training Fund	<u>119,722</u>	<u>81,480</u>	<u>240,000</u>	<u>240,000</u>	
FTE	0.5	0.5	0.5	0.5	
General Fund	0	0	0	0	
Cash Funds	119,722	81,480	240,000	240,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Methamphetamine Abuse Task Force Fund	<u>2,815</u>	<u>2,068</u>	<u>3,000</u>	<u>3,000</u>	
General Fund	0	2,068	0	0	
Cash Funds	2,815	0	3,000	3,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Law Enforcement Assistance Grants	<u>1,487,821</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.8	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	1,487,821	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

*Line item includes a decision item.

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
SUBTOTAL - (E) Crime Control and System Improvement					
<i>FTE</i>	7,777,059	7,371,963	9,832,063	9,258,432	(5.8%)
General Fund	<u>17.9</u>	<u>26.2</u>	<u>26.2</u>	<u>20.2</u>	<u>(22.9%)</u>
Cash Funds	1,098,605	1,271,294	1,387,449	813,818	(41.3%)
Reappropriated Funds	1,773,993	260,813	444,614	444,614	0.0%
Federal Funds	0	0	0	0	0.0%
	4,904,461	5,839,856	8,000,000	8,000,000	0.0%
TOTAL - (4) Division of Criminal Justice					
<i>FTE</i>	119,865,638	134,258,913	127,818,971	112,286,080	(12.2%)
General Fund	<u>71.4</u>	<u>85.0</u>	<u>85.2</u>	<u>81.0</u>	<u>(4.9%)</u>
Cash Funds	76,226,830	84,469,583	82,859,182	63,817,049	(23.0%)
Reappropriated Funds	4,535,113	2,912,312	4,462,773	8,125,675	82.1%
Federal Funds	5,694,459	5,045,481	5,790,030	5,790,030	0.0%
	33,409,236	41,831,537	34,706,986	34,553,326	(0.4%)

APPENDIX B FOOTNOTES AND INFORMATION REQUESTS

UPDATE ON LONG BILL FOOTNOTES

The General Assembly includes footnotes in the annual Long Bill to: (a) set forth purposes, conditions, or limitations on an item of appropriation; (b) explain assumptions used in determining a specific amount of an appropriation; or (c) express legislative intent relating to any appropriation. Footnotes to the 2020 Long Bill (H.B. 20-1360) can be found at the end of each departmental section of the bill at <https://leg.colorado.gov/bills/HB20-1360>. The Long Bill footnotes relevant to this document are listed below.

110 Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements -- This appropriation assumes the daily rates and average daily caseloads listed in the following table and is based on the following assumptions: the base rate for standard nonresidential services is a weighted average of the rates for four different levels of service; 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; client fees may be partially or fully waived in specialized residential and non-residential programs with the approval of the Division of Criminal Justice; pursuant to its authority to administer and execute contracts under Section 17-27-108, C.R.S., the Division of Criminal Justice will ensure that every reasonable effort is made to achieve such collections; and outpatient therapeutic community programs: (1) will receive the standard non-residential base rate for all offenders in their programs, including Department of Corrections clients; (2) will receive the outpatient therapeutic community base rate for all clients in program phases other than the post graduate phase, including Department of Corrections clients; (3) will not receive the outpatient therapeutic community base rate or the non-residential base rate for probation clients; (4) will collect client fees of up to \$3 per day; and (5) will not receive payment from the Department of Corrections for services covered by the standard non-residential base rate or the outpatient therapeutic community base rate. Of this appropriation, \$1,545,409 is from the savings produced by H.B. 10-1360 pursuant to Section 17-2-103 (11.5), C.R.S., for parolee Intensive Residential Treatment beds and for parolee sex offender beds and 48 Intensive Residential Treatment beds are from savings produced by S.B. 15-124.

Placement Type	Rate	Diversion	Transition	Parole	Appropriation
Standard residential	\$47.96	1,470	1,110	94	\$44,253,271
Cognitive behavioral treatment pilot program	\$94.07	24	24	0	\$1,648,103
Intensive Residential Treatment	\$92.54	161	28	35	\$7,565,952
Inpatient Therapeutic Community	\$80.14	68	37	3	\$3,159,139
Residential Dual Diagnosis Treatment	\$81.81	82	25	13	\$3,583,470
Sex Offender	\$81.81	75	28	13	\$3,464,021
Standard Non-residential	\$6.49	774	6	6	\$1,863,137
Outpatient Therapeutic Community	\$23.28	39	23	0	\$526,881
Total	-	2,547	1,281	164	\$66,063,973

COMMENT: This footnote is part of the community corrections placements appropriations.

