

**Schedule 13**

**Funding Request for the FY 2015-16 Budget Cycle**

**Department of Corrections**

PB Request Number NPR-01

**Request Titles**

NPR-01 Annual Fleet Vehicle Request

Dept. Approval By: *Kellie R. Wasko*

Supplemental  
Change Request FY 2015-16

OSPB Approval By: *[Signature]*

Base Reduction FY 2015-16  
Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15	FY 2015-16		FY 2016-17	
		Appropriation	Request	Base Request	FY 2015-16	Continuation
	Total	\$3,272,093	\$0	\$3,376,833	(\$6,706)	(\$6,706)
	FTE	-	-	-	-	-
Total of All Line Items	GF	\$2,907,141	\$0	\$3,011,881	(\$141,742)	(\$141,742)
	CF	\$364,952	\$0	\$364,952	\$135,036	\$135,036
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2014-15	FY 2015-16		FY 2016-17	
		Appropriation	Request	Base Request	FY 2015-16	Continuation
	Total	\$3,272,093	\$0	\$3,376,833	(\$6,706)	(\$6,706)
(3) Support Services	CF	\$364,952	\$0	\$364,952	\$135,036	\$135,036
(E) Transportation Vehicle Lease Payments	GF	\$2,907,141	\$0	\$3,011,881	(\$141,742)	(\$141,742)

Letternote Text Revision Required?	Yes	No	<input checked="" type="checkbox"/>	If Yes, describe the Letternote Text Revision:
Cash or Federal Fund Name and CORE Fund Number:	CF - Correctional Industries 5070 CFAA			
Reappropriated Funds Source, by Department and Line Item Name:				
Approval by OIT?	Yes	No	Not Required:	<input checked="" type="checkbox"/>
Schedule 13s from Affected Departments:				
Other Information:				

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**Schedule 13**

**Funding Request for the FY 2015-16 Budget Cycle**

Department of Corrections

PB Request Number R-01

Request Titles

R-01 External Capacity

Dept. Approval By:

*Kenneth R. Wasko*

X

Supplemental

Change Request FY 2015-16

Base Reduction FY 2015-16

OSPB Approval By:

*Erin M. ...*

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Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15	FY 2015-16		FY 2016-17
		Appropriation	Request	Base Request	Continuation
	Total	\$87,878,292	\$0	\$87,918,608	\$6,626,765
	FTE	-	-	-	-
Total of All Line Items	GF	\$85,319,585	\$0	\$85,559,799	\$6,626,765
	CF	\$2,358,707	\$0	\$2,358,707	\$0
	RF	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2014-15	FY 2015-16		FY 2016-17
		Appropriation	Request	Base Request	Continuation
	Total	\$12,146,813	\$0	\$12,180,092	\$1,078,006
(1) Management (B) External Capacity (2) Payments to Local Jails	GF	\$12,146,813	\$0	\$12,180,092	\$1,078,006
	Total	\$64,413,858	\$0	\$64,590,332	\$4,724,487
(1) Management (B) External Capacity (2) Payments to In-State Private Prisons	CF	\$2,358,707	\$0	\$2,358,707	\$0
	GF	\$62,055,149	\$0	\$62,231,625	\$4,724,487
	Total	\$11,117,623	\$0	\$11,148,082	\$824,272
(1) Management (B) External Capacity (2) Payments to Pre-Release Parole Revocation Facilities	GF	\$11,117,623	\$0	\$11,148,082	\$824,272

Letternote Text Revision Required?	Yes	No	X	If Yes, describe the Letternote Text Revision:
Cash or Federal Fund Name and CORE Fund Number:				
Reappropriated Funds Source, by Department and Line Item Name:				
Approval by OIT?	Yes	No	Not Required: X	
Schedule 13s from Affected Departments:				
Other Information:				

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### ***Cost and FTE***

- The Department of Corrections (DOC) requests \$6,626,765 General Fund to house a growing offender population. The FY 2015-16 request represents a 7.2 percent increase to the External Capacity/Payments to House State Prisoners program and is an ongoing request.

### ***Current Program***

- DOC protects the citizens of Colorado with the effective management of criminal offenders in controlled environments that also provide meaningful work and self-improvement opportunities to assist offenders with community re-entry.
- Private prison providers are utilized for housing offenders in excess of DOC's physical capacity. In addition, local jails hold offenders that are awaiting a prison bed.
- The Department's budget supports an operational capacity of 17,770 state and private prison beds and 631 jail backlog beds.

### ***Problem or Opportunity***

- The population projection from the July 2014 Colorado Division of Criminal Justice forecast indicates the prison population is increasing through 2020.
- The forecasted population increases from FY 2014-15 to FY 2015-16, as well as continued growth in the number of occupied prison beds as a percentage of the male jurisdictional population, combine to drive a need for 276 private prison beds to house male offenders and 56 local jail beds for female offenders.

### ***Consequences of Problem***

- The Department does not have sufficient beds for housing male and female offenders based on the most recent population forecast for FY 2015-16.
- Housing offenders in overcrowded units or at inappropriate custody levels decreases safety levels for both offenders and staff.
- A delay in assigning an offender to a bed can also slow placement into treatment and training programs that facilitate an offender's eventual re-entry into the community.

### ***Proposed Solution***

- This request will add 276 private prison beds and 56 jail backlog beds to meet offender bed requirements in FY 2015-16.
- DOC applied the same methodology as used in the FY 2014-15 budget request to determine operational capacity requirements.

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# COLORADO

## Department of Corrections

John W. Hickenlooper  
Governor

Rick Raemisch  
Executive Director

FY 2015-16 Funding Request | November 1, 2014

**Department Priority: R-01**  
**Request Detail: External Capacity**

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
External Capacity	\$6,626,765	\$6,626,765

### **Problem or Opportunity:**

The Department of Corrections (DOC) is housing an increasing offender population in line with prison population forecasts prepared by the Colorado Division of Criminal Justice (DCJ). The Department ended FY 2013-14 slightly ahead of DCJ's December 2013 forecast with a male jurisdictional population of 18,619 (+9) and female jurisdictional population of 1,903 (+31). DCJ prepared an interim population forecast in July 2014 and continues to project a growing prison population through 2020. This latest update made very small adjustments to the projected male prison population since the December 2013 forecast, while significantly greater adjustments were made to the female prison population projection.

End of Fiscal Year	Dec 2013 Forecast	Avg Daily Population	July 2014 Interim Forecast*	Avg Daily Population	ADP Change
2014	20,482		20,522		
2015	20,717	20,600	20,746	20,634	34
2016	20,897	20,807	20,921	20,834	27
2017	21,330	21,114	21,354	21,138	24
2018	21,813	21,572	21,837	21,596	24
2019	22,327	22,070	22,351	22,094	24
2020			22,868	22,610	

\*2014 number reflects June 30, 2014 actual

DOC received additional funding for the growing prison population in the FY 2013-14 supplemental request and the FY 2014-15 Long Bill. The increased funding allowed the reutilization of 440 male and 76 female state prison beds as well as increased the private prison capacity for male offenders and funded local jail beds to house overflow female offenders. The forecasted population increases from FY 2014-15 to FY 2015-16, as well as continued growth in the number of occupied prison beds as a percentage of the male jurisdictional population, combine to drive a need for more private prison beds to house male offenders and more local jail beds for female offenders.

The reopening of 516 state prison beds in the spring of 2014 served to make available all beds in state facilities with the exception of the closed Boot Camp and Centennial South facilities. The Department must therefore turn to private prison providers to house an increasing male offender population. In the case of female offenders, the bed shortfall is being resolved through the use of jail beds until a state bed becomes available. While not an ideal solution, DOC is using this approach as a short term solution until a cost efficient long term solution for female offender bed requirements is fully developed.

***Proposed Solution:***

The Department requests \$6,626,765 General Fund to house a growing prison population in FY 2015-16. The requested funding is for the External Capacity subprogram and would add another 56 jail beds and 276 private prison beds to DOC's current operational capacity.

The private prison providers have the capacity to grow with the projected population increase in FY 2015-16. Since these beds are readily available, this is the best solution for housing an increasing offender population. Additional funding for private prison beds to go along with the projected male offender increase allows the Department to move offenders in a timely manner and minimize extended stays in local jails.

If the population continues to increase in the future, the Department will analyze reclassifying the Delta Correctional Center in order to maximize the State's current bed capacity. The facility is currently classified as Level 1 and the Prison Utilization Study indicated that the population could be increased within the current infrastructure. In order to implement this within the classification needs of the current offender population, the facility would need to be reclassified.

***Anticipated Outcomes:***

If approved, DOC would have the operational capacity needed to house the projected offender population in FY 2015-16. Having an appropriate custody level bed available for offenders allows the Department to provide for the safe and efficient housing of offenders. The assignment of offenders to beds in a timely manner also expedites the delivery of treatment and training programs that facilitate an offender's eventual re-entry into the community. The proposed solution emphasizes efficient operations by making available all state beds and taps into existing private prison bed capacity.

***Assumptions and Calculations:***

The starting point for determining offender bed requirements is the latest DCJ prison population forecast. The July 2014 interim forecast was used in this instance with Table 1 offering a comparison of the latest population projection against the information used in the Department's FY 2014-15 Supplemental/Budget Amendment request. DCJ provided the Department with total jurisdictional population estimates for both male and female offenders (Tables 2 and 4). From there, DOC estimated the number of offenders that will require a prison bed. The Department continues to use the rolling 12 month average recommended in the Prison Utilization Study for estimating facility population needs (Tables 3 and 5). It should be noted that the rolling average for male offenders increased slightly since the FY 2014-15 budget request (88.1% vs. 87.4%) while the female offender percentage remained the same at 77.6%.

Once the average daily population (ADP) for facility beds is determined, it is compared to the Department's current operational capacity including both state and private facility beds. Table 6 provides an update on the capacity in state facilities and includes a crosswalk from the capacity cited in the Prison Utilization Study. The Department has one change since the last update in January 2014. This involves the



reduction of three beds at the San Carlos Correctional Facility due to the realignment of programs at this facility. Tables 7 and 8 show how the increased need for 276 male and 56 female beds was determined using the forecasted facility population in FY 2015-16. The Department continues to use the suggested 2 percent vacancy rate for state beds to account for the fact that at any given time a correctional system will have vacant beds. Table 9 provides a recap of DOC's operational capacity if the request is approved. When the private facility beds are factored in, the Department's total operational capacity reflects a 1.5 percent vacancy rate. Finally, Table 10 shows detailed calculations by budget line item for the Department's request of \$6,626,765.

**Appendix:**

<b>Table 2: Male Population Projection</b>			
<b>(DCJ July 2014 Forecast)</b>			
<b>End of Month:</b>	<b>Total Pop. Projection</b>	<b>Facility Population</b>	<b>Facility ADP</b>
June 2014*	18,619	16,336	
June 2015	18,737	16,507	16,422
June 2016	18,925	16,673	16,590

\*Actual figures for June 2014

<b>Table 3: Male Offender Facility Population Projection</b>													
<b>(Rolling 12 Month Average Using Actual Data)</b>													
	2013					2014							Rolling Average
	Aug*	Sep*	Oct*	Nov*	Dec*	Jan*	Feb*	Mar*	Apr*	May	Jun*	Jul*	
Male Jurisdictional	18,517	18,448	18,534	18,525	18,461	18,471	18,448	18,507	18,531	18,589	18,619	18,643	18,524
Male Facility	16,095	16,341	16,366	16,373	16,364	16,240	16,275	16,361	16,418	16,379	16,356	16,377	16,329
% in Facilities	86.9%	88.6%	88.3%	88.4%	88.6%	87.9%	88.2%	88.4%	88.6%	88.1%	87.8%	87.8%	88.1%

\*Adjusted for excess jail backlog

<b>Table 4: Female Population Projection</b>			
<b>(DCJ July 2014 Forecast)</b>			
<b>End of Month:</b>	<b>Total Pop. Projection</b>	<b>Facility Population</b>	<b>Facility ADP</b>
June 2014*	1,903	1,442	
June 2015	2,009	1,559	1,500
June 2016	1,996	1,549	1,554

\*Actual figures for June 2014

Table 5: Female Offender Facility Population Projection													
(Rolling 12 Month Average Using Actual Data)													
	2013					2014							Rolling Average
	Aug*	Sep*	Oct*	Nov*	Dec*	Jan*	Feb*	Mar*	Apr*	May*	Jun*	Jul*	
Female Jurisdictional	1,811	1,812	1,840	1,839	1,842	1,850	1,867	1,878	1,904	1,894	1,903	1,897	1,861
Female Facility	1,417	1,421	1,433	1,430	1,422	1,434	1,453	1,458	1,468	1,477	1,462	1,453	1,444
% in Facilities	78.2%	78.4%	77.9%	77.8%	77.2%	77.5%	77.8%	77.6%	77.1%	78.0%	76.8%	76.6%	77.6%

\*Adjusted for excess jail backlog

Table 6: State Facility Capacity Crosswalk						
Facility	CNA Original Capacity	CNA/DOC Capacity Reconciliation	DOC Adjustments	FY 14-15 Budget Actions	Current Facility Capacity	
Centennial	320				320	
Colorado State Penitentiary	756				756	
Denver Reception	572				572	
San Carlos	234			21	255	
Sterling	2,468		(56)	(24)	100	2,488
Limon	930				930	
Arkansas Valley	1,050				1,050	
Buena Vista Complex	1,065		(21)		140	1,184
Colorado Territorial	929				929	
Fremont	1,620				1,620	
La Vista - Male Beds	94				94	
Arrowhead	520				520	
Four Mile	521				521	
Trinidad	400			100	500	
CCC (Camp George West)	150				150	
Delta	484		(4)		480	
Rifle	204		(12)		192	
Skyline	252				252	
<b>Subtotal Male Capacity</b>	<b>12,569</b>		<b>(93)</b>	<b>(3)</b>	<b>340</b>	<b>12,813</b>
Denver Women's	968		(68)		76	976
La Vista - Female Beds	450			30		480
<b>Subtotal Female Capacity</b>	<b>1,418</b>		<b>(68)</b>	<b>30</b>	<b>76</b>	<b>1,456</b>
<b>Total State Facilities</b>	<b>13,987</b>		<b>(161)</b>	<b>27</b>	<b>416</b>	<b>14,269</b>

#### CNA/DOC Capacity Reconciliation Details:

- The CNA (study contractor) methodology for calculating operational capacity included emergency beds but excluded punitive segregation and infirmary beds from the count. DOC agreed with this methodology with the minor changes discussed below.
- Sterling Correctional Facility had two issues that contributed to the calculation difference. The facility's protective custody unit has 64 cells with 32 of the cells holding a single bunk and 32 of the cells double bunked for a total of 96 beds. Although this unit contains 96 beds, the Department can only utilize 64 beds at the same time due to fixture limitations (e.g., showers, toilets, etc.). As a

result, the bed count for this unit is 32 fewer than what was included in the study. The second issue concerned the number of punitive segregation beds. The number of beds listed in the study was 72 but the actual number of punitive beds in the facility is 96.

- The Buena Vista Correctional Complex has a total of 34 emergency beds, with 21 of these beds residing in punitive segregation units.
- Delta Correctional Center has four emergency beds that are located in the punitive segregation unit.
- The Rifle Correctional Center is capped at 192 beds per C.R.S. 17-25-102 (1).
- Denver Women’s Correctional Facility implemented a 76 bed reduction effective July 1, 2013 which occurred after the study was published. The Department also updated the number of punitive segregation beds to 24 from the 32 beds used in the study’s calculations.

**DOC Adjustments:**

- San Carlos Correctional Facility has 24 high custody beds that were previously excluded from the operational capacity, similar to a punitive segregation bed. Since these beds are now available for long term housing of high treatment needs offenders, they are properly included in the facility’s operational capacity. In addition, the facility recently realigned programs and through that process reduced the number of beds by 3.
- Sterling Correctional Facility converted 24 double occupant cells to single occupant cells in order to meet clearance requirements for offenders confined to wheelchairs.
- The La Vista Correctional Facility’s female bed capacity was increased by 30. Corner rooms can accommodate additional beds and serve as emergency beds during times of growing populations.

**Budget Actions:**

- Funding received in the FY 2013-14 supplemental allowed the Department to reutilize 416 beds that were previously taken offline when the prison population was in decline. In addition, DOC postponed the planned closure of 100 beds at Sterling that were scheduled to be taken offline on February 1, 2014.

<b>Table 7: Male Bed Calculations</b>		
	<b>Total Beds</b>	<b>ADP Bed Increase</b>
<b>FY 2015-16 Capacity:</b>		
State Facilities	12,813	
Private Facilities	3,757	
<b>Total Operational Capacity</b>	<b>16,570</b>	
<b>Forecasted Population (FY 2015-16 ADP)</b>	<b>16,590</b>	
<b>Proposed Capacity:</b>		
State Facilities	12,813	0
Less: Vacancy Rate Adjustment (2%)	(256)	
<b>Subtotal State Facilities</b>	<b>12,557</b>	
Private Facilities	4,033	276
<b>Total Proposed Capacity</b>	<b>16,590</b>	<b>276</b>

<b>Table 8: Female Bed Calculations</b>		
	<b>Total Beds</b>	<b>ADP Bed Increase</b>
<b>FY 2015-16 Capacity:</b>		
State Facilities	1,456	
Private Facilities (County Jails)	71	
<b>Total Operational Capacity</b>	<b>1,527</b>	
<b>Forecasted Population (FY 2015-16 ADP)</b>	<b>1,554</b>	
<b>Proposed Capacity:</b>		
State Facilities	1,456	0
Less: Vacancy Rate Adjustment (2%)	(29)	
<b>Subtotal State Facilities</b>	<b>1,427</b>	
Private Facilities (County Jails)	127	56
<b>Total Proposed Capacity</b>	<b>1,554</b>	<b>56</b>

<b>Table 9: FY 2015-16 Proposed Capacity Summary</b>	
State Male Beds	12,813
State Female Beds	1,456
<b>Subtotal State Beds</b>	<b>14,269</b>
Private Facility Beds	4,160
<b>Subtotal State and Private Beds</b>	<b>18,429</b>
Vacancy Rate Adjustment	(285)
<b>Total Operational Capacity</b>	<b>18,144</b>

<b>Table 10: FY 2015-16 Private Facility Bed Adjustments</b>				
<b>Facility</b>	<b># Days</b>	<b>Daily Per Diem</b>	<b># Beds</b>	<b>Total Change</b>
Jail Backlog	365	\$52.74	56	\$1,078,006
Private Prisons	365	\$55.08	235	\$4,724,487
CMRC	365	\$55.08	41	\$824,272
<b>Total</b>				<b>\$6,626,765</b>

**Schedule 13**

**Funding Request for the FY 2015-16 Budget Cycle**

Department of Corrections

PB Request Number R-02

Request Titles

R-02 Mental Health Staffing

Dept. Approval By:

*Kerrie R. Waske*

Supplemental

Change Request FY 2015-16

OSPB Approval By:

*David M. ...*

Base Reduction FY 2015-16

Budget Amendment FY 2015-16

Line Item Information	FY 2014-15		FY 2015-16		FY 2016-17	
	Appropriation	Request	Base Request	FY 2015-16	Continuation	
<b>Total</b>	\$250,316,404	\$0	\$262,927,424	\$1,740,565		\$1,798,776
FTE	3,101.1	-	3,101.5	22.9		25.0
<b>Total of All Line Items</b>	\$247,932,561	\$0	\$260,515,032	\$1,740,565		\$1,798,776
GF	\$2,383,843	\$0	\$2,412,392	\$0		\$0
RF	\$0	\$0	\$0	\$0		\$0
FF	\$0	\$0	\$0	\$0		\$0

