MEMORANDUM

JOINT BUDGET COMMITTEE

TO	JBC Members
FROM	JBC Staff
DATE	March 17, 2025
SUBJECT	Figure Setting Comeback Packet 2

Included in this packet are staff comeback memos for the following items:

Joint Budget Committee Staff

Memorandum

To: Joint Budget Committee Members
From: Tom Dermody, JBC Staff (303-866-4963)
Date: Tuesday, March 11, 2025
Subject: Dept. of Human Services – State Funding for Senior Services

The appropriation for the Department of Human Services' *State Funding for Senior Services* line item consists of General Fund, cash funds from the Older Coloradans Cash Fund, and reappropriated funds originating as Medicaid funding. During figure setting for the Department of Human Services on February 21, 2025, staff noted the need to true-up the cash funds appropriation for the *State Funding for Senior Services* line item with the available revenue in the Older Coloradans Cash Fund. As reported in the Older Coloradans Cash Fund Schedule 9, submitted as part of the November 1st budget documentations, the Fund is anticipated to have $12.4 million in balance and revenue available in FY 2025-26, with anticipated expenditures of $10.3 million.

Older Coloradans Cash Fund Balance Summary					
Item	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Approp	FY 2025-26 Estimated
Beginning balance	$9,469,342	$6,272,089	$3,436,206	$2,579,887	$2,219,940
Revenue	9,640,887	10,185,847	10,245,290	10,186,582	10,214,601
Expenditures	-12,838,140	-13,021,730	-11,101,609	-10,546,529	-10,335,598
Ending balance	$6,272,089	$3,436,206	$2,579,887	$2,219,940	$2,098,943

* Data taken from Schedule 9.

The cash funds appropriation approved by the Committee during figure setting is $14.1 million, substantially higher than both the FY 2025-26 anticipated available cash balance and expenditures. As a result, the excess cash funds appropriations presents an inaccurate picture of available resources for state support of senior services. **Staff's revised recommendation is an appropriation of $26.9 million total funds**, including $11.4 million cash funds from the Older Coloradans Cash Fund, as detailed in the table below. The recommended cash funds appropriation represents 110.0 percent of anticipated FY 2025-26 expenditures.

Department of Human Services, Office of Adults, Aging, and Disability Services, Aging Programs, Community Services for the Elderly, State Funding for Senior Services						
Item	Total Funds	General Fund	Cash Funds	Reapprop Funds	Federal Funds	FTE
Figure setting	$29,578,817	$14,487,707	$14,091,110	$1,000,000	$0	0.0
Revised recommendation	26,856,865	14,487,707	11,369,158	1,000,000	0	0.0
Net change	-$2,721,952	$0	-$2,721,952	$0	$0	0.0

Joint Budget Committee Staff

Memorandum

To: Joint Budget Committee
From: Tom Dermody, JBC Staff (303-866-4963)
Date: Tuesday, March 11, 2025
Subject: Dept. of Personnel – Footnote Correction

On February 10, 2025 during figure setting for the Department of Personnel, the Committee approved staff's recommendation for the footnote associated with the Office of the State Architect's *Statewide Planning Services* line item. However, staff's recommendation misidentified the fiscal year cited in the footnote. Staff recommends the corrected footnote below.

N Department of Personnel, Executive Director's Office, Statewide Special Purpose, Office of the State Architect, Statewide Planning Services – This appropriation remains available until the close of the ~~2026-27~~ 2027-28 fiscal year.

Comment: This footnote expresses legislative intent that the spending authority provided in this appropriation remains available for three years. Statewide Planning Services provides funding for technical and consulting services related to the statewide planning function for state agencies, which was added to the Office of the State Architect in FY 2015-16. This line item funds, on an ongoing basis, items that might otherwise be included in the capital construction budget, which provides for three years of spending authority.

Joint Budget Committee Staff

Memorandum

To: Joint Budget Committee Members
From: Tom Dermody, JBC Staff (303-866-4963)
Date: Thursday, March 13, 2025
Subject: Dept. of Personnel – R3 Private Lease Early Termination [Tabled]

➔ R3 Private lease early termination

On February 7, 2025 during figure setting for the Department of Personnel, the Committee considered, but did not act upon, the Department's R3 (Private lease early termination) request. The request seeks an increase of $692,189 General Fund to allow for an early private lease termination and the consolidation of a state agency into excess capitol complex office space. This amount consists of $651,279 for lease termination and $40,910 for moving and space modification costs. The Committee sought additional information regarding the potential for other fund sources to cover some or all of the cost of the request.