111 Department of Public Safety, Division of Criminal Justice, Community Corrections, Correctional Treatment Cash Fund Residential Placements -- This appropriation includes funding for 48 condition-of-probation placements at rates corresponding to those in footnote 110.

COMMENT: This footnote makes it clear that all Intensive Residential Treatment (IRT) Beds receive the same reimbursement from the Division of Criminal Justice.

112 Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Facility Payments -- The amount of the appropriation assumes that the Department will make lower facility payments to programs that have lower costs due to case management staffing shortfalls or security and case management salary shortfalls relative to the staffing and salary model upon which the appropriation is based. Because per diem rates are unchanged for FY 2020-21, these appropriations further assume that salary and staffing levels deemed adequate for FY 2019-20 will be deemed adequate for FY 2020-21 and that community corrections facilities with an average of 32 or more security FTE will receive a second facility payment.

COMMENT: The footnote explains the intent of the General Assembly when setting the appropriations for the Community Corrections Facility Payment line item.

UPDATE ON LONG BILL REQUESTS FOR INFORMATION

The Joint Budget Committee annually submits requests for information to executive departments and the judicial branch via letters to the Governor, the Chief Justice, and other elected officials. Each request is associated with one or more specific Long Bill line item(s), and the requests have been prioritized by the Joint Budget Committee as required by Section 2-3-203 (3), C.R.S. Copies of these letters are included as Appendix L of the annual Appropriations Report. The requests for information relevant to this document are listed below.

REQUESTS AFFECTING MULTIPLE DEPARTMENTS

1 Department of Corrections; Department of Human Services; Judicial Department; Department of Public Safety; and Department of Transportation -- 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 Alcohol and Drug Driving Safety Program Fund, the Law

Enforcement Assistance Fund, the Offender Identification Fund, the Persistent Drunk Driver Cash Fund, and the Sex Offender Surcharge Fund, among other programs.

COMMENT: The Department submitted its response as requested by November 1, 2020.

DEPARTMENT OF PUBLIC SAFETY

- 1 Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements, Correctional Treatment Cash Fund Residential Placements, and Community Corrections Facility Payments -- As part of its FY 2020-21 2021-22 budget request, the Department is requested to report actual average daily community corrections placements for recently completed fiscal years with a level of detail compatible with the table in Long Bill footnote 93. This document should also report condition of probation placements. The Department is requested to update the report with year-to-date community corrections placements shortly after January 1, 2021. The January report should also include an estimated placements table for FY 2021-22. If the Department believes that a supplemental adjustment to the FY 2020-21 Community Corrections Placements appropriation is needed, the Department is requested to also submit an estimated placements table for FY 2020-21. If the Department estimates that the actual number of Community Corrections facility payments in either FY 2020-21 or FY 2021-22 will differ from the number on which the FY 2020-21 facility payments appropriation is based, the Department is requested to include that information in its January report. These estimates are not intended to be formal statistical forecasts, but informal estimates based upon year-to-date caseload, knowledge of facilities that are opening and closing or expanding and contracting, and upon other factors that influence the community corrections appropriations. The Department is requested to submit a brief narrative with the estimates.

COMMENT: The Department is not required to submit an update to this information until January 2021.

APPENDIX C

DEPARTMENT ANNUAL PERFORMANCE REPORT

Pursuant to Section 2-7-205 (1)(b), C.R.S., the Department of Natural Resources is required to publish an **Annual Performance Report** for the *previous fiscal year* by November 1 of each year. This report is to include a summary of the Department's performance plan and most recent performance evaluation for the designated fiscal year. In addition, pursuant to Section 2-7-204 (3)(a)(I), C.R.S., the Department is required to develop a **Performance Plan** and submit the plan for the *current fiscal year* to the Joint Budget Committee and appropriate Joint Committee of Reference by July 1 of each year.

For consideration by the Joint Budget Committee in prioritizing the Department's FY 2021-22 budget request, the FY 2019-20 Annual Performance Report and the FY 2020-21 Performance Plan can be found at the following link:

<https://www.colorado.gov/pacific/performancemanagement/department-performance-plans>