Line Item Information	FY 2014-15		FY 2015-16		FY 2016-17	
	Appropriation	Request	Base Request	FY 2015-16	Continuation	
<b>Total</b>	\$43,081,512	\$0	\$47,340,024	\$181,665		\$198,180
(1) Management						
(A) Executive Director's Office - Health, Life, and Dental	\$1,436,055	\$0	\$1,428,700	\$0		\$0
GF	\$41,645,457	\$0	\$45,911,324	\$181,665		\$198,180
<b>Total</b>	\$723,775	\$0	\$731,641	\$2,609		\$2,847
(1) Management						
(A) Executive Director's Office - Short-term Disability	\$23,649	\$0	\$22,121	\$0		\$0
GF	\$700,126	\$0	\$709,520	\$2,609		\$2,847
<b>Total</b>	\$13,468,044	\$0	\$14,968,958	\$52,189		\$62,114
(1) Management						
(A) Executive Director's Office - Amortization Equalization Disbursement	\$432,519	\$0	\$445,309	\$0		\$0
GF	\$13,035,525	\$0	\$14,523,649	\$52,189		\$62,114
<b>Total</b>	\$12,627,424	\$0	\$14,463,271	\$60,410		\$61,468
(1) Management						
(A) Executive Director's Office - Supplemental Amortization Equalization Disbursement	\$405,486	\$0	\$430,128	\$0		\$0
GF	\$12,221,938	\$0	\$14,023,143	\$50,410		\$61,468
<b>Total</b>	\$428,173	\$0	\$428,173	\$625		\$625
(1) Management						
(A) Executive Director's	\$83,187	\$0	\$83,187	\$0		\$0

Office - Operating Expenses	GF	\$344,986	\$0	\$344,986	\$625	\$625
	Total	\$162,870,094	\$0	\$167,856,055	\$499,401	\$544,840
	CF	\$2,947	\$0	\$2,947	\$0	\$0
02. Institutions - Housing and Security - Personal Services	FTE	2,982.4	-	2,982.4	11.0	12.0
	GF	\$162,867,147	\$0	\$167,853,109	\$499,401	\$544,840
	Total	\$1,802,941	\$0	\$1,802,941	\$6,000	\$6,000
(2) Institutions (C) Housing and Security - Operating Expenses	GF	\$1,802,941	\$0	\$1,802,941	\$6,000	\$6,000
	Total	\$159,385	\$0	\$0	\$38,830	\$0
(2) Institutions (E) Superintendents - Start-up Costs	GF	\$159,385	\$0	\$0	\$38,830	\$0
	Total	\$11,283,636	\$0	\$11,531,976	\$824,322	\$899,327
(2) Institutions (J) Mental Health - Personal Services	FTE	138.7	-	139.1	11.9	13.0
	GF	\$11,283,636	\$0	\$11,531,976	\$824,322	\$899,327
	Total	\$273,766	\$0	\$273,766	\$6,500	\$6,500
(2) Institutions (J) Mental Health - Operating Expenses	GF	\$273,766	\$0	\$273,766	\$6,500	\$6,500
	Total	\$57,036	\$0	\$0	\$61,139	\$0
(2) Institutions (J) Mental Health - Start-up Costs	GF	\$57,036	\$0	\$0	\$61,139	\$0
	Total	\$1,614,465	\$0	\$1,614,465	\$11,250	\$11,250
(3) Support Services (D) Communications - Operating Expenses	GF	\$1,614,465	\$0	\$1,614,465	\$11,250	\$11,250
	Total	\$286,431	\$0	\$286,431	\$625	\$625
(3) Support Services (F) Training - Operating Expenses	GF	\$286,431	\$0	\$286,431	\$625	\$625
	Total	\$1,639,722	\$0	\$1,639,722	\$5,000	\$5,000
(3) Support Services (G) Information Systems - Operating Expenses	GF	\$1,639,722	\$0	\$1,639,722	\$5,000	\$5,000

Letternote Text Revision Required?	Yes	No	X	If Yes, describe the Letternote Text Revision:
Cash or Federal Fund Name and CORE Fund Number:				
Reappropriated Funds Source, by Department and Line Item Name:				
Approval by DIT?	Yes	No	Not Required:	X
Schedule 13s from Affected Departments:	N/A			
Other information:	N/A			



### ***Cost and FTE***

- The Department of Corrections (DOC) requests a General Fund (GF) increase of \$1,740,565 and 22.9 FTE in fiscal year (FY) 2015-16 (annualized to \$1,798,776 and 25.0 FTE in FY 2016-17) in order to increase staffing to support mental health Residential Treatment Programs (RTPs). This ongoing request represents a 6.0% increase in funding for the Mental Health subprogram, and a 0.01% increase in funding for the Housing and Security subprogram.

### ***Current Program***

- The Mental Health subprogram provides a range of mental health treatment services to offenders. Services include clinical treatment and management of offenders with mental illnesses and developmental disabilities, crisis intervention, and rehabilitative programs.
- The Housing and Security subprogram is responsible for the safety and security of the facility by managing and communicating with offenders while maintaining a secure environment.

### ***Problem or Opportunity***

- DOC houses a significant number of offenders with mental health needs. As of June 30, 2014, 36 percent of offenders within DOC facilities demonstrated assessments of moderate or higher mental health needs. This percentage has increased from 34 percent at the end of FY 2011-12.
- San Carlos Correctional Facility (SCCF) houses offenders with the most acute mental health needs, as well as those with developmental disabilities. Due to the unique nature of this population, there is a need for more correctional officers (COs) to assist with the supervision of offenders.
- Officers are present with mental health staff during therapy sessions in order to ensure the safety of the clinicians. Additionally, officers are responsible for escorting offenders to and from their cells in order to attend therapy sessions. Lack of adequate CO resources in the facility at a given time can result in the cancellation of therapy sessions.

### ***Consequences of Problem***

- Offenders' mental health needs have increased, while the numbers of mental health staff have not. Instances of mental health crisis contacts are on the rise (7 percent increase in FY 2013-14 over FY 2012-13), and suicides have increased to six in FY 2013-14 from one in FY 2011-12.
- SCCF has a higher rate of fights and assaults (measured by incidents per 100 offenders) than any other state correctional facility. These incidents cause CO resources to be prioritized to such events, often leading to cancellation of therapy sessions. The frequency of incidents (per 100 offenders) has increased from 15.2 in FY 2011-12 to 38.3 in FY 2013-14.
- Current mental health staffing levels do not allow the Department to fulfill goals related to the number of therapeutic contact hours per offender.

### ***Proposed Solution***

- Additional mental health staff (10.0 Social Worker IIIs, and 3.0 Social Worker IVs [annualized FTE]) would allow for more increased amounts of therapeutic contact time.
- Additional CO staff (10.0 CO Is and 2.0 CO IIs [annualized FTE]) at SCCF would allow for more security presence when moving offenders to and from therapy sessions and minimize disruption to and cancellation of therapy sessions due to disturbances within the facility.

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# COLORADO

## Department of Corrections

John W. Hickenlooper  
Governor

Rick Raemisch  
Executive Director

FY 2015-16 Funding Request | November 1, 2014

**Department Priority: R-02**  
**Request Detail: Mental Health Staff**

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
Mental Health Staff	\$1,740,565	\$1,740,565

### **Problem or Opportunity:**

The Department of Corrections (DOC) houses a significant number of offenders with mental health needs and the numbers are on the rise. All offenders are initially evaluated upon intake to determine their individual mental health needs. After the initial intake assessment, all offenders are coded according to their diagnostic treatment requirements. As of June 30, 2014 36 percent of offenders within DOC facilities demonstrated assessments of moderate or higher mental health needs. This percentage has increased from 34 percent at the end of fiscal year 2012. Additionally, the rate for females is more than double that of males: 73 percent of incarcerated females have mental health needs, compared to 33 percent of males. Of all offenders assessed with mental health treatment needs, 10 percent are diagnosed with serious mental illness.

Assessing the number of offenders with specific levels of needs is only one way of evaluating the severity of mental health needs that exist within the DOC population. Another metric is the number of crisis contacts that have been fielded by mental health (MH) staff. A crisis contact exists when a clinician has to respond to an immediate and urgent mental health need of an offender; for example, threat of suicide or self-harm, severe hallucinations, or a significant psychological episode. These contacts can be initiated by the offender him/herself or through other DOC staff. In fiscal year (FY) 2012-13, there were 1,809 crisis contacts. In FY 2013-14, the number of crisis contacts grew to 1,935; this increase represents 7 percent year-over-year.

A third metric that is used to evaluate the mental health needs of offenders is the number of suicides that occur within DOC facilities. In FY 2011-12, there was one suicide that occurred within the facilities. This number increased to four in FY 2012-13, and to six in FY 2013-14. This increase in such a somber statistic helps illustrate the increasing mental health needs that exist within the DOC population.

Offenders who are assessed and determined to require more intensive treatment for their mental health needs or illness may be placed in one of three Residential Treatment Programs (RTPs) dependent upon their individual needs: San Carlos Correctional Facility (SCCF), Centennial Correctional Facility (CCF), or Denver Women's Correctional Facility (DWCF). The Residential Treatment Programs are specialized mental health treatment programs offered to offenders with mental illness and disorders in modified conditions of confinement. These specialized programs utilize planned incentive level systems to promote

pro-social behavior and symptom progress. Per Department policy as stated in Administrative Regulation (AR) 650-04, each RTP will offer offenders at all levels of the program a minimum of 10 out-of-cell therapeutic contact hours per week, as well as a minimum of 10 out-of-cell non-therapeutic contact hours per week.

The most specialized and acute mental health treatment exists at the San Carlos Correctional Facility (SCCF), which houses offenders with more acute mental illness as well as developmental disabilities. Due to the unique nature of this offender population, there is a need at SCCF for more correctional officers (COs) to assist with the movement and supervision of offenders. The new Administrative Regulation for the Residential Treatment Programs that requires a minimum of 10 hours out of cell, therapeutic time, requires that there be correctional staff escorting and overseeing the group environments that the offenders are attending. Having a higher concentration of offenders with more acute needs equates to an increased need for offender movement to and from treatment sessions, which requires the presence of CO staff. Additionally, when there are disruptions in a facility, CO resources are prioritized accordingly in order to maximize the safety of staff and other offenders. Allocation of CO staff can result in a shortage of officers who are available to assist with the movement of offenders to and from therapy sessions, often resulting in the cancellation of sessions and therefore fewer hours of therapeutic contact time for the offenders.

#### ***Proposed Solution:***

The Department of Corrections requests a General Fund (GF) increase of \$1,740,565 and 22.9 FTE for FY 2015-16, annualized to \$1,798,776 and 25.0 FTE in FY 2016-17. There are two components to this request: mental health staff and security staff.

#### **Mental Health Staff**

For FY 2015-16, the Department is requesting \$1,079,894 and 11.9 mental health staff (annualized to \$1,096,711 and 13.0 FTE in FY 2016-17) at the Denver Women's and San Carlos Correctional Facilities in order to provide mental health treatment in the RTPs at these facilities. The annualized request equates to 10.0 Social Work/Counselor IIIs (SW IIIs) and 3.0 Social Work/Counselor IVs (SW IVs).

Social workers serve in a therapist role and are directly involved in the delivery of treatment to offenders. Therapy can be delivered in both individual and group settings. Research shows group therapy's most powerful fundamental mechanism is for members to practice the skills they are learning. In addition to group therapy, individual therapy provides a confidential arena where the offender can discuss and work on vulnerable issues that may not be appropriate in a group setting. Offenders that are afforded both modalities of treatment have an increased chance for re-integration success.

The Department is requesting 10.0 new Social Work/Counselor III positions (9.2 FTE in FY 2015-16) in order to increase the number of therapeutic contact hours that offenders receive in mental health treatment, with the goal to increase therapeutic contact hours to 10 hours per week per offender. The requested expansion of SW III positions will result in a need for additional supervision. The Department is requesting 3.0 new Social Work/Counselor IV positions (2.7 FTE in FY 2015-16) to review and supervise the therapists.

The proposed allocation of all SW III and IV positions by facility is outlined in Table 1 of the appendix.

#### **Security Staff**

For FY 2015-16, the Department is requesting \$660,671 and 11.0 security staff (annualized to \$705,064 and 12.0 FTE in FY 2016-17). The annualized request equates to 10.0 Correctional Officer Is (CO Is) and

2.0 Correctional Officer IIIs (CO IIIs). All proposed CO staff would be assigned to the San Carlos Correctional Facility (SCCF).

Correctional officers play an integral role in the delivery of mental health services. Officers are present with mental health staff during therapy sessions in order to ensure the safety of the clinicians. Additionally, officers are responsible for escorting offenders to and from their cells in order to attend therapy sessions.

San Carlos is a specialized facility that houses offenders with the most acute serious mental illnesses, as well as those offenders with developmental disabilities. Incidents have been on the rise at San Carlos, as represented in Table 2a, increasing from 38 in FY 2011-12 to 87 in FY 2013-14 – a 129 percent increase. Additionally, San Carlos has more incidents on a standardized basis as compared to other facilities. Table 2b compares San Carlos to 3 other all-male state correctional facilities; during the last 3 fiscal years, SCCF has averaged 25.5 incidents per 100 offenders, whereas the next highest-ranking facility, Centennial Correctional Facility, has averaged 16.9 incidents during that same time period. This is all due to the higher acuity of the offenders housed and treated at SCCF.

As CO staff are diverted to more urgent situations, there are often not enough security staff available to escort offenders to and from therapy sessions, resulting in the cancellation of much-needed therapeutic time for high-needs offenders. Therefore, the Department proposes that 10.0 new CO I positions be added at SCCF in order to minimize the likelihood that therapeutic sessions would have to be cancelled as a result of incidents within the facility. These positions would be assigned to the various units within SCCF, with half of the positions assigned to day shift and the other half to evening shift when therapy sessions occur. Having the additional CO staff would ensure that offenders are being escorted and attend therapy sessions while housing staff are maintaining the operations of the housing units. This would ensure that offenders in this specialized treatment program are meeting the out-of-cell therapeutic contact requirements. As a result, fewer therapy sessions would have to be cancelled, resulting in more therapeutic contact hours for offenders with serious mental illness. The Department has committed to seriously mentally ill offenders in RTPs receiving 10 hours of therapeutic and 10 hours of non-therapeutic out-of-cell time. Current staffing patterns make this difficult to accomplish.

The requested expansion of CO I positions will result in a need for additional supervision; hence, 2.0 CO III positions (1.8 FTE in FY 2015-16) are requested as well. In total, this funding request seeks 12.0 new correctional officer positions at SCCF. There are currently 114 custody/control positions at SCCF assigned as CO I through CO III (supervisor), as outlined in Table 7. Therefore, adding 12.0 new officers at San Carlos represents an 11 percent increase in CO staff at that facility.

If this request is not funded, then mental health services will continue to be provided with current staff resources, and the Department will be unable to meet the goal of 10 hours of therapeutic and 10 hours of non-therapeutic out-of-cell time per offender in the RTPs at DWCF and SCCF. Given the increase in recent years of both the number of offenders presenting with mental illness and the severity of the needs of these offenders, it can reasonably be assumed that those numbers will continue to increase. Without opportunities for adequate therapeutic and non-therapeutic contact time, offenders with mental illness will be less prepared for successful transition into the community.

***Anticipated Outcomes:***

The proposed new social worker positions would better enable the Department meet the goal of 10 hours of therapeutic and 10 hours of non-therapeutic out-of-cell time per offender in the RTP programs at SCCF and DWCF. The Department is optimistic at the ability to recruit qualified treatment providers given the centralized locations that Pueblo and Denver have to offer. Additionally, more social workers would also

be available to more quickly respond to those offenders who have been identified as being in a mental health crisis state.

New correctional officer staff at SCCF will allow for more security presence when moving offenders to and from therapy sessions and minimize disruption to and cancellation of therapy sessions due to disturbances or incidents within the facility. Having additional correctional officers will also ensure the safety of other employees and offenders as well.

***Assumptions and Calculations:***

Salaries were calculated using the FY 2014-15 Department of Personnel and Administration Compensation Plan. For Correctional Officer positions, the minimum pay was used. For the Social Work/Counselor III (SW III) and Social Work/Counselor IV (SW IV) positions, midpoint salaries were used. The Department has implemented starting salaries near mid-range for these mental health professionals in order to address the historic recruiting and retention difficulties inherent with filling these positions due to competition from outside employers. Oftentimes, candidates either turn down a job offer from DOC due to the starting salary, or leave the Department within a short period of time because they found a better paying job elsewhere.

Full calculations of the personal services expenses, including benefits, are outlined in Table 4.

The Department's standard operating expenses are calculated at 12 months for both FY 2015-16 and FY 2016-17. See Table 5 for operating details.

The Department's standard start-up costs are being used. See Table 6 for start-up details.

## Appendix

<b>Table 1: New Positions by Type and Facility*</b>	
<b><i>Social Work/Counselor III</i></b>	
Denver Women's Correctional Facility	2
San Carlos Correctional Facility	8
<b><i>Total SW III Positions</i></b>	<b>10</b>
<b><i>Social Work/Counselor IV</i></b>	
Denver Women's Correctional Facility	1
San Carlos Correctional Facility	2
<b><i>Total SW IV Positions</i></b>	<b>3</b>

\*All 12 new CO series positions will be assigned to SCCF.

<b>Table 2a: Incidents at SCCF</b>	
<b>Fiscal Year</b>	<b>Number of Incidents*</b>
2011-12	38
2012-13	56
2013-14	87

\*Incident is defined as a fight, assault on staff, or assault on offender.