The Department, in conjunction with the affected state agency, believes that the cash fund supporting the state agency could be used to offset a portion (roughly 27.0 percent) of the cost of the request. The particular cash fund has an approximate $595,000 balance in excess of the require reserve, so has the resources available to provide a partial offset. However, this excess balance has already been identified by the affected state agency and JBC staff for transfer to the General Fund. Any use of that excess to offset the cost of the R3 request would reduce the amount transferred to the General Fund and would, in essence, have the same effect as the transfer.

Revised Recommendation

Staff recommends a $651,279 General Fund appropriation to the Department of Personnel for the cost to terminate the private lease. Staff recommends the appropriation be made to the *Office of the State Architect* line item in the Executive Director's Office and the inclusion of a footnote expressing the General Assembly's intent that the appropriation be used for the cost of terminating a private lease.

Further, staff recommends an appropriation of $40,910 total funds, including $29,864 General Fund and $11,046 cash funds, to the affected state agency for moving and space modification costs. JBC staff believes it reasonable and within the capacity of the relevant cash fund to cover the one-time increase of cash fund expenditures for these costs.

Joint Budget Committee Staff

Memorandum

To:	Joint Budget Committee Members
From:	Tom Dermody, JBC Staff (303-866-4963)
Date:	Tuesday, March 11, 2025
Subject:	Dept. of Personnel – R4 COWINS Partnership Agreement Resources [Tabled]

On February 7, 2025 during figure setting for the Department of Personnel, the Committee considered the Department's R4 (COWINS Partnership Agreement resources) request. The Committee withheld action on the request, tabling the issue pending further input and outreach from affected stakeholders. Below is the JBC staff write-up regarding this issue; staff's recommendation remains the same.

➔ R4 COWINS Partnership Agreement resources

Request

The Department requests an increase of $531,675 General Fund and 3.8 FTE for FY 2025-26. The request includes the:

- transition one term-limited FTE to permanent staff for data management,
- addition of three staff to the Colorado State Employee Assistance Program (CSEAP), and
- budget neutral shift of $450,000 General Fund from the *Union Stewards* line item to the *State Employee Tuition Reimbursement* line item.

The request annualizes to $2.1 million total funds, include $1.8 million General Fund, and 4.0 FTE in FY 2026-27 and FY 2027-28. The large increase in General Fund in the out-years is due to a $1.7 million General Fund annualization for housing assistance. This request is predicated on the renegotiated COWINS Partnership Agreement (Articles 8.3 (A), 32.9, 5.2, and 24.5) that became effective September 23, 2024.

Recommendation

Staff recommends a net reduction of $548,569 General Fund, which includes an increase of $101,431 General Fund and 1.0 FTE, for FY 2025-26. Staff recommends the FTE be term-limited through the end of FY 2026-27. Staff's recommendation is itemized as follows:

- extend the term of the data management FTE through FY 2026-27 to ensure a smooth transition to the modernized payroll system;
- denial of the additional staffing and resources for the Colorado State Employee Assistance Program;

- a reduction of $450,000 General Fund to the *Union Stewards* line item, based on the requested reduction; and
- a reduction of $200,000 to the *State Employee Tuition Reimbursement* line item to align appropriations with current expenditure levels.

Further, staff recommends denial of the $1.7 million General Fund annualization for housing assistance. This is an item that can be address during the next budget cycle when information about the findings of a housing workgroup will be made available.

Analysis

Data Management

The Department requests to make a term-limited FTE permanent. The current position is set to expire at the end of the current fiscal year. The appropriation for this FTE was first made in FY 2022-23 as a result of a supplemental action taken by the Committee. The FTE was part of a larger cohort of term-limited positions meant to assist with the implementation of the step plan for employee pay, and assisted in the collection and integration of employee data for the effort.

The Department requests a permanent Data Management IV position to act as subject matter expert of opt-out management and step pay data management. This position would lead the integration of the time-in-job series and step pay data into existing statewide workforce reporting and databases. The Department anticipates the position would add to the capacity of existing staff to perform reporting responsibilities under Article 4.2 of the COWINS Partnership Agreement, as well as additional database management workload generated by time-in-job series auditing.

