



COLORADO

Department of Corrections

*Priority: R-12
Provider Rate Increase
FY 2014-15 CHANGE REQUEST*

Cost and FTE

- This request is for \$1,236,372 General Fund to support a 1.5% external capacity provider rate increase in FY 2014-15.

Current Program

- The Department receives funding in the Payments to House State Prisoners Subprogram to pay for the costs of housing offenders externally. The types of beds provided in this program include those found at county jails, private prison facilities, and community corrections facilities.

Problem or Opportunity

- Provider rates remained static during the economic downturn.
- The 2% provider rate increase funded in FY 2013-14 was the first sustained increase for external capacity providers since FY 2007-08.
- A 1.5% provider rate increase is requested for FY 2014-15 in order to keep pace with inflationary increases.

Consequences of Problem

- Should this request not be funded, external capacity providers will be forced to continue to absorb cost increases, potentially harming the spirit of cooperation that currently exists between the Department and its private providers.

Proposed Solution

- Increase Payments to House State Prisoners funding by \$1,236,372 to support a 1.5% increase in daily per diem rates paid to county jails, private prisons, and community corrections facilities.
- All funding changes are on-going and do not require a statutory change.

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FY 2014-15 CHANGE REQUEST
Priority: R-12 Provider Rate Increase
Request Detail

Problem or Opportunity:

The Department received a 2% provider rate increase in FY 2013-14, the first sustained rate increase for external capacity providers since FY 2007-08. The FY 2013-14 provider rate increase serves to offset higher costs in the current fiscal year but does not make up for lost ground due to the static rates of recent years. A 1.5% provider rate increase is requested for FY 2014-15 in order keep pace with inflationary increases and not further erode the ability of external capacity facilities to provide services to offenders housed externally.

Proposed Solution:

The Department is requesting an increase of \$1,236,372 in the Payments to House State Prisoners Subprogram to counter inflationary increases and maintain the same living conditions for offenders housed outside of the Department's facilities. The Consumer Price Index for the Denver-Boulder-Greeley area recorded 2.8% growth in FY 2012-13. The change request represents a 1.5% increase to daily per diem rates paid to external capacity providers.

Anticipated Outcomes:

With the increased funding, the Department would be able to offset the inflationary increase of basic necessities and provide consistent living conditions for offenders housed externally.

Assumptions and Calculations:

The Department's request is based on 1.5% of the FY 2013-14 line item appropriations within the Payments to House State Prisoners Subprogram (Table 1). Although the Department has cash funds spending authority in the Payments to In-State Private Prisons line, it will not receive a larger award from the State Criminal Alien Assistance Program to go along with a provider rate increase; therefore, the Department's calculations reflect the full effect of a 1.5% rate increase on the General Fund.

Appendix:**Table 1: Provider Rate Increase**

Long Bill Line	FY 2013-14 Daily Bed Rate	FY 2013-14 Appropriation	1.5% Increase	FY 2014-15 Request	FY 2014-15 Requested Daily Bed Rate
(1)(B)(2)					
Payments to House State Prisoners:					
Payments to Local Jails	\$51.45	\$10,524,798	\$157,872	\$10,682,670	\$52.22
Payments to In-State Private Prisons	\$53.74	\$58,241,813	\$873,627	\$59,115,440	\$54.55
Payments to Pre-Release and Parole Revocation Facilities	\$53.74	\$10,040,467	\$150,607	\$10,191,074	\$54.55
Community Corrections Programs	\$48.00	\$3,617,755	\$54,266	\$3,672,021	\$48.72
Total		\$82,424,833	\$1,236,372	\$83,661,205	