<b>Table 2b: Incidents Per 100 Offenders</b>			
<b>Fiscal Year</b>			
<b>Facility</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
San Carlos Correctional Facility	15.2	23.0	38.3
Centennial Correctional Facility	8.5	15.1	27.0
Colorado Territorial Correctional Facility	10.9	11.9	12.5
Limon Correctional Facility	6.7	9.1	12.3

<b>Table 3: Correctional Officer Positions at SCCF*</b>	
<b>Title</b>	<b>Number of Positions</b>
Correctional Officer I	84
Correctional Officer II	25
Correctional Officer III (Supervisor)	5
<b>Total</b>	<b>114</b>

\* Custody/control positions only as of June 30, 2014

**Table 4: Personal Services Summary**

	<b>FTE Request</b>	<b>Personal Services*</b>	<b>HLD</b>	<b>STD</b>	<b>AED</b>	<b>SAED</b>	<b>Total Request</b>
<b>FY 2015-16</b>							
Social Work/Counselor III	9.2	\$623,330	\$72,666	\$1,229	\$24,576	\$23,738	<b>\$745,539</b>
Social Work/Counselor IV	2.7	\$200,992	\$21,800	\$396	\$7,924	\$7,654	<b>\$238,766</b>
<b>Subtotal Mental Health Subprogram</b>	<b>11.9</b>	<b>\$824,322</b>	<b>\$94,466</b>	<b>\$1,625</b>	<b>\$32,500</b>	<b>\$31,392</b>	<b>\$984,305</b>
Correctional Officer I	9.2	\$401,764	\$72,666	\$792	\$15,840	\$15,300	<b>\$506,362</b>
Correctional Officer III	1.8	\$97,637	\$14,533	\$192	\$3,849	\$3,718	<b>\$119,929</b>
<b>Subtotal Housing/Security Subprogram</b>	<b>11.0</b>	<b>\$499,401</b>	<b>\$87,199</b>	<b>\$984</b>	<b>\$19,689</b>	<b>\$19,018</b>	<b>\$626,291</b>
<b>FY 2015-16 Totals</b>	<b>22.9</b>	<b>\$1,323,723</b>	<b>\$181,665</b>	<b>\$2,609</b>	<b>\$52,189</b>	<b>\$50,410</b>	<b>\$1,610,596</b>
<b>FY 2016-17</b>							
Social Work/Counselor III	10.0	\$680,046	\$79,272	\$1,341	\$29,249	\$28,945	<b>\$818,853</b>
Social Work/Counselor IV	3.0	\$219,281	\$23,782	\$432	\$9,431	\$9,333	<b>\$262,259</b>
<b>Subtotal Mental Health Subprogram</b>	<b>13.0</b>	<b>\$899,327</b>	<b>\$103,054</b>	<b>\$1,773</b>	<b>\$38,680</b>	<b>\$38,278</b>	<b>\$1,081,112</b>
Correctional Officer I	10.0	\$438,320	\$79,272	\$864	\$18,852	\$18,656	<b>\$555,964</b>
Correctional Officer III	2.0	\$106,520	\$15,854	\$210	\$4,582	\$4,534	<b>\$131,700</b>
<b>Subtotal Housing/Security Subprogram</b>	<b>12.0</b>	<b>\$544,840</b>	<b>\$95,126</b>	<b>\$1,074</b>	<b>\$23,434</b>	<b>\$23,190</b>	<b>\$687,664</b>
<b>FY 2016-17 Totals</b>	<b>25.0</b>	<b>\$1,444,167</b>	<b>\$198,180</b>	<b>\$2,847</b>	<b>\$62,114</b>	<b>\$61,468</b>	<b>\$1,768,776</b>

\* Includes PERA and Medicare

## Personal Services Summary

### The Department assumes the following detailed assumptions for FTE calculations:

- Salaries were calculated using the FY 2014-15 Department of Personnel and Administration Compensation Plan as follows:
  - Social Work/Counselor III: \$5,078 per month (range midpoint)
  - Social Work/Counselor IV: \$5,458 per month (range midpoint)
  - Correctional Officer I: \$3,273 per month (range minimum)
  - Correctional Officer III: \$3,977 per month (range minimum)
- FTE requests are based on 11 months of salary for FY 2015-16 and 12 months for FY 2016-17.
- PERA is calculated at 10.15%.
- Medicare is calculated at 1.45%.
- Health, Life, and Dental is calculated at \$7,266.59 for FY 2015-16 and \$7,927.19 for FY 2016-17.
- Short-term Disability is calculated at 0.22%.

- AED is calculated at 4.4% for FY 2015-16 for paid months and 4.8% for FY 2016-17.
- SAED is calculated 4.25% for FY 2015-16 for paid months and 4.75% for FY 2016-17.

<b>Table 5: FTE Operating Expenses</b>			
<b>FY 2015-16 and FY 2016-17</b>	<b>Cost per FTE</b>	<b>FTE</b>	<b>Total</b>
(1)(C) Inspector General - Staff Drug Test	\$25	25.0	\$625
(2)(C) Housing and Security - FTE Operating	\$500	12.0	\$6,000
(2)(J) Mental Health - FTE Operating	\$500	13.0	\$6,500
(3)(D) Communications - Telephone Expense	\$450	25.0	\$11,250
(3)(F) Training - Staff Training Supplies	\$25	25.0	\$625
(3)(G) Information Systems	\$200	25.0	\$5,000
<b>Total Operating Expenses, Per Fiscal Year</b>			<b>\$30,000</b>

<b>Table 6: Start-Up Costs</b>			
	<b>FTE</b>	<b>Cost per FTE</b>	<b>FY 2015-16</b>
<b>(2)(G) Superintendents Subprogram</b>			
Initial Uniform Issue	12.0	\$215	\$2,580
Basic Training Per Diem	25.0	\$1,450	\$36,250
Subtotal Superintendents Start-Up			\$38,830
<b>(2)(J) Mental Health Subprogram</b>			
Office Furniture	13.0	\$3,473	\$45,149
Computer, Printer, and Software	13.0	\$1,230	\$15,990
Subtotal Mental Health Start-Up			\$61,139
<b>Total Start-Up Costs</b>			<b>\$99,969</b>

<b>Table 7: Request Summary</b>				
	<b>FY 2015-16</b>		<b>FY 2016-17</b>	
<b>Personal Services</b>	<b>FTE</b>	<b>General Fund</b>	<b>FTE</b>	<b>General Fund</b>
(1)(A) Executive Director's Office (EDO) - HLD		\$181,665		\$198,180
(1)(A) EDO - AED		\$52,189		\$62,114
(1)(A) EDO - SAED		\$50,410		\$61,468
(1)(A) EDO - STD		\$2,609		\$2,847
(2)(C) Housing and Security - Personal Services	11.0	\$499,401	12.0	\$544,840
(2)(J) Mental Health - Personal Services	11.9	\$824,322	13.0	\$899,327
<b>Total Personal Services</b>	<b>22.9</b>	<b>\$1,610,596</b>	<b>25.0</b>	<b>\$1,768,776</b>

**Table 7: Request Summary (Continued)**

	FY 2015-16		FY 2016-17	
	FTE	General Fund	FTE	General Fund
<b>Operating</b>				
(1)(C) Inspector General Operating Expenses		\$625		\$625
(2)(C) Housing and Security Operating Expenses		\$6,000		\$6,000
(2)(G) Superintendents Start-Up Costs		\$38,830		\$0
(2)(J) Mental Health Operating Expenses		\$6,500		\$6,500
(2)(J) Mental Health Start-Up Costs		\$61,139		\$0
(3)(D) Communications Operating Expenses		\$11,250		\$11,250
(3)(F) Training Operating Expenses		\$625		\$625
(3)(G) Information Systems Operating Expenses		\$5,000		\$5,000
<b>Total Operating</b>		<b>\$129,969</b>		<b>\$30,000</b>
<b>Total Request</b>	<b>22.9</b>	<b>\$1,740,565</b>	<b>25.0</b>	<b>\$1,798,776</b>



**Calculation Assumptions:**

**Operating Expenses** -- Base operating expenses are included per FTE for \$500 per year. In addition, for regular FTE, annual telephone costs assume base charges of \$450 per year.

**Standard Capital Purchases** -- Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).

**General Fund FTE** -- New full-time General Fund positions are reflected in FY 2015-16 as 0.9166 FTE to account for the pay-date shift.

<b>Expenditure Detail</b>		<b>FY 2015-16</b>		<b>FY 2016-17</b>	
<b>Personal Services:</b>		<b>FTE</b>	<b>\$</b>	<b>FTE</b>	
	Monthly Salary				
Social Worker III	\$ 5,078	9.2	558,539	10.0	609,360
PERA			56,692		61,850
AED			24,576		29,249
SAED			23,738		28,945
Medicare			8,099		8,836
STD			1,229		1,341
Health-Life-Dental			72,666		79,272
<b>Subtotal Position 1, 29.0 FTE</b>		<b>9.2</b>	<b>\$ 745,539</b>	<b>10.0</b>	<b>\$ 818,853</b>
	Monthly Salary				
Social Worker IV	\$ 5,458	2.7	180,101	3.0	196,488
PERA			18,280		19,944
AED			7,924		9,431
SAED			7,654		9,333
Medicare			2,611		2,849
STD			396		432
Health-Life-Dental			21,800		23,782
<b>Subtotal Position 2, 4.0 FTE</b>		<b>2.7</b>	<b>\$ 238,766</b>	<b>3.0</b>	<b>\$ 262,259</b>
<b>Subtotal Personal Services</b>		<b>11.9</b>	<b>\$ 984,305</b>	<b>13.0</b>	<b>\$ 1,081,111</b>
<b>Operating Expenses</b>					
Regular FTE Operating	500	13.0	6,500	13.0	6,500
IG	25	13.0	325	13.0	325
Training	25	13.0	325	13.0	325
Communication	450	13.0	5,850	13.0	5,850
Information System Google	200	13.0	2,600	13.0	2,600
PC, One-Time	1,230	13.0	15,990		
Office Furniture, One-Time	3,473	13.0	45,149		
Basic Training Per Diem	1,450	13.0	18,850		
<b>Subtotal Operating Expenses</b>			<b>\$ 95,589</b>		<b>\$ 15,600</b>
<b>TOTAL REQUEST</b>		<b>11.9</b>	<b>\$ 1,079,894</b>	<b>13.0</b>	<b>\$ 1,096,711</b>
<i>General Fund:</i>					
<i>Cash funds:</i>					
<i>Reappropriated Funds:</i>					
<i>Federal Funds:</i>					

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
PERA	10.15%	10.15%
AED	4.40%	4.80%
SAED	4.25%	4.75%
Medicare	1.45%	1.45%
STD	0.220%	0.220%
Health-Life-Dental	7,266.59	7,927.19

**Calculation Assumptions:**

**Operating Expenses** -- Base operating expenses are included per FTE for \$500 per year. In addition, for regular FTE, annual telephone costs assume base charges of \$450 per year.

**Standard Capital Purchases** -- Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).

**General Fund FTE** -- New full-time General Fund positions are reflected in FY 2015-16 as 0.9166 FTE to account for the pay-date shift.

<b>Expenditure Detail</b>		<b>FY 2015-16</b>		<b>FY 2016-17</b>	
<i>Personal Services:</i>		<b>FTE</b>	<b>\$</b>	<b>FTE</b>	
	Monthly Salary				
Correctional Officer I	\$ 3,273	9.2	360,004	10.0	392,760
PERA			36,540		39,865
AED			15,840		18,852
SAED			15,300		18,656
Medicare			5,220		5,695
STD			792		864
Health-Life-Dental			72,666		79,272
<b>Subtotal Position 1, 14.0 FTE</b>		<b>9.2</b>	<b>\$ 506,362</b>	<b>10.0</b>	<b>\$ 555,964</b>
	Monthly Salary				
Correctional Officer III	\$ 3,977	1.8	87,488	2.0	95,448
PERA			8,880		9,688
AED			3,849		4,582
SAED			3,718		4,534
Medicare			1,269		1,384
STD			192		210
Health-Life-Dental			14,533		15,854
<b>Subtotal Position 2, 2.0 FTE</b>		<b>1.8</b>	<b>\$ 119,929</b>	<b>2.0</b>	<b>\$ 131,700</b>
<b>Subtotal Personal Services</b>		<b>11.0</b>	<b>\$ 626,291</b>	<b>12.0</b>	<b>\$ 687,664</b>

<b><i>Operating Expenses</i></b>					
Regular FTE Operating	500	12.0	6,000	12.0	6,000
IG	25	12.0	300	12.0	300
Training	25	12.0	300	12.0	300
Communication	450	12.0	5,400	12.0	5,400
Information System Google	200	12.0	2,400	12.0	2,400
Uniform Issue	215	12.0	2,580		
Basic Training, Per Diem	1,450	12.0	17,400		
			-		
<b><i>Subtotal Operating Expenses</i></b>			<b>\$ 34,380</b>		<b>\$ 14,400</b>
<b><u>TOTAL REQUEST</u></b>		11.0	<b><u>\$ 660,671</u></b>	12.0	<b><u>\$ 702,064</u></b>
<i>General Fund:</i>					
<i>Cash funds:</i>					
<i>Reappropriated Funds:</i>					
<i>Federal Funds:</i>					

	FY 2015-16	FY 2016-17
PERA	10.15%	10.15%
AED	4.40%	4.80%
SAED	4.25%	4.75%
Medicare	1.45%	1.45%
STD	0.220%	0.220%
Health-Life-Dental	7,266.59	7,927.19

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**Schedule 13**

**Funding Request for the FY 2015-16 Budget Cycle**

Department of Corrections

PB Request Number R-03

**Request Titles**

R-03 Transportation Operating

Dept. Approval By: Kellie R. Wasko

OSPB Approval By: [Signature]

Supplemental  
Change Request FY 2015-16  
Base Reduction FY 2015-16  
Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15		FY 2015-16		FY 2016-17
		Appropriation	Request	Base Request	FY 2015-16	Continuation
	Total	\$284,794	\$0	\$284,794	\$148,744	\$148,744
	FTE	-	-	-	-	-
Total of All Line Items	GF	\$284,794	\$0	\$284,794	\$148,744	\$148,744
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2014-15		FY 2015-16		FY 2016-17
		Appropriation	Request	Base Request	FY 2015-16	Continuation
	Total	\$284,794	\$0	\$284,794	\$148,744	\$148,744
(3) Support Services (E) Transportation Operating Expenses	GF	\$284,794	\$0	\$284,794	\$148,744	\$148,744

Letternote Text Revision Required?	Yes	No	<input checked="" type="checkbox"/>	If Yes, describe the Letternote Text Revision:
Cash or Federal Fund Name and CORE Fund Number:				
Reappropriated Funds Source, by Department and Line Item Name:				
Approval by OIT?	Yes	No	Not Required:	<input checked="" type="checkbox"/>
Schedule 13s from Affected Departments:				
Other Information:				

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### ***Cost and FTE***

- The Department of Corrections (DOC) requests \$148,744 General Fund in FY 2015-16 for the Transportation Operating subprogram in order to match the appropriation with actual expenditures. The request is ongoing and represents a 52.2 percent increase to the current program.

### ***Current Program***

- The Transportation Operating subprogram supports the Central Transportation Unit (CTU). CTU is responsible for transporting offenders between facilities, as well as getting offenders to medical appointments and court appearances.
- A centralized offender transport function allows DOC to maximize efficiencies by closely coordinating trips and reducing overall staffing needs compared to having each facility conduct transport operations.
- Operational actions such as closing facilities, taking beds offline, population fluctuations, and housing policy changes are major factors in determining the number of offender movements from year to year and subsequent variable mileage charges.

### ***Problem or Opportunity***

- Since the primary purpose of the program is to move offenders, variable mileage is the single largest expenditure. Annual mileage charges routinely exceed the appropriation on their own and do not include the other operating expenses required for the safe transport of offenders.
- DOC has not received a fuel inflation adjustment since FY 2007-08 despite experiencing variable mileage rate increases of 37.6 percent for vans and 21.4 percent for buses in the intervening years.
- The Department incurs other expenses to support offender movements including insurance coverage on leased vehicles, safety and communications equipment, and out-of-state travel for offender movements carried out under the Interstate Compact for Corrections. Many of these expenses have evolved and increased since the operating base was established for this program.

### ***Consequences of Problem***

- The current appropriation does not provide an accurate picture of offender movement costs. This situation hinders DOC's ability to measure performance and make future projections based on offender population, inflation, or operational changes.

### ***Proposed Solution***

- The requested \$148,744 General Fund increase would serve to true-up the Transportation Operating subprogram and provide an accurate portrayal of the cost of offender movements.
- A realistic operating budget will strengthen accountability for efficient operations and help quantify potential savings in line with the performance goal of reducing institutional movement of offenders.

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# COLORADO

## Department of Corrections

John W. Hickenlooper  
Governor

Rick Raemisch  
Executive Director

FY 2015-16 Funding Request | November 1, 2014

**Department Priority: R-03**  
**Request Detail: Transportation Operating**

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
Transportation Operating	\$148,744	\$148,744

### **Problem or Opportunity:**

The Department of Corrections (DOC) Transportation Operating subprogram is significantly underfunded despite receiving modest increases for population changes between fiscal years (FY) 2006-07 and 2009-10, and a fuel inflation adjustment in FY 2007-08. This subprogram is responsible for transporting offenders between facilities, as well as getting offenders to medical appointments and court appearances. Since the primary purpose of this program is to move offenders, variable mileage is the single largest expenditure. The dire funding situation in the Transportation Operating appropriation is best illustrated by comparing projected variable mileage charges for FY 2014-15 (Table 1) to the total appropriation. The projected cost of \$325,977 is \$41,000 above the appropriation of \$284,794. While variable mileage is the main cost driver in this subprogram, the Department incurs other expenses to support offender movements including insurance coverage on leased vehicles, safety and communications equipment for assigned staff, and out-of-state travel costs for offender movements carried out under the Interstate Compact for Corrections. These expenses have evolved since the Transportation Operating base was established and are also contributing to the overall program shortfall.

The Central Transportation Unit (CTU) was formed in 1992 to carry out efficient transport of offenders across the Department. With the CTU concept, DOC was able to combine staff and operating resources, and more closely coordinate trips resulting in lower overall costs compared to when each facility was responsible for moving assigned offenders. A more recent example of CTU efficiencies includes the utilization of vans over buses, whenever possible, to combat the higher mileage costs of buses. CTU is also a key component in the Department's performance goal of reducing institutional movement of all offenders. Although this goal is focused on letting offender programming needs play a significant role in institutional movement decisions, CTU has worked with other stakeholders, such as medical schedulers, to heighten communication and further reduce unnecessary offender movement.

### **Proposed Solution:**

The Department of Corrections (DOC) requests a \$148,744 General Fund (GF) increase in the Transportation Operating subprogram to meet ongoing needs for offender movements. The Department conducted a zero based budget review of this subprogram in order to develop an accurate request amount and identify the costs that are driving the shortfall.

The requested \$148,744 increase in the Transportation Operating subprogram represents a true-up of the program and provides an accurate base for measuring performance and making future adjustments due to offender population, inflation, or operational changes. A realistic operating budget will strengthen accountability for efficient operations and provide a true representation of the Department's transportation costs.

The Department's shortage in the Transportation Operating subprogram is driven by a number of factors. First, the Department has not received an adjustment to go along with increased mileage charges since 2008. Since that time, the variable mileage charge for vans has increased 37.6 percent while bus charges have risen 21.4 percent. The estimated dollar impact of these increases on the Transportation Operating subprogram is \$65,282 (Table 2).

A second driver for the shortfall is the increased utilization of the Interstate Compact for Corrections (ICC) to transport offenders to other state's correctional facilities. While the Department has participated in ICC transports for several years, the number of offenders moved through this program has increased as has the reliance on commercial or state-owned aircraft for the transports rather than ground movements. As a result, the Department averaged \$25,790 over the past four years for out-of-state commercial travel expenses that were never included in the base operating budget for this program.

Third, when the Department transitioned to leasing buses rather than owning them, it did not receive additional funding to purchase collision and comprehensive insurance on the leased buses. The insurance is required under the lease contract and is not part of the self-insurance program under Fleet Management. The Department spends \$12,672 annually on insurance costs which is another contributor to the shortfall in the Transportation Operating subprogram.

The Department places strong emphasis on staff and offender safety during offender movements and has incurred increased costs for safety and communications equipment as a result. CTU currently operates a fleet of 17 vans and 8 buses to facilitate offender movements. Whenever a new vehicle is brought into the CTU inventory, it must be retrofitted for an offender transport role. These modifications include installing a radio (\$3,500), offender restraints (\$3,000), and gun rack (\$500), as well as purchasing steel for in-house cage fabrication (\$500). CTU typically receives four new vehicles each year for annual retrofit costs of \$30,000. In addition to outfitting new vehicles, DOC must also replace restraints that cease to function properly due to wear and tear. The Department averages \$9,000 per year for this purpose. Finally, CTU's staff wears Level IIIA ballistic vests when transporting offenders. The five year life of the vests drives a need to replace eight vests annually at a total cost of \$6,000 (\$750 each).

If the requested base increase of \$148,744 GF is not approved, the Department's Transportation Operating subprogram will continue to provide an incomplete picture of offender movement costs.

***Anticipated Outcomes:***

A funding increase in the Transportation Operating subprogram will provide an accurate portrayal of the cost of offender movements. This true representation will provide one measure of the Department's goal of reducing institutional movement of all offenders. In addition, a realistic baseline will give the Department the means to accurately project transportation costs of future operational changes and make informed decisions accordingly.