The Department's current data management team is the statewide workforce data experts, having learned how to work with the current outdated systems, which are not intended as repositories for the data required for step pay implementation and personal information opt-out management. The Department is concerned about the loss of institutional knowledge and skills when the terms expire for original cohort of term-limited staff. This request seeks to preserve an amount of the knowledge, lessons learned, and experience gained through the step pay process. The Department argues that a permanent resource will be able to assist with process improvement and efficiencies in upcoming process changes and assume a share of the continuing workload.

The Department is in the final phase of modernizing the State's payroll system. Over the last three fiscal years, the Department has received $37.5 million in IT Capital Project funding and is requesting an additional $13.7 million in FY 2025-26 to complete the effort. The updated payroll system is meant, in part, to address the requirements of the new step plan and the COWINS Partnership Agreement. When the new system is fully implemented, there will likely be a period of time for migrating data from the current payroll system and the various other employment related databases. This migration will require verification. However, the long-term necessity of the requested FTE is uncertain given the potential performance of the modernized payroll system. As a result, staff recommends extending the term-limit for this FTE through FY 2026-27.

COWINS Partnership Agreement Provisions

The Executive Branch is obligated to request funding for the provisions negotiated in the COWINS Partnership Agreement. The following portions of this request are part of the Partnership Agreement.

- Article 8.3 (A) – Requires a request for at least $300,000 and 3.0 FTE in FY 2025-26 and ongoing for additional resources for the Colorado State Employee Assistance Program. The Department requests $430,224 General Fund and 2.8 FTE (representing three new staff) in FY 2025-26. The out year costs would shift to reappropriated funds because the cost of the Colorado State Employee Assistance Program is included in the Risk Management common policy. The common policy costs are allocated to the various state agencies covered by the State's liability program.
- Articles 5.2 and 24.5 – Requires a request for a budget neutral shift of $450,000 from the *Union Stewards* line item to the *State Employee Tuition Reimbursement* line item in the Department's Long Bill. These line item appropriations are from the General Fund.
- Article 32.9 – Requires a request for $1.7 million in FY 2026-27 and FY 2027-28 to implement pilot programs based on a housing workgroup to be established in March 2025. The request assumes this will be funded through General Fund appropriations.

The request before the Committee relies largely on this contractual obligation, rather than programmatic analysis. The information supporting the portions of the request associated with Articles 5.2, 24.5, and 32.9, largely echo the provisions of the Partnership Agreement and do not include detailed justifications for the requested amounts.

With regard to the appropriations for the *State Employee Tuition Reimbursement* line item, the Department reports expenditures of $57,696 and $285,088 in FY 2022-23 and FY 2023-24, respectively. The FY 2024-25 appropriation for this line item is $500,000 General Fund and the request seeks to increase the appropriation to $950,000 General Fund. An increase of that magnitude is not supported by the current expenditure data. Staff's recommendation is to reduce the appropriation to $300,000 for FY 2025-26. Ongoing appropriations should be based on expenditure data and trends.

The request provides current caseload data for the portion of the request for additional CSEAP resources, but does not evaluate the effect of additional funding provided to CSEAP in FY 2022-23 (R3; $300,000 total funds and 3.0 FTE) as directed by the previous iteration of the Partnership Agreement. In fact, the Department acknowledges the lack of analysis in their hearing responses to the Committee, presented on December 2, 2024.

> "This request did not analyze data…This request seeks to meet the requirements of the partnership agreement by providing resources for the anticipated increase

> in workload in consideration of the current wait times anecdotally experienced by CSEAP staff."[1]

The General Assembly is under no obligation to fund any provision of the agreement. This is explicitly acknowledged in both the Partnership Agreement and in Section 24-50-1111 (6), C.R.S., though deviating from the requested funding may result in the reopening of negotiations. The current Partnership Agreement became effective September 23, 2024. The negotiations and provisions of the Agreement do not take into account the current budgetary circumstances, wherein General Fund is extremely limited. JBC staff wonders, had the negotiators of the Partnership Agreement had the knowledge of the State's current fiscal situation, would the same provisions be included?

[1] Department of Personnel, FY 2025-26 Joint Budget Committee Hearing (December 2, 2024; pg. 9): https://leg.colorado.gov/sites/default/files/fy2025-26_perhrg_0.pdf.