**Assumptions and Calculations:**

Operational actions such as closing facilities, taking beds offline, population fluctuations, and housing policy changes are major factors in determining the number of offender movements from year to year and subsequent variable mileage charges. Since the Department has experienced major operational changes in recent years, the average mileage by vehicle class from FY 2007-08 to FY 2013-14 was used to project ongoing variable mileage costs (Table 1) as well as isolate the dollar impact of variable mileage rate increases since FY 2007-08 (Table 2). The Department used historical expenditures, adjusted for known changes, in projecting all other operating costs for the Transportation subprogram (Table 3).

**Appendix:**

Vehicle Type	Class Code	FY 2014-15 Variable Mileage Rate	Average Miles (FY 08-14)	Projected Cost
15-Passenger Van	2	\$0.461	174,288	\$80,347
25-Passenger Bus	6	\$1.168	210,300	\$245,630
<b>Total</b>				<b>\$325,977</b>

		Variable Mileage Cost per Mile				
Vehicle Type	Class Code	FY 2007-08	FY 2014-15	Rate Increase	Average Miles (FY 08-14)	\$ Increase
15-Passenger Van	2	\$0.335	\$0.461	\$0.126	174,288	\$21,960
25-Passenger Bus	6	\$0.962	\$1.168	\$0.206	210,300	\$43,322
<b>Total</b>						<b>\$65,282</b>

Cost Category	Projected Costs
Variable Mileage	\$325,977
Commercial Services - Communications	\$18,477
Insurance	\$12,672
Supplies	\$27,220
Noncapitalized Equipment	\$19,792
Travel	\$29,400
<b>Total</b>	<b>\$433,538</b>
<b>Current Appropriation</b>	<b>\$284,794</b>
<b>Additional Need</b>	<b>\$148,744</b>

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**Schedule 13**

**Funding Request for the FY 2015-16 Budget Cycle**

Department of Corrections

PB Request Number R-04

Request Titles

R-04 Radio Replacement Plan

Dept. Approval By: Kellie R. Wasiko

OSPB Approval By: [Signature]

Supplemental  
Change Request FY 2015-16  
Base Reduction FY 2015-16  
Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15		FY 2015-16		FY 2016-17
		Appropriation	Request	Base Request	FY 2015-16	Continuation
		Total	\$3,305,701	\$0	\$3,305,701	\$2,081,665
FTE	-	-	-	-	-	
Total of All Line Items	GF	\$3,305,701	\$0	\$3,305,701	\$2,081,665	\$2,081,665
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2014-15		FY 2015-16		FY 2016-17
		Appropriation	Request	Base Request	FY 2015-16	Continuation
		Total	\$3,305,701	\$0	\$3,305,701	\$2,081,665
(2) Institutions	GF	\$3,305,701	\$0	\$3,305,701	\$2,081,665	\$2,081,665
(G) Superintendent's Operating Expenses						

Letternote Text Revision Required?	Yes	No	X	If Yes, describe the Letternote Text Revision:
Cash or Federal Fund Name and CORE Fund Number:	N/A			
Reappropriated Funds Source, by Department and Line Item Name:	N/A			
Approval by OIT?	Yes	No	Not Required:	X
Schedule 13s from Affected Departments:	N/A			
Other Information:	N/A			

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***Cost and FTE***

- The Department of Corrections (DOC) requests an ongoing base increase of \$2,081,665 General Fund in the Superintendents operating expense line to support a seven year, 15 percent radio replacement plan and annual battery replacements for 3,314 state-issued Digital Trunked Radios (DTR).

***Current Program***

- The DTR radios are standard staff safety equipment used by all areas in the Department for staff communication within facilities and outside law enforcement.

***Problem or Opportunity***

- The existing inventory of the Department's state-issued DTR radios needs to be replaced as the current model will not be available for purchase after December 2014 (no longer manufactured) and will lose manufacturer support after 2019. The support from the manufacturer during the interim period will be limited to technical issues as any parts required for repair must be purchased through a secondary market.
- DOC state-issued portable radio inventory is approximately 3,600. Of those radios, 52 percent are over 10 years old, 77 percent are over 7 years old, and 90 percent are over 5 years old.

***Consequences of Problem***

- If the Department does not receive additional funding for radio replacement, the Department faces a dwindling inventory of working radios due to discontinued support from the manufacturer and no available parts for repair. If the Department maintains the same level of repairs as previous years, which requires parts that are not available or not manufactured any longer, then there is a substantial risk that 600 to 700 radios per year will become inoperable in the next five years.
- The Department does not have a dedicated fund source to maintain radio replacements. Lack of radio repair could pose serious security and safety issues for staff and offenders in the custody of DOC.

***Proposed Solution***

- The Department is proposing an annual 15 percent replacement cycle for radios beginning in FY 2015-16. The batteries for the radios have a useful life of one year and need to be replaced annually. The current inventory for the Department is approximately 3,600. However, HB 14-1355 provided safety equipment for the Division of Adult Parole and included funding to replace approximately 43 DTR radios per year (286 radios total with a 15 percent per year replacement plan). This request is reduced by the 286 radios.
- The Department state-issued radio equipment replacement plan is a critical component to maintain the required radio inventory to provide a safe, secure environment and reduce the risk level of staff and offender safety within the Department.

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# COLORADO

## Department of Corrections

John W. Hickenlooper  
Governor

Rick Raemisch  
Executive Director

FY 2015-16 Funding Request | November 1, 2014

**Department Priority: R-04**  
**Request Detail: Radio Replacement Plan**

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
Radio Replacement Plan	\$2,081,665	\$2,081,665

### **Problem or Opportunity:**

The existing inventory of the Department's state-issued Digital Trunked Radio (DTR) radios needs to be replaced as the current model will not be available for purchase after December 2014 (no longer manufactured) and will lose manufacturer support after 2019. The support from the manufacturer during the interim period will be limited to technical issues as any parts required for repair must be purchased through a secondary market. The Department expects that replacement parts will become increasingly harder to find over time and will likely cause radios to become inoperable before their normal 7 to 10 year life span. Compounding the issue is 77 percent of the DTR radio inventory is beyond the normal 7 to 10 year life span. The Department of Corrections (DOC) state-issued portable radio inventory is approximately 3,600. The following table shows the current radio inventory by age category. Unfortunately, the Department has no other recourse or options, nor current available funding to replace the aged inventory.

	# Radios	% Inventory
Radios > 10 Years Old	1,880	52.2%
Radios 7-10 Years Old	900	25.0%
Radios 5-7 Years Old	480	13.3%
Radios < 5 Years Old	340	9.4%
<b>Total Radios</b>	<b>3,600</b>	<b>100.0%</b>

### **Proposed Solution:**

The Department is proposing an annual 15 percent replacement cycle for radios beginning in FY 2015-16. The batteries for the radios have a useful life of one year and need to be replaced annually. The Department requests \$2,081,665 General Fund (GF) annually and continued funding in the Superintendents operating expense line to support the 15 percent radio replacement plan (a seven-year replacement plan) and an annual battery replacement. The new statewide radio model, APX 6000, costs \$3,650 per radio and \$95 per battery. The total cost for a complete radio inventory replacement is \$13,482,000. This proposed solution has been approved by the Office of Information Technology.

The DTR radio communication system facilitates the rapid transfer of information within and between officers, facilities, centers, divisions, and units of DOC along with the community in the event of urgent, special, unusual incidents or emergency situations. The DTR radios are utilized by DOC employees, contract workers, and volunteers for means of rapid, efficient, and effective communication. Some examples of daily uses of the radios within facilities are: coordinating offender movement in all aspects and posts within a facility, delivering count information to Master Control, security operations both within and outside of a facility which includes tower and perimeter observations, as well as first responder coordination, statewide transportation of offenders, and emergency operations both intra-department and inter-agency to include local law enforcement, Colorado State Patrol, and Emergency Management Operations.

If the Department does not receive additional funding for radio replacement, the Department faces a dwindling inventory of working radios due to discontinued support from the manufacturer and no available parts for repair. If the Department maintains the same level of repairs as previous years requiring parts that are not available or not manufactured any longer, there is a substantial risk of 600 to 700 radios per year being inoperable in the next five years. Since the Department does not have a dedicated fund source, lack of radio repair could pose serious security and safety issues for staff and offenders in the custody of DOC.

***Anticipated Outcomes:***

The requested funding for a Department state-issued radio equipment replacement plan is a critical component to maintain the required radio inventory to provide a safe, secure environment and reduce the risk level of staff and offender safety within the Department.

***Assumptions and Calculations:***

The current inventory for the Department is approximately 3,600. However, funding was provided in HB 14-1355 for safety equipment for the Division of Adult Parole that included the DTR radios at a 15 percent replacement plan per year (total 286 radios, 43 per year). This request is calculated at 3,600 less 286 equals a net of 3,314 radios that will need to be replaced; 15 percent annual replacement equals 497 radios per year replaced at the current cost of \$3,650 each. In addition, all DOC radio batteries need to be replaced annually at the current cost of \$95 per year (3,314 radios reduced by 497 radios replaced yearly). The total cost per year and continued funding requested is \$2,081,665.

**Table 2 ~ Annual Replacement Costs for Officer Safety Equipment**

<b>Annual Requirement Costs</b>	<b>Quantity</b>	<b>Unit Cost</b>	<b>FY 2015-16 Total Cost</b>
State Radios ~ APX6000 (3,314 * 15% = 497)	497	\$3,650	\$1,814,050
State Radios ~ APX6000 Batteries (3,314 - 497 = 2,817)	2,817	\$95	\$267,615
<b>Operating Expenses Total</b>			<b>\$2,081,665</b>

**Table 3 ~ DTR Radios Repaired Annually**

<b>Calendar Year</b>	<b>Radio Repairs</b>
2014*	385
2013	795
2012	432
2011	769
2010	1,410

\* Calendar year to date (partial year, January 1 to June 30, 2014)

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**Schedule 13**

**Funding Request for the FY 2015-16 Budget Cycle**

**Department of Corrections**

PB Request Number R-05

**Request Titles**

R-05 Buena Vista Wastewater

Dept. Approval By:	<i>Kellie R. Wasko</i>	<input checked="" type="checkbox"/>	Supplemental Change Request FY 2015-16
OSPB Approval By:	<i>Grant R. Hill</i>	<input type="checkbox"/>	Base Reduction FY 2015-16
		<input type="checkbox"/>	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15	FY 2015-16		FY 2016-17
		Appropriation	Request	Base Request	Continuation
	Total	\$19,727,754	\$0	\$19,727,754	\$225,924
	FTE	-	-	-	-
Total of All Line Items	GF	\$18,658,219	\$0	\$18,658,219	\$225,924
	CF	\$1,069,535	\$0	\$1,069,535	\$0
	RF	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2014-15	FY 2015-16		FY 2016-17
		Appropriation	Request	Base Request	Continuation
	Total	\$19,727,754	\$0	\$19,727,754	\$225,924
(2) Institutions	CF	\$1,069,535	\$0	\$1,069,535	\$0
(A) Utilities	GF	\$18,658,219	\$0	\$18,658,219	\$225,924
Utilities					

Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> X	If Yes, describe the Letternote Text Revision:
Cash or Federal Fund Name and CORE Fund Number:	CCBAW093C	
Reappropriated Funds Source, by Department and Line Item Name:	N/A	
Approval by OIT?	Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required: <input checked="" type="checkbox"/> X	
Schedule 13s from Affected Departments:	N/A	
Other Information:	N/A	

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### ***Cost and FTE***

- The Department of Corrections (DOC) is requesting a base-building funding increase of \$225,924 General Fund in FY 2015-16 in the Utilities subprogram (1.1 percent increase). This is to address the recent Buena Vista Sanitation District's (BVSD) rate increase for wastewater management services at Buena Vista Correctional Complex (BVCC).
- In addition, for clarification, the Department is requesting a technical correction to the Energy Management Program line item with no changes to funding but changing the name to Personal Services.

### ***Current Program***

- The Utilities subprogram facilitates delivery of reliable, cost-effective utility services to all DOC buildings, equipment and other systems to provide a secure and safe living and work environment. Wastewater services are one component of necessary utilities provided to staff and offenders housed in DOC facilities.
- DOC is part of the regional Publicly Owned Treatment Works BVSD, and the rates charged for BVCC wastewater management services are established by this special district.
- Under the Utilities subprogram, the line item titled Energy Management Program is funding personal services but is not identified as such.

### ***Problem or Opportunity***

- The BVSD utility user charge for wastewater will increase to a combined rate of \$4.899 kGal flow unit cost starting in June 2015.
- Based upon historical charges for BVCC and the proposed rate increase, the Department estimates increased utility costs of \$225,924 in FY 2015-16. The Utilities subprogram does not have the flexibility to absorb an increase of this magnitude.
- The Long Bill line item Energy Management Program is personal services but is not identified correctly.

### ***Consequences of Problem***

- If the program does not receive the increased funding, the utilities budget line will be overspent.

### ***Proposed Solution***

- The Department proposes an ongoing Utilities subprogram request of \$225,924 General Fund in FY 2015-16 to address the BVSD increased wastewater management services expenses for BVCC.
- The Department is requesting a technical correction under the Utilities subprogram. The line item Energy Management Program, which funds personal services, is not identified as such; the request is to change the line item name to Personal Services for consistency with other personal services line items and budget transparency.

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# COLORADO

## Department of Corrections

John W. Hickenlooper  
Governor

Rick Raemisch  
Executive Director

FY 2015-16 Funding Request | November 1, 2014

**Department Priority: R-05**  
**Request Detail: Buena Vista Wastewater**

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
Buena Vista Wastewater	\$225,924	\$225,924

### **Problem or Opportunity:**

The Buena Vista Sanitation District's (BVSD) utility user charge for wastewater is in the process of increasing. The current rate structure is based on three separate rate and usage charges (wastewater flow cost, biological oxygen demand, and suspended solids). The BVSD is moving to one wastewater flow rate of \$4.899 flow kGal starting in June 2015, and will again increase in June 2016 to \$7.736 flow kGal, and June 2017 to \$10.574 flow kGal. The District has not had a rate increase in 15 years; the current costs are now exceeding district revenues and the BVSD is being forced to use existing reserves. In addition, the plant (built 15 years ago) is facing the replacement of large, expensive equipment over the next ten years and BVSD does not have sufficient reserves to fund the necessary repairs. Compounding the problem is the fact that the plant is more expensive to operate than lagoon-type systems and the district is relatively small (limited customers to support) compared to areas like Denver, Canon City, and Pueblo. A copy of the resolution from BVSD is at the end of this budget request document.

Based upon historical charges for the Buena Vista Correctional Complex (BVCC), the Department of Corrections (DOC) estimates that utility costs will increase \$225,924 in FY 2015-16 and requests a base-building funding increase to offset this new cost. In addition, \$210,748 will be needed in FY 2016-17 as well as another increase of \$210,822 in FY 2017-18.

A second problem exists with the name of the Energy Management Program in the current Long Bill. Under the Utilities subprogram, the line item Energy Management Program is funding personal services but is not identified as such.

### **Proposed Solution:**

The Department is requesting a \$225,924 General Fund (GF) increase in FY 2015-16 in the Utilities subprogram to address the BVSD increased wastewater management services expenses for BVCC. DOC will have ongoing requests of \$210,748 and \$210,822 GF respectively in FY 2016-17 and FY 2017-18 to keep pace with planned rate increases. Cash Funds for Colorado Correctional Industries' (CCI's) contribution to utilities are not being requested since the current CCI operations at BVCC do not contribute to additional wastewater flow above what is generated under normal operation of the BVCC facility.

DOC has no choice but to seek funding for the rates charged by this special district. This rate change represents an overall 1.1 percent increase to the Department's utilities line. The Utilities subprogram does not have the flexibility to absorb an increase of this magnitude. If the program does not receive the increased funding, the Department will overspend this line item.

In addition, the Department is requesting a technical correction under the Utilities subprogram; the line item Energy Management Program under the Long Bill is funding personal services but is not identified as such. For consistency with other personal services line items and budget transparency, DOC is requesting the Energy Management Program line item be renamed to Personal Services.

***Anticipated Outcomes:***

Additional funding in the Utilities subprogram will provide the funds necessary to pay for the Buena Vista Sanitation District's proposed rate hike. Adequate funding will prevent overspending the utilities budget line.

The technical correction will bring the utilities energy management program title into a consistent form with other personal services lines.

***Assumptions and Calculations:***

DOC asked the BVSD Board for a phased-in approach to the rate increase during a district board meeting on September 16, 2014. After considerable discussion, the Department was provided with the approved industrial rates (dated October 21, 2014 and included in this document), DOC is currently the only industrial customer:

- FY 2015-16 Flow rates: \$4.899 per thousand gallons (kGal) or any part thereof
- FY 2016-17 Flow rates: \$7.736 per thousand gallons (kGal) or any part thereof
- FY 2017-18 Flow rates: \$10.574 per thousand gallons (kGal) or any part thereof

DOC has calculated the increase in utilities funding required to address the BVSD rate increase for FY 2015-16 will be \$225,924. The actual cost for FY 2013-14 was \$137,941 and the Department has allocated \$138,000 in FY 2014-15 for BVSD charges. The \$138,000 allocated is used as the basis of the comparison to determine the increase requested. The FY 2015-16 rate increases the wastewater service cost per kGal to \$4.899. Currently, the Department is being charged by BVSD for three different components in wastewater services. Rate charges and usage measurements are different for the three components: wastewater flow, biological oxygen demand, and total suspended solids. The total of these three charges is not comparable to the new single proposed rate and measurement. BVSD is proposing that future costs will only be charged by the wastewater flow rate per kGal. DOC has estimated the average wastewater flow as the average over the last five years and one standard deviation over the same five years. Please see Table 1 for calculations.

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**Table 1 ~ Buena Vista Sanitation District Rate Increase Request**  
**Waste Water Flow Total Projected Costs**

Annual Actual Waste Water Flow	Flow kGal	Flow kGal	FY 2015-16	FY 2016-17	FY 2017-18
FY 2013-14	70,423				
FY 2012-13	63,782				
FY 2011-12	72,631				
FY 2010-11	74,604				
FY 2009-10	69,523				
Average Over 5 Years		70,193			
One Standard Deviation Over 5 Years		4,093			
Use kGal Estimated		74,285	74,285	74,285	74,285
Flow Unit Cost (\$/kGal) Rates			\$4.899	\$7.736	\$10.574
Annual Flow Cost (\$) Projected			\$363,924	\$574,672	\$785,494
FY Allocation + Base Building			\$138,000	\$363,924	\$574,672
<b>Annual Estimated Projected Shortage</b>			<b>\$225,924</b>	<b>\$210,748</b>	<b>\$210,822</b>

RESOLUTION 2014-007

RESOLUTION OF THE BOARD OF DIRECTORS OF THE BUENA VISTA SANITATION DISTRICT  
ADOPTING WASTEWATER USER CHARGES FOR THE COLORADO DEPARTMENT OF CORRECTIONS, BUENA  
VISTA CORRECTIONAL COMPLEX

WHEREAS, the Buena Vista Sanitation District ("District") is a special district and political subdivision of the State of Colorado, acting pursuant to the Colorado Special District Act (C.R.S.32-1-101, et seq.), and other provisions of Colorado Law; and

WHEREAS, the District is authorized to fix and from time to time increase or decrease fees, rates, tolls, penalties and charges for services, programs, and facilities furnished by the District, C.R.S. 32-1-1001(j)(l), and (k); and

WHEREAS, the Service Agreement (Service Agreement) between the Buena Vista Sanitation District and the State of Colorado for the use and benefit of the Colorado Department of Corrections (CDOC), Buena Vista Correctional Complex, allows for the District to make changes or adjustments in user charges on an annual basis, and notify the CDOC in writing at least 15 days prior to any meeting of the Board of Directors of the District which will consider user charge adjustments; and

WHEREAS, the Buena Vista Sanitation District notified the Colorado Department of Corrections (CDOC) in writing on of a public hearing to consider user charge changes and representation from CDOC attended the hearings; and

WHEREAS, representatives from the Colorado Department of Corrections (CDOC) attended several public meetings and provided input to the Buena Vista Sanitation District's Board of Directors; and

WHEREAS, the Buena Vista Sanitation District's Board of Directors held a public hearing on the proposed user fee increases on July 15, 2014, following notice provided pursuant to C.R.S. 32-1-1001(2)(a) by posting on the District's Transparency Notice on the Colorado Special District's website and publication in a local newspaper; and

WHEREAS, the Buena Vista Sanitation District's Board of Directors, after due consideration of any public comments, has determined that it is necessary to change, amend, revise and otherwise establish the user charges for the District's customers in order to support the on-going operation of the wastewater treatment plant and maintenance of the collection system, including replacement and improvements (capital projects) that will allow the District to comply with existing and new discharge regulations that have been established by the Colorado Department of Public Health and Environment; and

WHEREAS, the Service Agreement requires that any changes in the District's charges to the Colorado Department of Corrections shall be effective 90 days after written notice has been given to the CDOC; and

WHEREAS, the Buena Vista Sanitation District Board of Directors has commissioned and received a report titled, "*Wastewater Enterprise User Charges 2013-2014 Review and Evaluation*," dated June 25, 2014, prepared by Meyer & Sams, Inc. dba GMS, Inc., the District's consulting engineer, which has been considered by the Board in the findings and determinations of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BUENA VISTA SANITATION DISTRICT, BUENA VISTA, COLORADO:

1. Wastewater User Charges.

- a. The District hereby establishes the wastewater user charges to be effective July 1, 2015 for the Colorado Department of Corrections-Buena Vista Correctional Complex as:
- |   |  |
|---|--|
| Flow  | \$4.899 per 1000 gallons or any part thereof |
| 5-Day Biochemical Oxygen Demand (BOD <sub>5</sub> ) | \$0.00 per pound                             |
| Total Suspended Solids (TSS)                        | \$0.00 per pound                             |

**Schedule 13**

**Funding Request for the FY 2015-16 Budget Cycle**

**Department of Corrections**

PB Request Number R-06

**Request Titles**

R-06 Food Service Equipment and Inflation

Dept. Approval By:	<i>Kellie R. Wasko</i>	<input checked="" type="checkbox"/>	Supplemental Change Request FY 2015-16
OSPB Approval By:	<i>[Signature]</i>	<input type="checkbox"/>	Base Reduction FY 2015-16
		<input type="checkbox"/>	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15	FY 2015-16		FY 2016-17
		Appropriation	Request	Base Request	Continuation
	Total	\$17,886,350	\$0	\$17,886,350	\$665,230
	FTE	-	-	-	-
Total of All Line Items	GF	\$17,806,350	\$0	\$17,806,350	\$665,230
	CF	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0
	FF	\$80,000	\$0	\$80,000	\$0

Line Item Information	Fund	FY 2014-15	FY 2015-16		FY 2016-17
		Appropriation	Request	Base Request	Continuation
	Total	\$16,182,019	\$0	\$16,182,019	\$614,100
	FF	\$80,000	\$0	\$80,000	\$0
(2) Institutions (D) Food Service - Operating Expenses	GF	\$16,102,019	\$0	\$16,102,019	\$614,100
	Total	\$1,704,331	\$0	\$1,704,331	\$51,130
(2) Institutions (D) Food Service - Purchase Of Services	GF	\$1,704,331	\$0	\$1,704,331	\$51,130

Letternote Text Revision Required?	Yes	No	X	If Yes, describe the Letternote Text Revision:
Cash or Federal Fund Name and CORE Fund Number:	United States Department of Agriculture (USDA) FF			
Reappropriated Funds Source, by Department and Line Item Name:	N/A			
Approval by OIT?	Yes	No	Not Required:	X
Schedule 13s from Affected Departments:	Department of Human Services (RF)			
Other Information:	N/A			

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**Schedule 13**

**Funding Request for the FY 2015-16 Budget Cycle**

**Department of Human Services**

PB Request Number NPR-02

**Request Titles**

NPR-02 DOC's Food Inflation Increase for CMHIP

Dept. Approval By: <u>Melissa Wardle</u>	<input checked="" type="checkbox"/>	Supplemental FY 2014-15
	<input type="checkbox"/>	Change Request FY 2015-16
	<input type="checkbox"/>	Base Reduction FY 2015-16
OSPB Approval By: <u>[Signature]</u>	<input type="checkbox"/>	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15		FY 2015-16	FY 2016-17	
		Appropriation	Request	Base Request	FY 2015-16	Continuation
	Total	\$5,293,919	\$0	\$5,286,413	\$51,130	\$0
	FTE	-	-	-	-	-
Total of All Line Items	GF	\$3,963,118	\$0	\$3,955,612	\$0	\$0
	CF	\$403,435	\$0	\$403,435	\$0	\$0
	RF	\$927,366	\$0	\$927,366	\$51,130	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2014-15		FY 2015-16	FY 2016-17	
		Appropriation	Request	Base Request	FY 2015-16	Continuation
	Total	\$5,293,919	\$0	\$5,286,413	\$51,130	\$0
	CF	\$403,435	\$0	\$403,435	\$0	\$0
08. Behavioral Health Services - Operating Expenses	GF	\$3,963,118	\$0	\$3,955,612	\$0	\$0
	RF	\$927,366	\$0	\$927,366	\$51,130	\$0

<p><b>Letternote Text Revision Required?</b>    Yes <input checked="" type="checkbox"/>    No <input type="checkbox"/></p> <p><b>If Yes, describe the Letternote Text Revision:</b></p> <p>(8)(E) <sup>b</sup> Of this amount, \$5,515,719 shall be from patient revenues, <del>\$2,222,332</del> \$2,273,462 shall be transferred from the Department of Corrections, and \$132,209 shall be transferred from the Department of Education. For informational purposes only, of the patient revenues, \$4,997,745 is estimated to be from medicaid funds transferred from the Department of Health Care Policy and Financing and \$517,974 is estimated to be from Medicaid revenue earned from behavioral health organizations through Behavioral Health Capitation Payments.</p> <p>Cash or Federal Fund Name and CORE Fund Number:    N/A</p>
--

Reappropriated Funds Source, by Department and Line Item Name:		Reappropriated funds transferred from the Department of Corrections
Approval by OIT?	Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required: <input checked="" type="checkbox"/>	
Schedule 13s from Affected Departments:	Department of Corrections	
Other Information:	N/A	





### ***Cost and FTE***

- The Department of Corrections (DOC) is requesting a base-building increase of \$665,230 General Fund (GF) in FY 2015-16 for food service equipment replacement, a 3 percent increase for food inflation, and 3 percent increase in the Purchases of Services line of the Food Service subprogram for meals prepared by the Department of Human Services (DHS) at the Colorado Mental Health Institute-Pueblo (CMHIP). This represents a 3.8 percent increase in the Food Service operating line, and a 3.0 percent increase in the Purchase of Services line.

### ***Current Program***

- The Food Service subprogram at DOC is responsible for providing quality, nutritious meals to over 13,637 offenders, 3 meals per day, and 365 days per year. This equates to approximately 14,932,515 meals being prepared every year. The food service program at CMHIP prepares meals for the offenders housed at the Pueblo campus including San Carlos Correctional Facility, LaVista Correctional Facility, and the Youthful Offender System. The Department reimburses CMHIP for these costs under the Purchase of Services line in the Food Service subprogram.

### ***Problem or Opportunity***

- Following several years where the DOC fell behind as food inflation eroded the purchasing ability of the food budget, the General Assembly granted food inflation adjustments to compensate for ongoing food increases over the past two years greatly assisting the Department's ability to feed offenders. However, notwithstanding these increases, food inflation continues and is projected to increase by 2.5% to 3.5% during the upcoming year (source: US Department of Agriculture).
- The DOC has a total investment in kitchen equipment of approximately \$12 million. The estimated cost to replace food service equipment that is beyond its projected life of service exceeds \$6 million. The food service program has set a goal to spend a minimum of \$750,000 per year starting in 2016 to replace equipment.

### ***Consequences of Problem***

- Without additional operating funds, DOC and CMHIP will continue to absorb increasing food costs and restrict spending in other operating areas, such as deferring necessary critical equipment replacement or face increased repair and maintenance. For CMHIP this may also affect other critical areas, such as patient transportation, durable medical goods, and work-therapy supplies.
- The continued deferral of equipment replacement beyond the range of acknowledged standards will expand obsolescence to where negative returns accumulate. The Department will experience higher maintenance on worn out machines, equipment break downs resulting in the purchase of higher cost convenience foods, and more staff time to deal with disruptive situations.

### ***Proposed Solution***

- DOC is requesting an inflationary increase of \$465,230 related to raw food prices split between DOC and DHS. The Department is also requesting an additional appropriation of \$200,000 in FY 2015-16 to facilitate an on-going equipment replacement program.
- The funding request benefits DOC and DHS by providing an additional level of funding to support the food service needs provided to offenders. If funded, both Departments would be able to manage equipment replacement that would not be possible if existing funds are used to cover raw food increases. The increase to keep pace with raw food increases so that both Departments can provide quality meals.

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# COLORADO

## Department of Corrections

John W. Hickenlooper  
Governor

Rick Raemisch  
Executive Director

FY 2015-16 Funding Request | November 1, 2014

**Department Priority: R-06**  
**Request Detail: Food Service Equipment and Inflation**

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
Food Service Equipment and Inflation	\$665,230	\$665,230

### **Problem or Opportunity:**

The Department of Corrections (DOC) is requesting funding to address two issues in the Food Service Program. Part one requests an increase to keep pace with food inflation. Part two requests additional funding to accelerate an equipment replacement program.

Following several years where the DOC fell behind as food inflation eroded the purchasing power of the food service subprogram, the General Assembly granted food inflation adjustments the past two years to compensate for rising food costs. These increases improved the Department's ability to feed offenders; however, food inflation is ongoing and is projected to increase by 2.5 percent to 3.5 percent during the upcoming year (source: U.S. Department of Agriculture, or USDA). The first part of the request is for \$414,100 to offset the anticipated cost increase of raw goods needed for meal preparation at DOC facilities. This request represents a 3 percent increase to compensate for the rising costs of food products as projected by the USDA. The Department is also requesting an increase of \$51,130 to the Purchase of Services line in the Food Service subprogram for meal reimbursement costs to the Department of Human Services (DHS) at the Colorado Mental Health Institute-Pueblo (CMHIP). CMHIP prepares the meals for DOC's three Pueblo facilities: Youthful Offender System, LaVista Correctional Facility, and San Carlos Correctional Facility. The request represents a 3 percent increase to the funds appropriated to CMHIP.

The Department is also requesting an additional appropriation of \$200,000 in FY 2015-16 to accelerate an ongoing equipment replacement program. The DOC has a total investment in kitchen equipment of approximately \$12 million. The estimated cost to replace food service equipment that is beyond its projected life of service exceeds \$6 million.

The Department has a goal of spending a minimum of \$750,000 per year to replace equipment that is beyond its useful life. If the Department maintains replacement at the 2014 and 2014 rates (Table 1), an additional \$200,000 per year will assist the Department to reach this goal to replace outdated equipment.

**Proposed Solution:**

The Department is requesting a total of \$665,230 General Fund: \$414,100 for DOC food inflation, \$200,000 for DOC food service equipment replacement, and \$51,130 for CMHIP operating (shown as the Food Service/Purchase of Services line item in the DOC Long Bill). There will be a corresponding \$51,130 increase to DHS's Reappropriated Funds spending authority in the CMHIP operating expense line item.

The preparation of offender meals is a critical function in DOC prisons. In order to continue providing meals that are nutritious and at low cost, an adequate stock of working kitchen equipment is essential. The Department has over \$12 million in kitchen equipment; approximately \$6 million has exceeded its projected life expectancy. The Department maintains a database on each type of equipment and bases its life expectancy on research of military and health care operations as well as prior experience of DOC equipment. The industry standard for institutional food service equipment is an average 10 percent replacement of total investment on an annual basis. Table 1 provides the recent history of DOC food equipment purchases and reflects 3.4 percent equipment replacement rate over the last two fiscal years. The requested increase of \$200,000 would allow the Department to begin a replacement program to reduce the existing obsolete equipment to less than \$5 million by 2021.

Fiscal Year	Total Equipment Purchases	Equipment Purchases/Meal	Total Equipment Purchases/Total Operating Expense
FY 2012-13	\$515,078	\$0.035	3.40%
FY 2013-14	\$527,393	\$0.035	3.40%
FY 2014-15 Projected	\$550,000	\$0.037	3.98%
FY 2015-16 Projected	\$750,000	\$0.050	5.18%

- Projected FY 2014-15 were calculated taking \$550,000/ \$14,932,515 estimated total cost for meals.
- Projected FY 2015-16 were calculated taking \$750,000/\$14,908,569 ( FY 2014-15 base request plus this request).

The continued deferral of equipment replacement beyond the range of acknowledged standards will expand obsolescence to the point where negative returns accumulate. The Department will experience higher repair maintenance on worn out machines, equipment break downs resulting in the purchase of higher cost convenience foods, and more staff time to deal with disruptive situations. As shown in Table 2, the Department spent \$636,652 in FY 2013-14 for repair and maintenance costs. Many of these expenditures were to repair outdated equipment where parts are becoming harder to find. With additional funding to increase the equipment replacement program, the Department would be able to purchase modern equipment for more efficient operations.

FY 2013-14	\$636,652
FY 2012-13	\$306,079
FY 2011-12	\$647,567
FY 2010-11	\$561,554

Food costs continue to rise throughout the country affecting the raw food costs of the Department. The Department received an inflation increase in HB 14-1336 of \$300,000 or 1.9 percent. The Department of Human Services (DHS) received a Reappropriated Funds spending authority increase of \$428,529 as an inflationary adjustment. Both of these increases have helped to offset the inflationary increases the

Department has experienced. The Consumer Price Indexes (CPI) for food, food-at-home, and food-away-from-home are expected to increase 2.5 percent to 3.5 percent in calendar year 2014 according to the USDA Economic Research Service (Table 5). It can be reasonably assumed that food costs will continue to rise at this rate which will impact the FY 2015-16 DOC and DHS food service budgets.

The Department received inflationary increases in FY 2013-14 and FY 2014-15 for the first time since FY 2006-07. During this time without inflation increases to maintain adequate, nutritious meals, the Department had to delay equipment replacement and regular maintenance. The recent funding increases have allowed the Department to keep up with inflationary increases for raw food (Table 3) in the years received. However, the Department still lags behind on the replacement of food service equipment. This request is to meet FY 2015-16 inflationary increases so that the Department does not fall behind inflation again.

<b>Fiscal Year</b>	<b>Prison Population</b>	<b>Approp. (GF) *</b>	<b>Raw Food Expenses</b>	<b>% of Total Approp.</b>
2004-05	14,154	\$14,441,114	\$11,676,274	80.9%
2005-06	14,193	\$14,725,698	\$11,757,768	79.9%
2006-07	14,491	\$15,104,316	\$12,153,452	80.5%
2007-08	14,638	\$15,724,882	\$13,440,046	85.5%
2008-09	14,638	\$16,036,662	\$13,647,660	85.1%
2009-10	14,688	\$15,785,643	\$13,107,086	83.0%
2010-11	14,797	\$15,880,530	\$13,445,253	84.6%
2011-12	14,118	\$15,904,566	\$13,191,290	82.9%
2012-13	13,434	\$15,117,380	\$12,996,773	86.0%
2013-14	13,867	\$15,328,822	\$13,401,300	87.4%
2014-15**	13,984	\$16,182,019	\$13,803,339	85.3%

\* Appropriation does not include Federal Funds from the USDA

\*\* Projected expenses and average daily populations based on Division of Criminal Justice July 2014 interim projections.  $\$13,803,339 \times 3\% = \$414,100$  requested inflationary increase.

Without additional operating funds, DOC and CMHIP will continue to absorb increasing food costs and restrict spending in other operating areas, such as deferring critical equipment replacement or face increased repair and maintenance. In the CMHIP operating budget, this may also affect other critical areas such as patient transportation, durable medical goods, and work-therapy supplies.

***Anticipated Outcomes:***

The funding request benefits DOC and DHS by providing an additional level of funding to support the food service needs provided to the offenders. If funded, both Departments will be able to manage equipment replacement that would have not been possible if existing funds were required to cover raw food increases. It will also provide the funds to keep pace with raw food increases so that both Departments can continue providing quality meals. Adequate food delivery can avoid unrest in the facilities due to food quality and quantity issues.

***Assumptions and Calculations:***

The Department's historical raw food expenditures are listed in Table 1 from FY 2012-13 to a projection for FY 2014-15. The state prison jurisdictional population is derived from DOC's Office of Planning and Analysis Final Fiscal Year 2014 ADP Report, dated 7/3/2014. The FY 2014-15 projected costs of \$13,803,339 X 3% inflation = \$414,100.

Table 2 shows the expenditures for the past four fiscal years that the Department has spent on purchasing new food service equipment. Table 4 shows the amount of funds that the Department has spent to maintain and repair kitchen equipment for the past six fiscal years.

Table 3 depicts the actual raw food costs since FY 2004-05.

Table 4 shows the average daily offender population for FY 2013-14 multiplied by the number of meals provided.

Table 5 is from the US Department of Agriculture website, citing statistics from the CPI and the Bureau of Labor Statistics. The 2014 forecast indicates the 2.5 percent to 3.5 percent inflation predicted.

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**Addendum:**

<b>Table 4 ~ FY 2013-14 Average Daily Population (ADP)</b>	
Offenders	13,637
# of Meals per year (13,637 x 3 meals x 365 days)	14,932,515

Source: Colorado Department of Corrections, Planning and Analysis  
Final Fiscal Year 2014 ADP Report, dated 7/3/2014

**Table ~ 5 Changes in Food Price Indexes, 2012 through 2014**

Item	Relative importance <sup>1</sup>	Year-over-Year	Year-to-Date	Annual	Annual	Forecast
		May 2013 to May 2014	Dec 2013 to May 2014	2012	2013	2014
<b>Consumer Price Indexes</b>	<i>Percent</i>	<i>Percent change</i>				
<b>All food</b>	100.0	2.5	1.9	2.6	1.4	2.5 to 3.5
Food away from home	39.9	2.2	1.1	2.8	2.1	2.5 to 3.5
Food at home	60.1	2.7	2.4	2.5	0.9	2.5 to 3.5
Meats, poultry, and fish	12.9	7.6	5.7	3.6	2.1	3.0 to 4.0
Meats	8.3	9.4	7.5	3.4	1.2	3.5 to 4.5
Beef and Veal	3.9	10.7	9.1	6.4	2.0	5.5 to 6.5
Pork	2.5	12.2	9.5	0.3	0.9	3.0 to 4.0
Other meats	1.9	3.3	1.7	1.7	-0.1	2.0 to 3.0
Poultry	2.4	2.6	0.9	5.5	4.7	3.0 to 4.0
Fish and seafood	2.1	7.1	4.8	2.4	2.5	2.5 to 3.5
Eggs	0.8	10.1	-0.2	3.2	3.3	5.0 to 6.0
Dairy products	6.3	4.2	3.3	2.1	0.1	<b>3.0 to 4.0</b>
Fats and oils	1.8	-0.8	1.0	6.1	-1.4	1.5 to 2.5
Fruits and vegetables	9.0	3.2	3.6	-0.6	2.5	2.5 to 3.5
Fresh fruits & vegetables	6.9	4.2	4.0	-2.0	3.3	<b>3.0 to 4.0</b>
Fresh fruits	3.7	7.3	8.3	1.0	2.0	<b>5.0 to 6.0</b>
Fresh vegetables	3.2	0.5	-0.9	-5.1	4.7	2.0 to 3.0
Processed fruits & vegetables	2.1	0.0	2.4	3.8	0.3	2.5 to 3.5
Sugar and sweets	2.1	-1.5	0.1	3.3	-1.7	1.0 to 2.0
Cereals and bakery products	8.6	0.1	0.8	2.8	1.0	1.5 to 2.5
Nonalcoholic beverages	6.6	-0.9	-0.7	1.1	-1.0	1.5 to 2.5
Other foods	12.0	0.6	1.3	3.5	0.5	2.0 to 3.0

<sup>2</sup>The most recent forecast was published on June 25<sup>th</sup>, 2014 and is usually updated by the 25<sup>th</sup> of each month.

Source: Bureau of Labor Statistics. Forecasts by Economic Research Service.

**Table 6 ~ Summary of Request**

<b>Department of Corrections - GF</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>2D Food Service</b>		
Operating Expenses	\$614,100	\$614,100
Purchase of Services	\$51,130	\$51,130
<b>Total DOC Increase</b>	<b>\$665,230</b>	<b>\$665,230</b>
<b>Department of Human Services - RF Behavioral Health Services</b>		
<b>8C Mental Health Institutes</b>		
Mental Health Institute - Pueblo Operating Expenses	\$51,130	\$51,130
<b>Total DHS Increase</b>	<b>\$51,130</b>	<b>\$51,130</b>



**Schedule 13**

**Funding Request for the FY 2015-16 Budget Cycle**

**Department of Corrections**

PB Request Number R-07

**Request Titles**

R-07 Maintenance Operating Increase

Dept. Approval By:	<i>Kellie R. Wasiko</i>	<input checked="" type="checkbox"/>	Supplemental
OSPB Approval By:	<i>[Signature]</i>	<input type="checkbox"/>	Change Request FY 2015-16
		<input type="checkbox"/>	Base Reduction FY 2015-16
		<input type="checkbox"/>	Budget Amendment FY 2015-16

Line Item Information	FY 2014-15		FY 2015-16		FY 2016-17
	Appropriation	Request	Base Request	FY 2015-16	Continuation
	Fund				
Total	\$7,106,522	\$0	\$7,106,522	\$834,175	\$834,175
FTE	-	-	-	-	-
Total of All Line Items	\$7,106,522	\$0	\$7,106,522	\$834,175	\$834,175
	GF	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0

Line Item Information	FY 2014-15		FY 2015-16		FY 2016-17
	Appropriation	Request	Base Request	FY 2015-16	Continuation
	Fund				
Total	\$5,014,113	\$0	\$5,014,113	\$700,000	\$700,000
(2) Institutions (B) Maintenance Operating Expenses	GF	\$5,014,113	\$0	\$5,014,113	\$700,000
Total	\$1,467,820	\$0	\$1,467,820	\$77,733	\$77,733
(2) Institutions Maintenance Purchase Of Services	(B) GF	\$1,467,820	\$0	\$1,467,820	\$77,733
Total	\$624,589	\$0	\$624,589	\$56,442	\$56,442
(2) Institutions (H) Youthful Offender System Purchase of Services	GF	\$624,589	\$0	\$624,589	\$56,442

Letternote Text Revision Required?	Yes	No	<u>X</u>	If Yes, describe the Letternote Text Revision:
Cash or Federal Fund Name and CORE Fund Number:	N/A			
Reappropriated Funds Source, by Department and Line Item Name:	N/A			
Approval by OIT?	Yes	No	Not Required:	<u>X</u>
Schedule 13s from Affected Departments:	Department of Human Services			
Other Information:	N/A			

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**Schedule 13**

**Funding Request for the FY 2015-16 Budget Cycle**

Department of Human Services

PB Request Number NPR-03

Request Titles

NPR-03 DOC's Maintenance Operating Increase

Dept. Approval By:	<u>Melissa Wawel</u>	<input checked="" type="checkbox"/>	Supplemental FY 2014-15
		<input type="checkbox"/>	Change Request FY 2015-16
		<input type="checkbox"/>	Base Reduction FY 2015-16
OSPB Approval By:	<u>[Signature]</u>	<input type="checkbox"/>	Budget Amendment FY 2015-16

Line Item Information	FY 2014-15		FY 2015-16		FY 2016-17
	Appropriation	Request	Base Request	FY 2015-16	Continuation
<b>Total</b>	\$5,293,919	\$0	\$5,286,413	\$134,175	\$0
FTE	-	-	-	-	-
GF	\$3,963,118	\$0	\$3,955,612	\$0	\$0
CF	\$403,435	\$0	\$403,435	\$0	\$0
RF	\$927,366	\$0	\$927,366	\$134,175	\$0
FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	FY 2014-15		FY 2015-16		FY 2016-17	
	Appropriation	Request	Base Request	FY 2015-16	Continuation	
<b>Total</b>	\$5,293,919	\$0	\$5,286,413	\$134,175	\$0	
CF	\$403,435	\$0	\$403,435	\$0	\$0	
08. Behavioral Health Services - Operating Expenses	GF	\$3,963,118	\$0	\$3,955,612	\$0	\$0
	RF	\$927,366	\$0	\$927,366	\$134,175	\$0

<p>Letternote Text Revision Required?    Yes <input checked="" type="checkbox"/>    No <input type="checkbox"/></p> <p>(B)(E) <sup>b</sup> Of this amount, \$5,515,719 shall be from patient revenues, \$2,222,332 shall be transferred from the Department of Corrections, and \$132,209 shall be transferred from the Department of Education. For informational purposes only, of the patient revenues, \$4,997,745 is estimated to be from medicaid funds transferred from the Department of Health Care Policy and Financing and \$517,974 is estimated to be from Medicaid revenue earned from behavioral health organizations through Behavioral Health Capitation Payments.</p> <p>Cash or Federal Fund Name and CORE Fund Number:    N/A</p>	<p>If Yes, describe the Letternote Text Revision:</p>
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Reappropriated Funds Source, by Department and Line Item Name:		Reappropriated funds transferred from the Department of Corrections
Approval by OIT?	Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required: <input checked="" type="checkbox"/>	
Schedule 13s from Affected Departments:	Department of Corrections	
Other Information:	N/A	



# COLORADO

Department of Corrections

Priority: R-07  
Maintenance Operating Increase  
FY 2015-16 Change Request

## ***Cost and FTE***

- In order to meet the demands of aging facilities and equipment, the Department of Corrections (DOC) requests an \$834,175 General Fund (GF) ongoing base increase for FY 2015-16 including \$134,175 for the Colorado Mental Health Institute - Pueblo (CMHI-P) to assist building repair and maintenance, equipment replacement, and variable mileage expenses. There will be a corresponding increase to Department of Human Services (DHS) reappropriated funds (RF) for \$134,175 in spending authority in the CMHI-P operating expense line item.

## ***Current Program***

- The program supports 24/7/365 un-interrupted operation of the overall physical facilities within the DOC. This includes physical plant management of basic building services and systems such as heating, power, lighting, security hardware and fire alarms. All are absolutely essential to the operation of a correctional facility.
- The variable mileage rate for facility vehicles (perimeter and all motor pool vehicles) has increased over the years, driven largely by increasing fuel costs. The cost is paid from maintenance operating funding.

## ***Problem or Opportunity***

- The maintenance operating appropriation has not received an inflationary funding increase in well over a decade. Due to inflation and overall cost increases, the appropriated amount does not adequately provide for needed goods, services, upkeep, repair, and preventative maintenance needs for 443 buildings funded by this appropriation. Compounding the strain on the maintenance operating budget is the aging of facilities. All are over 13 years old; 6 are over 50 years old; and 2 over 100 years old. These require substantial maintenance related expenses for basic upkeep, and replacement and/or repair of essential equipment.
- There are a growing number of maintenance projects in need of completion that have been set aside because of other emergency maintenance requirements that facilitate the safe and secure operation of prisons.
- In addition, the variable mileage rate for facility vehicles (perimeter and motor pool vehicles) has increased over the years, driven largely by increasing fuel costs paid from maintenance operating funding and has placed a significant strain on the operating budget eroding funds needed for maintenance and repair projects.

## ***Consequences of Problem***

- The Department will continue to defer needed projects and equipment replacement. This practice could eventually lead to complete failures, potentially increased costs for emergency response from vendors, and higher costs for emergency alternative operations for major equipment replacement. Non-workable and unrepaired items can create safety issues.

## ***Proposed Solution***

- In order to meet the demands of aging facilities and equipment, the base increase is being requested in FY 2015-16 to assist building repair and maintenance, equipment replacement, and variable mileage expenses.

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# COLORADO

## Department of Corrections

John W. Hickenlooper  
Governor

Rick Raemisch  
Executive Director

FY 2015-16 Funding Request | November 1, 2014

**Department Priority: R-07**  
**Request Detail: Maintenance Operating Increase**

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
Maintenance Operating Increase	\$834,175	\$834,175

### **Problem or Opportunity:**

The maintenance operating appropriation has not received an inflationary funding increase in over a decade. Due to inflation and overall cost increases, the appropriated amount does not adequately provide for needed goods, services, upkeep, repair, and preventative maintenance needs for 443 buildings funded by this appropriation. Compounding the strain on the maintenance operating budget is the aging of facilities as detailed in Table 1. All facilities are over 13 years old; six are over 50 years old (and two over 100 years old) which requires substantial maintenance related expenses for basic upkeep, and replacement and/or repair of essential equipment. There are a growing number of maintenance projects in need of completion that have been set aside because of other emergency maintenance requirements that facilitate the safe and secure operation of prisons. Currently, there are 223 deferred maintenance projects across the Department totaling \$209,322,480. Deferring individual system component replacement will ultimately lead to many more premature controlled maintenance needs and complete system replacement requests. Increased costs for required repairs are also compounding the reduction of funds available for maintenance operations.

In addition, the variable mileage rate for facility vehicles (perimeter and all maintenance related vehicles) has increased over the years, driven largely by increasing fuel costs; this cost is paid from maintenance operating funding and has served to further erode funds and places a significant strain on the operating budget reducing funds available for needed maintenance and repair projects.

**Table 1 ~ DOC Facility Age and Capacity**

Facility	Year Built	Capacity
Trinidad Correctional Facility	2001	500
Sterling Correctional Facility	1998	2,488
Denver Women's Correctional Facility & Diagnostic	1998	1,548
LaVista Correctional Facility	1994	574
San Carlos Correctional Facility	1995	255
Colorado State Penitentiary	1993	756

**Table 1 ~ DOC Facility Age and Capacity**

<b>Facility</b>	<b>Year Built</b>	<b>Capacity</b>
Limon Correctional Facility	1991	930
Arrowhead Correctional Center	1989	520
Arkansas Valley Correctional Facility	1987	1,050
Four Mile Correctional Center	1983	521
Centennial Correctional Facility	1980	320
Rifle Correctional Center	1979	192
Colorado Correctional Center	1969	150
Delta Correctional Center	1964	480
Fremont Correctional Facility	1957	1,620
Skyline Correctional Center	1957	252
Youthful Offender System*	1942	256
Buena Vista Correctional Facility	1892	1,184
Colorado Territorial Correctional Facility	1871	929

\*Main Living Unit Built

As described in the Department of Correction (DOC) performance plan, the maintenance program supports 24/7/365 un-interrupted operation of the overall physical facilities within the DOC. This includes physical plant management of basic building services and systems such as heating, power, lighting, security hardware and fire alarms, all absolutely essential to the operation of a correctional facility. Physical plant management services are provided in general maintenance, life safety, and special equipment such as boiler, chiller, air conditioners, and central heating plants; water and wastewater treatment plants; utility distribution systems, electricity, gas, and communications equipment. Janitorial services, vehicle maintenance, heavy equipment, grounds maintenance, and assistance with minor construction projects are also provided.

Services are delivered through a program of routine and preventive maintenance procedures designed to preserve the operation of the various building systems and extend their effective lives. In addition, the response to maintenance needs is required on an immediate, emergency basis to ensure the continual operations of facilities in a safe and secure condition. If the Department had sufficient funding in the line the program would be able to send staff to additional technical training classes to identify, diagnose, and repair problems quicker and potentially for less overall cost.

The DOC prioritizes and uses financial resources for preventive maintenance on major equipment such as elevators, generators, chillers, boilers, hot water tanks, etc. to extend the maximum useful life from these expensive components. However, due to age and use, more of the significant system components continue to fail before a complete Controlled Maintenance system replacement project is required. The Department is requesting additional funding to address some of these significant component repair and replacement costs as they occur (or remain heavily reliant on the Office of the State Architect (OSA) for emergency funding when a substantial failure event happens). OSA also has limited funding available to assist the DOC with facility crisis situations. The DOC submits regular requests for Controlled Maintenance project funding but that funding is also limited and only a small number of the Department's requests receive funding.



Many of the Department's major facility systems are aging and are well beyond their expected useful life. Maintenance staff is spending an inordinate amount of time making repairs on failing equipment. Without sufficient controlled maintenance funding over the past several years, the complete replacement of worn-out systems has not occurred when needed. The facility maintenance staff has been able to keep worn out systems operational by continuing to repair and replace individual components of the systems on an emergency basis as failures occur but at the expense of other lower priority needs. Preventive and proactive replacement of failing motors, pumps or other critical components is not possible due to limited funding. DOC no longer has the budget to support keeping adequate attic stock of key components on the shelf in the shops or warehouse; parts are being ordered as they fail and sometimes it is necessary to pay the increased costs for overnight shipping as needed.

DOC has installed thousands of additional cameras with video recording equipment over the years to help improve safety and security of facilities as well as for better observation of offenders and staffing. With the addition of this new equipment, maintenance budgets have been significantly impacted by the repair and replacement of aging and failing camera equipment. Approximately 10 to 20 percent of the aging camera equipment fails each year and must be replaced. This has negatively impacted the maintenance budgets and limited the available funds for other maintenance needs.

Most of the newer maintenance control systems are being controlled by computers and have significant complicated electronic components. DOC does not have funds available to send current staff to technical training classes to give them the highly technical expertise needed for the newer systems. With the high technical training this would allow DOC staff to identify, diagnosis, and repair problems in-house cheaper and quicker.

DOC currently has an interagency service agreement with the Department of Human Services (DHS). In the agreement there are limited maintenance operating costs (\$40,000) included for San Carlos Correctional Facility (SCCF) and the Youthful Offender System (YOS) facilities. The \$40,000 only includes services for trash pickup, pest control, and water and chemical treatment expenses. The current funded rate based on the facilities building square footage is \$0.175. The funding under the agreement is not sufficient to cover additional maintenance for the facility. Since FY 2006-07 the maintenance funding in the agreement has only increased by \$3,426 and are seriously under-funded. Any additional maintenance and repair costs for the two facilities not covered by DHS need to be covered by DOC's maintenance operating expense. This further limits and reduces available funds for other department maintenance needs. The total CMHI-P Purchase of Service in DOC's Long Bill is \$1,467,820 under Maintenance and YOS (\$624,589) includes personal services for maintenance and warehouse staffing, utilities, vehicles lease payments, and operating expenses.

***Proposed Solution:***

In order to meet the demands of aging facilities and equipment, an \$834,175 General Fund (GF) base increase is being requested in FY 2015-16, \$700,000 for DOC and \$134,175 for the Colorado Mental Health Institute - Pueblo (CMHI-P) to assist building repair and maintenance, equipment replacement, and variable mileage expense. There will be a corresponding increase to DHS Reappropriated Funds for \$134,175 in spending authority in the CMHI-P operating expense line item.

The Department has a duty to protect and preserve the substantial state assets in its care which includes 443 state-owned buildings, 5,938,168 square feet of building space (Correctional Industries and the CMHI-P facilities are not included), and 772 acres of land requiring regular maintenance. Current funding compared to total square footage of buildings provides \$0.68 per square foot [\$5,014,113 less \$976,159 (average

variable mileage expense) divided by the 5,938,168 square feet of building space = \$0.68). This is well below a reasonable, sustainable level for maintenance and does not factor in land, grounds, parking lots, and interior road maintenance and repair expenses. With this request, the funding per square foot would increase to \$0.76. Industry Standard is significantly higher than \$0.68 and the \$0.76 per square foot that DOC is requesting, and it is difficult to compare to the Department as labor is typically included (see Table 1 for various Industry Standard Maintenance costs). Regular facility operational needs such as trash removal, pest control, parking lot maintenance, grounds maintenance, wastewater treatment plants, wells, etc. are all funded from the maintenance operating expenses appropriation. In comparison to other state facilities which are also 24/7/365 facilities, the Department of Human Services (DHS) Fort Logan and Grand Junction Mental Health Facility have maintenance allocations of \$0.80 per square foot. In 2012, DHS had a Benchmark Study completed indicating that more appropriate funding levels for these two facilities would be \$1.23 per square foot for Fort Logan and \$1.32 per square foot for Grand Junction Mental Health Facility (operating only, no utilities and no maintenance staffing costs). For the DOC \$700,000 increase requested, \$500,000 is for increased maintenance and replacement needs of equipment and \$200,000 is for the variable mileage expense.

The current square footage annual funding in the CMHI-P equals \$0.175 and the Department is proposing increasing the DHS Reappropriated Funds for \$134,175 in spending authority to the same annual funding per square footage (\$0.76) requested for DOC. The GF for the agreement is under the Purchase of Services line item in the DOC Long Bill under the Maintenance subprogram (\$77,733) and YOS sub-program (\$56,442).

Should the request not be approved, operational costs will increase without a corresponding increase in funding. The Department will continue to defer needed projects and equipment replacement. This practice could eventually lead to complete failures, potentially increased costs for emergency response from vendors, and higher costs for emergency alternative operations for major equipment replacement. In addition, the replacement of smaller, but required, essential equipment that regularly fails or wears out will be limited; equipment examples include: video security cameras, recorders, and monitors; door locks; light fixtures; perimeter detection systems; exterior lighting; and fences. Although these items are smaller in size and cost, the issue is the Department has thousands of each. The routine replacement of security items will not be possible and will create safety issues within facilities. DOC has the responsibility to ensure that all buildings are safe and secure for the use of staff and offenders. Non-workable and unrepaired items can create opportunities for offenders to harm staff, themselves, or each other, and potentially the general public.

#### ***Anticipated Outcomes:***

Since the Maintenance program supports the physical facilities within the DOC which includes physical plant management of basic building services and systems such as heating, power, lighting, security hardware and fire alarms, all absolutely essential to the operation of a correctional facility for the benefit of offenders, staff, and the public safety it is an essential link to the DOC's Performance Plan.

With the necessary increase in variable mileage rate funding, DOC will be able to continue to provide a high level of service for the benefit of offenders, staff, and the public. The entire Department travels an average of 11,000,000 miles per year (from the Department of Personnel and Administration), and the Maintenance portion of the miles will continue to be supported with the requested funding to be able to operate at levels of efficiency.

Most new maintenance control systems are controlled by computers with significant numbers of complicated electronic components. After a few years, the diagnosis of problems requires highly technical expertise. The parts are difficult to find and repairs become very difficult and expensive using outside contractors. If DOC had the funding to send staff to additional technical training classes, they could identify, diagnose, and repair problems quicker and ultimately for less overall cost.

The DHS agreement and appropriation increase will satisfy needed maintenance operating expenses for repairs, preventative maintenance, and replacement of equipment at SCCF and YOS and free up funds available for DOC facilities outside of the service contract.

### ***Assumptions and Calculations:***

DOC has thousands of building system components that incur wearing over time with use and the list of deferred maintenance continues to grow without adequate funding. Some examples are:

- Roofs are not being fully maintained leading to leaking roofs and collateral damage.
- Environmental and Waste Water Treatment controls systems are broken and not being replaced leading to systems running inefficient.
- Numerous de-laminated windows with broken seals located around the Department.
- Kitchen and Food Service floors need replacement.
- Detention locks are worn out throughout much of the Department.
- Hundreds of roof top units are worn out and beyond their useful life.
- Fence repairs have been delayed or partially implemented due to a lack of funds.
- Replacement of inefficient light fixtures with energy saving LED's has not been possible.
- Landscape and grounds improvements to meet Storm Water Permit requirements have been postponed.
- Hundreds of heating and cooling pumps, motors, and valves are worn out and only replaced when a complete failure occurs.
- Actuators controlling air movement and temperature controls are failing.
- Hot water heaters are not being replaced until a leak or complete failure occurs.
- Restroom and shower improvements are badly needed, leading to Health Department inspection write-ups and violations.
- Replacement of concrete walks, stairs and drive ways that are cracking.
- Backflow preventers are in need of replacement.
- Fire alarm and detection system components should be periodically replaced (smoke and duct detector heads).
- Upgrades to emergency generators to maintain compliance with APENS are required.
- Changing American Disability Act and PREA improvements as the standards evolve.

As an example for Arkansas Valley Correctional Facility (AVCF) the following have been deferred and are included in the \$209,322,480 estimate:

- \$75,000 for replacement of 15 heating and cooling motors that are exhibiting signs of excessive wear.
- \$520,000 (\$40,000 each) for replacement of 13 air handler units on rooftop of Administration Building. These are original equipment and 27 years old requiring increasing cost to maintain.

- \$891,000 (\$297,000 each) for replacement of 3 hot water condensing boilers in Central Plant. These are 27 years old and nearing the end of their useful lifespan, requiring increased maintenance.
- \$16,500 (\$.87/sq. ft.) for replacement of 7,400 square foot of tile in the offender gymnasium plus \$10,000 for asbestos abatement of tile adhesive. This floor was badly damaged in years past by water leaks in the foundation.
- \$317,000 for replacement of transformers throughout the facility. These transformers are 27 years old and nearing the end of their useful lifespan.
- \$116,472 (\$58,236 each) for two new heating/cooling air handler units on for the Sex Offender Treatment Area. This area shares air supply with the Correctional Industries Panel Shop and does not have adequate heating and cooling for this offender program area.
- \$130,190 for replacement of damaged glazing throughout the facility. This is a combination of security glass that is de-laminating, and insulated glazing that have broken seals causing fogged windows. Both issues create security concerns with obscured vision.
- \$212,493 for replacement of 54 shower areas in the living units. The drains in these showers are badly corroded and the shower pans leak into the levels below.
- \$100,000 for repairs to the AVCF Rifle and Pistol ranges.
- \$897,239 for replacement of the underground chilled water loop. This loop averages 3 or 4 leaks annually creating facility emergencies.
- \$295,328 for replacement of 5 freezer and cooler units in the Food Service area. These units are 27 years old and are nearing the end of their useful lifespan, requiring frequent repairs.
- \$118,000 for replacement of 1 freezer and one cooler unit in Warehouse. These units are 27 years old and are nearing the end of their useful lifespan, requiring frequent repairs.
- \$1,600,000 for replacement of damaged conduit in Living Units 3-6.
- \$500,000 for replacement of door control system. This system is outdated and requires frequent repairs creating emergency situations and burdens the electronics budget to pay for repairs.

In addition, and to understand the volume of Digital Video Recorders (DVR) and video cameras in facilities, Arrowhead Correctional Facility (Level II facility that houses 523 offenders) has ten DVRs each supporting sixteen video cameras, a total of 160 video cameras. Using as a base, department wide, this equals over 3,000 video cameras and 200 DVR's. The DVR cost is in the \$5,000 range, regular indoor cameras cost \$250 each, and outdoor heated cameras are \$1,200 each. Video cameras have been in facilities well over ten years and with updated PREA standards more are being added to all facilities. Using an average of 15 percent of cameras that fail per year throughout the Department, approximately 450 cameras need to be replaced at a cost of \$112,500 ( $3,000 * 15 \text{ percent} = 450 * \$250 = \$112,500$ ). DVR's have a longer shelf life with a two percent fail rate at an expense of \$20,000 annually ( $200 * 2 \text{ percent} = 4 * \$5,000 \text{ each} = \$20,000$ ). A conservative total on average of \$132,500 per year is spent on video equipment replacement throughout Department facilities.

The same comparison can be made for lights in facilities: Colorado Territorial Correctional Facility (houses 900 offenders) has about 2,603 fluorescent light fixtures (13,393 bulbs), 12,000 incandescent fixtures, 52 mercury vapor lights, and 233 high pressure lights at the facility, a total of 14,888. Estimates for the lower security fixtures are \$100 to \$200 each and the higher security fixtures are in the \$500 range. Using as a base, department wide this could equal an average of 8,000 fixtures replaced per year for each facility (adjusted for facility sizes) at 20 facilities or 160,000 light fixtures ( $160,000 / 20 = 8,000$ ). If 5 percent fail per year, 8,000 ( $160,000 * 5 \text{ percent} = 8,000 * \$100 = \$800,000$ ), at a cost of \$100 (conservative) for an estimated expense of \$800,000 per year.

In 2011, the following facilities replaced all the in-door locks: Arrowhead Correctional Center at a cost of \$242,000 (271 cell count), Four Mile Correctional Center cost was \$236,000 (266 cell count), and Skyline Correctional Center was \$70,900 (129 cell count). Note, the cell in-door locks are not the total locks at a facility and the count of locks and cost of the locks at lower level security facilities are at the lower cost spectrum. The low security locks are \$150 and the higher level security facilities typically use the high security locks and the costs are the range of \$1,000. Overall, the Department has approximately 10,100 cells with door locks, plus other facility wide security doors and access locks which are not included. Based on a two percent failure rate on cell door locks, it is estimated the replacement cost per year is \$121,200 ( $10,100 * 2 \text{ percent} = 202$  - half high level and half lower level -  $101 * \$200 = \$20,200$  and  $101 * \$1,000 = \$101,000$ ).

Using the estimates above, overall, the Department is estimating that \$1,053,700 is spent per year on video equipment, light fixtures, and door locks. This is 21 percent of the FY 2014-15 Maintenance operating expense appropriations and a substantial financial drain on the Department's maintenance budget. Combined with an average annual expense of \$1.0 million for the variable mileage expenses (20 percent of the total appropriation) the two combined expenses are 41 percent of the total Maintenance operating expense appropriation.

The current square footage annual funding in the CMHI-P equals \$0.175 and the Department is proposing increasing the spending authority to the same square footage rate (\$0.76) in this request for DOC. The building square footage total for SCCF (143,953 sq ft) and YOS (85,796 sq ft) is 229,749 square feet, times the request square footage of \$0.76 equals \$174,609 less the current funding in the agreement, \$40,434 for the total request of \$134,175. This request will increase DOC Maintenance Purchase of Service for additional funds by \$77,733 GF and the YOS Purchase of Service \$56,442 GF, and increase the DHS Reappropriated Funds \$134,175. ( $\text{SCCF } 143,953 \text{ sq ft} * \$0.76 = \$109,404$  less  $\$31,671 = \$77,733$  and  $\text{YOS } 85,796 \text{ sq ft} * \$0.76 = \$65,205$  less  $\$8,763 = \$56,442$ ;  $\$77,733 + \$56,442 = \$134,175$ ).

In FY 2007-08 the average variable mileage rate charged by the Department of Personnel and Administration was \$0.27 and the proposed FY 2014-15 average variable mileage rate is \$0.327 (21 percent increase). These rate increases, driven largely by increasing fuel costs, have placed a strain on the Maintenance operating expense budget over the last seven years. At the same time, DOC has taken steps to decrease the miles driven to reduce the escalating average variable mileage rate increases and has successfully reduced an average of 900,000 miles compared to FY 2007-08.

The total in FY 2013-14 was 10,768,020 miles and State Fleet Management (SFM) is projecting the Department will utilize 10,583,143 miles in FY 2014-15. The Department has averaged a \$603,239 increase in total from the rate increase from FY 2007-08 (average \$0.27 per mile x 10,583,143 = \$2,857,449) to proposed average variable mileage rates in FY 2014-15 (average \$0.327 per mile x 10,583,143 = \$3,460,688). The Department variable mileage charge to the Maintenance sub-program typically averages a third of the total SFM charge for maintenance vehicles. The Department is requesting \$200,000 (a third of the Department's total \$603,239 variable mileage increase) increase in Maintenance operating expense to offset the on-going increase for variable mileage rate increases.

**Appendix**

<b>Table 1 ~ Industry Standard Maintenance &amp; Operation Costs Analysis Comparison*</b>					
<b>Maintenance Management Framework Guideline</b>					
Maintenance Funding Benchmark Department's Building Portfolio					
DOC Building Value per 2014 DoRM	1% Building Value	DOC Building Square Footage per 2014 DoRM*	DOC Recommended Maintenance Funding Benchmark per Square Foot		
\$1,447,431,256	\$14,474,313	6,835,187	\$2.12		
<b>International Facility Management Association (IFMA)</b>					
IFMA Research Report #32 (2011)					
Industry Type	Maintenance Costs/SF	Housekeeping Costs/SF	Inflation Factor to Get to Current Year	Current Year Maintenance Costs/SF	Current Year Housekeeping Costs/SF
State Government	\$1.46	\$1.09	6.7%	\$1.56	\$1.16
<b>Building Owners and Managers Association (BOMA) BOMA US Government Average (2006)</b>					
Industry Type	Maintenance Costs/SF	Housekeeping Costs/SF	Inflation Factor to Get to Current Year	Current Year Maintenance Costs/SF	Current Year Housekeeping Costs/SF
Average Costs Per Square Foot of All Building Maintenance	\$1.77	\$0.00	24.0%	\$2.19	\$0.00
<b>Maricopa County Arizona Operations &amp; Maintenance Division</b>					
Industry Type	Maintenance Costs/SF	Housekeeping Costs/SF	Inflation Factor to Get to Current Year	Current Year Maintenance Costs/SF	Current Year Housekeeping Costs/SF
2012 Facilities Benchmarking	\$1.68	\$1.13	6.7%	\$1.79	\$1.21
<b>Building Owners and Managers Association (BOMA) BOMA Cleaning Makes Cents Report 2011</b>					
Building Age Years	Cleaning Costs per Square Feet	Inflation Factor to Get to Current Year	Current Year Cleaning Cost per Square Feet		
0-9	\$1.15	6.7%	\$1.23		
10-19	\$1.05	6.7%	\$1.12		
20-25	\$1.26	6.7%	\$1.34		
30-39	\$1.25	6.7%	\$1.33		
40-49	\$1.37	6.7%	\$1.46		
50 or More	\$1.63	6.7%	\$1.74		

\* Industry Standards from outside resources include personal services

**Schedule 13**

**Funding Request for the FY 2015-16 Budget Cycle**

Department of Corrections

PB Request Number R-08

Request Titles

R-08 Correctional Industries/Canteen Spending Authorities

Dept. Approval By:

*Kellie R. Wasiko*

Supplemental

Change Request FY 2015-16

Base Reduction FY 2015-16

OSPB Approval By:

*[Signature]*

Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15	FY 2015-16		FY 2016-17
		Appropriation	Request	Base Request	Continuation
	Total	\$1,690,088	\$0	\$1,690,088	\$517,490
	FTE	-	-	-	-
Total of All Line Items	GF	\$0	\$0	\$0	\$0
	CF	\$508,839	\$0	\$508,839	\$367,490
	RF	\$1,181,249	\$0	\$1,181,249	\$150,000
	FF	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2014-15	FY 2015-16		FY 2016-17
		Appropriation	Request	Base Request	Continuation
	Total	\$1,649,702	\$0	\$1,649,702	\$512,490
(7) Correctional Industries Inmate Pay	CF	\$468,453	\$0	\$468,453	\$362,490
	RF	\$1,181,249	\$0	\$1,181,249	\$150,000
	Total	\$40,386	\$0	\$40,386	\$5,000
(8) Canteen Operation Inmate Pay	CF	\$40,386	\$0	\$40,386	\$5,000

Letternote Text Revision Required?	Yes	No	X	If Yes, describe the Letternote Text Revision:
Cash or Federal Fund Name and CORE Fund Number:	CF - Correctional Industries 5070 CFAA; Canteen 5060 CFCA			
Reappropriated Funds Source, by Department and Line Item Name:	RF - Correctional Industries 5070 CFAA			
Approval by OIT?	Yes	No	Not Required:	X
Schedule 13s from Affected Departments:				
Other Information:				

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***Cost and FTE***

- The Department of Corrections requests \$367,490 cash funds (CF) and \$150,000 reappropriated funds (RF) in order to match spending authorities with projected expenditures.

***Current Program***

- The Colorado Correctional Industries (CCi) and Canteen programs pay offenders for work performed in a wide range of training and employment programs. The CCi and Canteen programs must generate revenues in order to spend the CF and RF authorities received in the Long Bill.

***Problem or Opportunity***

- The Department implemented a 10 percent across-the-board offender pay rate increase in line with the 10 percent increase approved by the General Assembly for DOC's General Fund Inmate Pay subprogram in FY 2014-15. The CCi and Canteen programs, in turn, increased the base rate paid to their program participants by 10 percent.
- CCi participates in the federal Prison Industry Enhancement (PIE) program that provides an opportunity for offenders to receive a competitive hourly wage when the products are sold across state lines. Significant growth in the PIE program has driven increased inmate pay expenditures by an average of 32 percent the past two fiscal years.

***Consequences of Problem***

- The CCi and Canteen inmate pay programs are currently operating at or near their spending authority limits. The 10 percent increase to the base rate as well as continued projected growth in PIE expenditures are expected to cause both programs to exceed their current level of spending authorities if not increased.
- If the inmate pay spending authorities are insufficient for actual expenditures, the shortfall must come from the respective CCi and Canteen operating expense appropriations. This practice would preclude the use of operating spending authorities for their intended purpose and not provide an accurate picture of offender labor costs for the CCi and Canteen programs.

***Proposed Solution***

- The inmate pay CF and RF spending authority increases would allow the Department to have spending authorities that are in line with projected expenditures and to continue expanding training and employment opportunities in the CCi and Canteen programs.

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# COLORADO

## Department of Corrections

John W. Hickenlooper  
Governor

Rick Raemisch  
Executive Director

FY 2015-16 Funding Request | November 1, 2014

**Department Priority: R-08**

**Request Detail: Colorado Correctional Industries/Canteen Spending Authorities**

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund	Cash Funds	Reappropriated Funds
Inmate Pay	\$517,490	\$0	\$367,490	\$150,000

### **Problem or Opportunity:**

The Colorado Correctional Industries (CCi) and Canteen programs provide employment and training opportunities to offenders housed in Department of Corrections (DOC) facilities. The CCi and Canteen programs receive inmate pay cash and reappropriated funds spending authorities in order to pay offenders for the work performed. The CCi and Canteen programs must generate revenues in order to spend the inmate pay spending authorities received in the Long Bill.

Offenders assigned to CCi and Canteen programs receive a base pay that mirrors the full-time rate for facility program assignments under DOC's General Fund (GF) Inmate Pay subprogram. These offenders can earn incentives as well if performance criteria are met. CCi also participates in Prison Industry Enhancement (PIE) programs. PIE is part of a federal program that exempts the Department from normal restrictions on the sale of offender-made goods in interstate commerce. This provides an opportunity for offenders working in PIE programs to receive competitive hourly wages when the products are sold across state lines.

The General Assembly added a 10 percent increase (\$150,000) to the Department's GF Inmate Pay subprogram in FY 2014-15. This enabled DOC to implement an across-the-board 10 percent increase to offender pay rates. For example, the full-time rate for facility program assignments increased to \$0.66 per day compared to the previous daily rate of \$0.60. Offenders housed in private prison facilities received the same rate increase to remain on a par with those housed in state facilities. The private prison per diem rate includes the cost of paying offenders that participate in work or education programs in private prison facilities. The CCi and Canteen programs increased base pay rates to \$0.66 per day in line with the increase made to the GF Inmate Pay subprogram.

The CCi and Canteen inmate pay programs are currently operating at or near their spending authority limits (Table 1). The increase in the base pay rate, triggered by the 10 percent increase to the GF Inmate Pay subprogram, will cause both programs to have expenditures in excess of their respective spending authorities if not increased. In addition, CCi has seen significant growth in inmate pay expenditures earned by offenders participating in PIE programs. Since the PIE expenditure growth is driven by out of state sales, it is also contributing to the need for a proportionately larger increase to the cash fund spending

authority. This request would increase the corresponding spending authority to enable the Department to sufficiently fund the programs.

Fiscal Year	CCI				Canteen		
	Appropriated	Expended	% Used	% as PIE	Appropriated	Expended	% Used
2010-11	\$1,649,702	\$1,591,311	96.5	13.4	\$40,386	\$40,386	100.0
2011-12	\$1,649,702	\$1,640,726	99.5	16.0	\$40,386	\$40,386	100.0
2012-13	\$1,649,702	\$1,632,374	98.9	21.2	\$40,386	\$40,386	100.0
2013-14	\$1,649,702	\$1,649,702	100.0	28.0	\$40,386	\$39,325	97.4

***Proposed Solution:***

The Department requests a \$367,490 increase to the Inmate Pay cash funds spending authorities for CCI and Canteen as well as a \$150,000 increase to the Inmate Pay reappropriated funds spending authority for CCI. These increases would allow the Department to have spending authorities that are in line with projected expenditures and to continue expanding training and employment opportunities in CCI and Canteen programs.

***Anticipated Outcomes:***

Approval of the requested spending authority increases would allow the Department to accurately record inmate pay expenditures for CCI and Canteen. If the inmate pay spending authorities are insufficient for actual expenditures, the shortfall must be sourced from the respective CCI/Canteen operating expense appropriations. This practice would preclude the use of operating spending authorities for their intended purpose and not provide a true reflection of offender labor expenditures for CCI and Canteen programs.

***Assumptions and Calculations:***

The PIE program has experienced significant growth in recent years with the past two fiscal years increasing at an average annual rate of 32 percent (Table 2). This rate of growth for the PIE program is expected to continue through FY 2015-16 and contributes \$342,490 toward the requested increase (Table 3). The balance of the request is attributed to the increase in the base pay rate (Table 4). A summary of the Department's request by Long Bill line item and funding source is found at Table 5.

**Appendix:**

Fiscal Year	Inmate Pay Expenditures	% Growth Over Previous Year
2010-11	\$220,375	
2011-12	\$263,923	19.8%
2012-13	\$349,896	32.6%
2013-14	\$461,327	31.8%

<b>Table 3: PIE Expenditure Projection</b>				
	Base	Projected Growth	Projected Expenditures	Projected Increase
FY 2014-15	\$461,327	32.0%	\$608,952	\$147,625
FY 2015-16	\$608,952	32.0%	\$803,817	\$194,865
<b>Total</b>				<b>\$342,490</b>

<b>Table 4: Spending Authority Impacts</b>			
	Cash Funds	Reappropriated Funds	Total
PIE Expenditure Growth	\$342,490	\$0	\$342,490
Base Rate Increase	\$25,000	\$150,000	\$175,000
<b>Total</b>	<b>\$367,490</b>	<b>\$150,000</b>	<b>\$517,490</b>

<b>Table 5: Inmate Pay Summary</b>				
Unit	Name	Cash Funds	Reappropriated Funds	Total
7A00	Correctional Industries - Inmate Pay	\$362,490	\$150,000	\$512,490
8A00	Canteen - Inmate Pay	\$5,000	\$0	\$5,000
<b>Total</b>		<b>\$367,490</b>	<b>\$150,000</b>	<b>\$517,490</b>

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**Schedule 13**

**Funding Request for the FY 2015-16 Budget Cycle**

**Department of Corrections**

PB Request Number R-09

**Request Titles**

R-09 Technical Adjustments

Dept. Approval By:	<i>Kellen R. Wasiko</i>	<input checked="" type="checkbox"/>	Supplemental Change Request FY 2015-16
OSP B Approval By:	<i>[Signature]</i>	<input type="checkbox"/>	Base Reduction FY 2015-16
		<input type="checkbox"/>	Budget Amendment FY 2015-16

Line Item Information	FY 2014-15		FY 2015-16		FY 2016-17
	Appropriation	Request	Base Request	FY 2015-16	Continuation
<b>Total</b>	\$1,081,102	\$0	\$1,081,102	(\$400,000)	(\$400,000)
FTE	-	-	-	-	-
Total of All Line Items	\$1,081,102	\$0	\$1,081,102	(\$400,000)	(\$400,000)
GF	\$1,081,102	\$0	\$1,081,102	(\$400,000)	(\$400,000)
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	FY 2014-15		FY 2015-16		FY 2016-17
	Appropriation	Request	Base Request	FY 2015-16	Continuation
<b>Total</b>	\$1,081,102	\$0	\$1,081,102	(\$400,000)	(\$400,000)
(1) Management					
(A) Executive Director					
Payments to District Attorneys	\$1,081,102	\$0	\$1,081,102	(\$400,000)	(\$400,000)

Letternote Text Revision Required?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	X <input checked="" type="checkbox"/>	If Yes, describe the Letternote Text Revision:
Cash or Federal Fund Name and CORE Fund Number:				
Reappropriated Funds Source, by Department and Line Item Name:				
Approval by OIT?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Not Required: <input checked="" type="checkbox"/>	
Schedule 13s from Affected Departments:				
Other Information:				

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***Cost and FTE***

- The Department of Corrections (DOC) is requesting a \$400,000 General Fund decrease in the FY 2015-16 Payments to District Attorneys budget line in the Executive Director's Office subprogram due to unrealized expenses in a dismissed death penalty court case.

***Current Program***

- The Payments to District Attorneys Long Bill appropriation reimburses county attorney and support staff costs incurred during the prosecution of a criminal court case when an offender commits a crime while incarcerated in DOC. Criminal charges can come from activities ranging from bartering and drug possession to murder and assault.
- Court and attorney office expenses are certified by the county before presentation to DOC for payment.

***Problem or Opportunity***

- In the FY 2013-14 supplemental bill, the Department received increased funding in the Payments to District Attorneys budget line based on projections by the 18th Judicial District related to the Montour death penalty case and a second death penalty case in the 16th Judicial District. Projections for the Montour case were based on an expected court trial in FY 2013-14 that was projected to continue into FY 2014-15 and beyond.
- In FY 2013-14, the Montour case was dismissed, the majority of the costs were not incurred, and the Department reverted almost \$387,000 to the General Fund related to the lawsuit.

***Consequences of Problem***

- If the reduction in this budget line does not occur, the Department will be over appropriated General Fund in this line item and will revert the unexpended funding at year end. The funding will not be available would not be available for other critical state needs.

***Proposed Solution***

- The Department requests a base reduction of \$400,000 General Fund in the Payments to District Attorneys line to align with projected costs for FY 2015-16. If this projection changes significantly, a supplemental or budget amendment will be submitted to true up this budget line.

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# COLORADO

## Department of Corrections

John W. Hickenlooper  
Governor

Rick Raemisch  
Executive Director

FY 2015-16 Funding Request | November 1, 2014

**Department Priority: R-09**  
**Request Detail: Technical Adjustments**

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
Technical Adjustments	(\$400,000)	(\$400,000)

### **Problem or Opportunity:**

In a FY 2013-14 supplemental and FY 2014-15 budget amendment, the Department of Corrections received increased funding in the Payments to District Attorneys budget line related to the Montour death penalty case in the 18th Judicial District and a separate death penalty case in the 16th Judicial District. The Montour trial was to begin later that year and proceed into FY 2014-15. In FY 2013-14, the Montour case was dismissed, the majority of the court costs were not incurred, and the Department reverted about \$387,000 to the General Fund related to the lawsuit. As the supplemental increase was base building, the funding in this line item needs to be reduced in FY 2015-16 to align with projected costs.

Section 16-18-101 (3), C.R.S. provides the authority for the State to make payments through the Department of Corrections' budget to county district attorneys for prosecution of cases for the Department. The Payments to District Attorneys Long Bill appropriation was created in H.B. 08-1282 under the Executive Director's Office Subprogram. Prior to the separate appropriation, these expenses were paid from the Executive Director Subprogram's Personal Services appropriation.

Payments made to County District Attorney Offices are made generally for two purposes. The first purpose is to file charges and prosecute cases for crimes committed in the State's prison system, such as assault and drug possession. The more extraordinary and second purpose for these expenditures is for prosecution of cases that require a court trial, such as those involving aggravated assault or murder. There were three high profile cases in which higher-than-typical expenditures were expected, and additional funding was received to adequately reimburse the affected judicial districts. With the dismissal of the Montour case, however, the expenses did not materialize.

### **Proposed Solution:**

The Department requests a base reduction of \$400,000 in the Payments to District Attorneys line to align with projected costs for FY 2015-16. If this projection changes significantly, a supplemental or budget amendment will be submitted to true up this budget line.

### **Anticipated Outcomes:**

The Payments to District Attorneys budget line in the Executive Director's Office subprogram would be funded at the appropriate level for actual projected expenses. If future lawsuits result in larger expenses

pursuant to death penalty sentences, the appropriate funding would be requested at that time during the normal budget cycle.

**Assumptions and Calculations:**

The 18th Judicial District projected \$400,000 in costs for FY 2014-15 related to the Montour death penalty case. The remaining cases that justified the increase in the budget line are still proceeding. This request removes the Montour trial funding from the budget line.

<b>Table 1: District Attorney Expenses Four Year History and Projections</b>							
<b>Judicial District</b>	<b>County Location</b>	<b>FY 11</b>	<b>FY 12</b>	<b>FY 13</b>	<b>FY 14</b>	<b>FY 15 Projection</b>	<b>FY 16 Projection</b>
2 <sup>nd</sup>	Denver	\$1,826	\$1,408	\$3,380	\$1,175	\$10,354	\$10,354
3 <sup>rd</sup>	Las Animas	\$1,188	\$929	\$0	\$0	\$0	\$0
7 <sup>th</sup>	Montrose	\$0	\$981	\$0	\$0	\$0	\$0
9 <sup>th</sup>	Garfield, Rio Grand	\$0	\$0	\$0	\$0	\$4,900	\$4,900
10 <sup>th</sup>	Pueblo	\$212	\$0	\$0	\$0	\$0	\$0
11 <sup>th</sup>	Fremont	\$30,524	\$51,255	\$52,589	\$52,058	\$65,000	\$65,000
13 <sup>th</sup>	Logan	\$19,776	\$15,362	\$15,579	\$34,849	\$85,000	\$85,000
16 <sup>th</sup>	Bent, Crowley, Otero	\$46,334	\$44,560	\$105,858	\$286,396	\$415,848	\$415,848
18 <sup>th</sup>	Arapahoe, Douglas, Elbert, Lincoln	\$199,414	\$205,499	\$155,040	\$426,593	\$100,000	\$100,000
<b>Subtotal</b>		<b>\$299,274</b>	<b>\$319,994</b>	<b>\$322,446</b>	<b>\$837,725</b>	<b>\$681,102</b>	<b>\$681,102</b>
	Long Bill Appropriation				\$1,224,693	\$1,081,102	\$1,081,102
<b>Difference</b>					<b>(\$386,968)</b>	<b>(\$400,000)</b>	<b>(\$400,000)</b>

**Schedule 13**

**Funding Request for the FY 2015-16 Budget Cycle**

Department of Corrections

PB Request Number R-10

Request Titles

R-10 Provider Rate Increase

Dept. Approval By: *William R. Wasiko* Supplemental  
Change Request FY 2015-16

OSPB Approval By: *Paul M. ...* Base Reduction FY 2015-16  
Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15		FY 2015-16		FY 2016-17
		Appropriation	Request	Base Request	FY 2015-16	Continuation
	Total	\$155,219,331	\$0	\$156,670,424	\$1,128,941	\$1,128,941
	FTE	526.2	-	526.6	-	-
Total of All Line Items	GF	\$150,135,141	\$0	\$151,586,234	\$1,128,941	\$1,128,941
	CF	\$2,597,090	\$0	\$2,597,090	\$0	\$0
	RF	\$2,487,100	\$0	\$2,487,100	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2014-15		FY 2015-16		FY 2016-17
		Appropriation	Request	Base Request	FY 2015-16	Continuation
	Total	\$12,146,813	\$0	\$12,180,092	\$121,801	\$121,801
(1) Management (B) External Capacity (2) Payments to Local Jails	GF	\$12,146,813	\$0	\$12,180,092	\$121,801	\$121,801
	Total	\$64,413,855	\$0	\$64,590,332	\$622,316	\$622,316
(1) Management (B) External Capacity (2) Payments to In-State Private Prisons	CF	\$2,358,707	\$0	\$2,358,707	\$0	\$0
	GF	\$62,055,149	\$0	\$62,231,625	\$622,316	\$622,316
	Total	\$11,117,623	\$0	\$11,148,082	\$111,481	\$111,481
(1) Management (B) External Capacity (2) Payments to Pre-Release Parole Revocation Facilities	GF	\$11,117,623	\$0	\$11,148,082	\$111,481	\$111,481
	Total	\$4,130,340	\$0	\$4,141,656	\$41,417	\$41,417
(1) Management (B) External Capacity (2) Community Corrections Programs	GF	\$4,130,340	\$0	\$4,141,656	\$41,417	\$41,417
	Total	\$31,126,669	\$0	\$32,077,892	\$38,468	\$38,468
(2) Institutions (E) Medical Services Personal Services	CF	\$238,383	\$0	\$238,383	\$0	\$0
	FTE	387.5	-	387.5	-	-
	GF	\$30,888,286	\$0	\$31,839,509	\$38,468	\$38,468

	Total	\$2,448,451	\$0	\$2,448,451	\$24,485	\$24,485
(2) Institutions (E) Medical Services Contract Services	GF	\$2,448,451	\$0	\$2,448,451	\$24,485	\$24,485
	Total	\$11,283,636	\$0	\$11,531,976	\$8,325	\$8,325
(2) Institutions (J) Mental Health Personal Services	FTE	138.7	-	139.1		
	GF	\$11,283,636	\$0	\$11,531,976	\$8,325	\$8,325
	Total	\$3,967,510	\$0	\$3,967,510	\$39,675	\$39,675
(2) Institutions (J) Mental Health Medical Contract Services	GF	\$3,967,510	\$0	\$3,967,510	\$39,675	\$39,675
	Total	\$2,391,100	\$0	\$2,391,100	\$20,411	\$20,411
(4) Inmate Programs (D) Drug & Alcohol Treatment Contract Services	GF	\$2,041,100	\$0	\$2,041,100	\$20,411	\$20,411
	RF	\$350,000	\$0	\$350,000	\$0	\$0
	Total	\$7,161,403	\$0	\$7,161,403	\$50,243	\$50,243
(5) Community Services (A) Parole Contract Services	GF	\$5,024,303	\$0	\$5,024,303	\$50,243	\$50,243
	RF	\$2,137,100	\$0	\$2,137,100	\$0	\$0
	Total	\$1,539,243	\$0	\$1,539,243	\$15,392	\$15,392
(5) Community Services (A) Parole Wrap-Around Services Program	GF	\$1,539,243	\$0	\$1,539,243	\$15,392	\$15,392
	Total	\$629,363	\$0	\$629,363	\$6,294	\$6,294
(5) Community Services (B) Community Supervision (1) Community Mental Health Services	GF	\$629,363	\$0	\$629,363	\$6,294	\$6,294
	Total	\$2,863,324	\$0	\$2,863,324	\$28,633	\$28,633
(5) Community Services (B) Community Supervision (1) Contract Services	GF	\$2,863,324	\$0	\$2,863,324	\$28,633	\$28,633

Letternote Text Revision Required?	Yes	No	X	If Yes, describe the Letternote Text Revision:
Cash or Federal Fund Name and CORE Fund Number:				
Reappropriated Funds Source, by Department and Line Item Name:				
Approval by OIT?	Yes	No	Not Required:	X
Schedule 13s from Affected Departments:				
Other Information:				



### ***Cost and FTE***

- The Department of Corrections (DOC) is requesting \$1,128,941 General Fund (GF) in FY 2015-16 to support a 1 percent provider rate increase. This ongoing request will support external providers that house offenders, provide clinical treatment, and conduct parole community service programs.

### ***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.
- Contract services in the Clinical subprograms (Medical, Mental Health, and Drug and Alcohol) provide various types of staff who deliver treatment to offenders, including physician and nursing care, mental health assessments and treatment, and substance abuse treatment.
- Parole and Community Supervision currently have contracts with service providers that provide various services including, but not limited to, mental health treatment and drug and alcohol services.

### ***Problem or Opportunity***

- A 1 percent provider rate increase is requested for FY 2015-16 in order to keep pace with inflationary increases.
- Provider rates remained static during the economic downturn.
- Recent increases of 2 percent in FY 2013-14 for external capacity providers and 2.5 percent in FY 2014-15 for external capacity, clinical treatment, and parole community service providers are the first sustained increases for external providers since FY 2007-08.

### ***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 various appropriations that support external providers by \$1,128,941 to support a 1 percent increase in per diem rates for external capacity facilities as well as contracts that support clinical providers and parole community service programs.

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# COLORADO

## Department of Corrections

John W. Hickenlooper  
Governor

Rick Raemisch  
Executive Director

FY 2015-16 Funding Request | November 1, 2014

**Department Priority: R-10**  
**Request Detail: Provider Rate Increase**

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
Provider Rate Increase	\$1,128,941	\$1,128,941

### **Problem or Opportunity:**

The Department of Corrections (DOC) received a 2 percent provider rate increase for external capacity providers in FY 2013-14. This increase was followed by a 2.5 percent increase for external capacity, clinical treatment, and parole community service providers in FY 2014-15. The recent provider rate increases are the first sustained rate increases for external providers since FY 2007-08. The rate changes serve to offset higher costs in the current fiscal year but do not make up for lost ground due to the static rates in the intervening years. A 1 percent provider rate increase is requested for FY 2015-16 in order to keep pace with inflationary increases and to preclude further erosion in the ability of external providers to provide services to offenders.

### **Proposed Solution:**

DOC is requesting an increase of \$1,128,941 General Fund (GF) for external providers to counter inflationary increases. The Consumer Price Index for the Denver-Boulder-Greeley area recorded 2.9 percent growth in FY 2013-14. The change request represents a 1 percent increase to daily per diem rates paid to external capacity providers; a 1 percent increase in the various appropriations that pay for contract clinical providers such as physicians, nurses, psychiatrists, and substance abuse treatment providers; as well as a 1 percent increase to the parole appropriations that fund community service programs.

### **Anticipated Outcomes:**

With the increased funding, DOC would be able to offset the inflationary increase of basic services provided to offenders that receive housing, treatment, and programming outside of the Department's internal resources.

### **Assumptions and Calculations:**

The Department's request is based on a 1 percent increase to the FY 2014-15 line items that fund external providers. An exception to this is found in the Medical Services and Mental Health Personal Services appropriations. In this case, DOC based the 1 percent increase on the provider contracts in place for FY 2014-15. Table 1 provides the calculations for the external capacity appropriations and identifies what the daily per diem rates would become if the rate increase is approved. Table 2 shows the portion of the clinical personal services appropriations that is expected to pay for contract providers. The rate increase

calculations for contract services lines in the clinical and parole appropriations are found in Table 3. Table 4 provides a summary of all appropriation lines that are requesting a 1% increase for provider rates.

**Appendix:**

<b>Table 1: Provider Rate Increase - External Capacity</b>					
<b>Long Bill Line</b>	<b>FY 2014-15 Daily Bed Rate</b>	<b>FY 2015-16 Base Request*</b>	<b>1.0% Increase</b>	<b>FY 2015-16 Total Request</b>	<b>FY 2015-16 Daily Bed Rate (1% Increase)</b>
<b>(1)(B)(2)</b>					
<b>Payments to House State Prisoners:</b>					
Payments to Local Jails	\$52.74	\$12,180,092	\$121,801	\$12,301,893	\$53.26
Payments to In-State Private Prisons (GF)	\$55.08	\$62,231,625	\$622,316	\$62,853,941	\$55.63
Payments to Pre-Release and Parole Revocation Facilities	\$55.08	\$11,148,082	\$111,481	\$11,259,563	\$55.63
Community Corrections Programs	\$49.20	\$4,141,656	\$41,417	\$4,183,073	\$49.69
<b>Total</b>		<b>\$89,701,455</b>	<b>\$897,015</b>	<b>\$90,598,470</b>	

\* FY 2015-16 base request is FY 2014-15 appropriation plus leap year adjustment

<b>Table 2: Provider Rate Increase - Clinical Personal Services</b>				
<b>Long Bill Line</b>	<b>FY 2014-15 Contracts*</b>	<b>1.0% Increase</b>	<b>FY 2014-15 Appropriation</b>	<b>FY 2015-16 Request</b>
(2)(E) Medical Services				
Personal Services	\$3,846,757	\$38,468	\$31,126,669	\$31,165,137
(2)(J) Mental Health				
Personal Services	\$832,490	\$8,325	\$11,283,636	\$11,291,961

\* Portion of appropriations expected to pay for contract providers

<b>Table 3: Provider Rate Increase - Clinical &amp; Parole Contracts</b>			
<b>Long Bill Line</b>	<b>FY 2014-15 Appropriation</b>	<b>1.0% Increase</b>	<b>FY 2015-16 Request</b>
(2)(E) Medical Services			
Service Contracts	\$2,448,451	\$24,485	\$2,472,936
(2)(J) Mental Health			
Medical Contract Services	\$3,967,510	\$39,675	\$4,007,185
(4)(D) Drug & Alcohol Treatment			
Contract Services (GF)	\$2,041,100	\$20,411	\$2,061,511
(5)(A) Parole			
Contract Services (GF)	\$5,024,303	\$50,243	\$5,074,546
Wrap-Around Services	\$1,539,243	\$15,392	\$1,554,635
(5)(B)(1) Community Supervision			
Community Mental Health Services	\$629,363	\$6,294	\$635,657
Contract Services	\$2,863,324	\$28,633	\$2,891,957

<b>Table 4: Provider Rate Increase Summary</b>		
<b>Long Bill Line</b>		<b>1.0 % Increase</b>
(1)(B)(2)	Payments to Local Jails	\$121,801
	Payments to In-State Private Prisons	\$622,316
	Payments to Pre-Release Facilities	\$111,481
	Community Corrections Programs	\$41,417
(2)(E)	Personal Services	\$38,468
	Service Contracts	\$24,485
(2)(J)	Personal Services	\$8,325
	Medical Contract Services	\$39,675
(4)(D)	Contract Services	\$20,411
(5)(A)	Contract Services	\$50,243
	Wrap-Around Services	\$15,392
(5)(B)(1)	Community Mental Health Services	\$6,294
	Contract Services	\$28,633
	<b>Total</b>	<b>\$1,128,941</b>

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