Joint Budget Committee Staff

Memorandum

To:	Joint Budget Committee
From:	Justin Brakke, JBC Staff (303-866-4958)
Date:	Wednesday, March 12, 2025
Subject:	Informational only: Questions from Department of Corrections figure setting

ⓘ Total compensation: Base building vs. non-base building

Members of the JBC asked how the requested base building increase (2.5% across-the-board, step pay, etc.) compares to requested non-base building increase ($139.33 monthly). JBC staff concludes that the monthly impact of the base building request is relatively close to the non-base building incentive request. The actual impact varies by job class. For example, the 2.5% increase provides $186.05 per month for entry-level Nurse I employees and $117.43 for entry-level Correctional Officer I employees. The table below shows the average and median impact of the base building request for all employees included in the non-base building request.

FY 2025-26 Request: Base-building increases for critical staffing job classes		
	Average (monthly)	Median (monthly)
2.5% across-the-board	$138.36	$129.48
Total increase (includes 2.5% ATB, step pay, etc.)	$175.47	$135.95

ⓘ Job vacancies at Delta Correctional Center

Members of the JBC asked about the number of vacant positions at the Delta Correctional Center. Staff recommended and the JBC approved a reduction of $1.6 million General Fund and 14.0 FTE in FY 2025-26. This assumes a reduction of 192 Level 1 minimum security beds at the Delta facility. Data provided by the DOC shows that there are currently 12.0 vacant FTE at Delta.

Current Delta FTE			
Position	Allocated	Active	Vacancies
CORR/YTH/CLIN SEC OFF I	35.0	31.0	4.0
CORR/YTH/CLIN SEC OFF II	16.0	15.0	1.0
CORR/YTH/CLN SEC SPEC III	1.0	1.0	0.0
CORR/YTH/CLN SEC SUPV III	1.0	1.0	0.0
CORR/YTH SEC OFF IV	3.0	3.0	0.0
CORR SUPP TRADES SUPV I	20.0	16.0	4.0
CORR SUPP TRADES SUPV II	3.0	1.0	2.0
CORR SUPP TRADES SUPV III	2.0	1.0	1.0
CORR SUP LIC TRDE SUP II	2.0	2.0	0.0
ADMIN ASSISTANT III	2.0	3.0	-1.0
CORRECTIONS CASE MGR I	4.0	4.0	0.0

Current Delta FTE			
Position	Allocated	Active	Vacancies
CORRECTIONS CASE MGR III	1.0	0.0	1.0
LIAISON II	1.0	1.0	0.0
LIAISON III	1.0	1.0	0.0
PROGRAM ASSISTANT I	1.0	1.0	0.0
PROGRAM MANAGEMENT I	2.0	2.0	0.0
PROGRAM MANAGEMENT III	1.0	1.0	0.0
SAFETY SPECIALIST III	1.0	1.0	0.0
STATE TEACHER I	4.0	4.0	0.0
TECHNICIAN III	1.0	1.0	0.0
Total	102.0	90.0	12.0

ⓘ Technical parole violations

Members of the JBC asked what was driving an increase in returns to prison due to technical parole violations. The DOC and Parole Board responded to this question during the hearing process in December 2024.

DOC response

"The Colorado Department of Corrections (CDOC) does not have a singular database that tracks reasons the Colorado State Board of Parole revokes the parole of a parolee. Although there is no singular database, self-audits conducted by the Division of Adult Parole have consistently identified that offenders are being revoked most often for the statutorily-driven technical reasons listed below:

The technical parole return numbers include:

- Self-revocation requests granted by the Parole Board.
- Parolees convicted of a new felony offense but are not sentenced to prison on the new case by the courts.
- Parolees convicted of a new misdemeanor offense.
- Parolees with no new criminal convictions (felony or misdemeanor), who have serious technical violations as defined in statute:
    - Refusing or failing to comply with requirements of sex offender treatment
    - Absconding
    - Willful failure to appear for a summons
    - Unlawful contact with a victim
    - Possession of a deadly weapon
    - Willful tampering or removal of an electronic monitoring device"

Parole Board response

The following categories are included under the definition of technical parole revocations:

1 Self-revocation requests granted by the Parole Board.
2 Parolees convicted of a new felony offense but not yet sentenced to prison on the new case.
3 Parolees convicted of a new misdemeanor offense.
4 Parolees with no new criminal convictions (felony or misdemeanor), who have serious technical violations:
   a Refusing or failing to Comply with Requirements of Sex Offender Treatment
   b Absconding o Willful Failure to Appear for a Summons
   c Unlawful Contact with a Victim
   d Possession of Deadly Weapon
   e Willful Tampering or Removal of an Electronic Monitoring Device
5 Other non-compliance with parole conditions. The increase in technical parole returns is primarily driven by a rise in arrests of parolees for absconding. The number of arrests for absconding has escalated, resulting in higher technical revocation rates:
   a FY 2023: 176 technical violations for absconding, accounting for 19.5% of all revocations.
   b FY 2024: 279 technical violations for absconding, accounting for 27.6% of all revocation

This data suggests that while absconding behavior has remained stable, improved enforcement and apprehension efforts have contributed to the rise in technical parole returns.

Finalized Revocation Hearing Outcomes by Fiscal Year

Revoked vs Continued	FY 2022		FY 2023		FY 2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Continued on Parole (not revoked)	355	33%	355	28%	197	16%
Parole Revoked	720	67%	903	72%	1,011	84%

Reason for Revocation	FY 2022		FY 2023		FY 2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Revocation for new felony charge(s)	109	15.1%	117	13%	94	9.3%
Revocation for felony and misdemeanor charge(s)	25	3.5%	28	3.1%	26	2.6%
Revocation for new misdemeanor charge(s)	309	42.9%	371	41.1%	421	41.6%
Revocation for traffic/petty offens(s)	7	1%	19	2.1%	20	2%
Technical violation revocation for absconding	128	17.8%	176	19.5%	279	27.6%
Other technical violations only***	141	19.6%	188	20.8%	167	16.5%
Other revocation type	1	0.1%	4	0.4%	4	0.4%

*Does not include continuance hearings or self-revocation request decisions.
*** "Other technical violations only" category includes inmates returned for termination from sex offender treatment, weapons violation(s), and/or contacting a victim under a protection order.

Joint Budget Committee Staff

Memorandum

To:	Joint Budget Committee
From:	Justin Brakke, JBC Staff (303-866-4958)
Date:	Wednesday, March 12, 2025
Subject:	Comebacks for the Department of Public Safety-Community Corrections

ⓘ Additional information about community corrections facility payments

JBC action

- **Reallocate $2.5 million General Fund from the *Community Corrections Facility Payments* line item to the *Community Corrections Placements.*** Assumes the elimination of 16 facility payments for providers with a physical capacity greater than 105 beds. Assumes the retention of 11 facility payments for smaller providers. Assumes that most larger providers can offset the lack of a facility payment by increasing their average daily population (ADP) by about 6 qualified offenders ($161,000 FY 2024-25 facility payment ÷ $70.39 standard residential per-diem ÷ 365 days = 6 average daily population of offenders). A $2.5 million General Fund appropriation in the *Placements* line item supports an ADP of about 96 standard residential placements.
- **Adjust *Community Corrections Placements* Long Bill footnote to provide the DCJ with the flexibility to adjust per-diem rates.** The Long Bill footnote governs the DCJ's allocation of the appropriation for *Placements*, which has consistently reverted millions of dollars over the past few fiscal years. The DCJ defers to the per-diem rate set in the Long Bill footnote, but this deference is not a legal requirement. The DCJ could adjust per-diem rates on a limited basis in lieu of a facility payment, hence the change to the Long Bill footnote.

Summary of new information/key reminders

Guaranteed revenue vs. unguaranteed revenue

The *Facility Payment* is a specific amount of guaranteed revenue for providers regardless of the size of the facility or offender population. Reimbursements through *Placements* is a less predictable revenue stream based on the number of offenders served.

A lack of referrals to offset reduced facility payments?

The data do not support an assertion that providers cannot serve 6 or 7 additional qualified offenders per day due to a lack of referrals. In FY 2023-24, local community corrections boards and providers denied a total of 6,022 referrals. This includes 3,629 transition referrals for DOC inmates, 2,133 diversion referrals from the courts, and 260 condition-of-parole referrals. The figure for transition referrals may reflect up to three referrals for one individual (e.g. one referral for three districts).

However, even with that caveat, the data do not support an assertion that providers cannot serve 6 or 7 additional qualified offenders per day due to a lack of referrals. It is possible that many of these referrals are not qualified. But JBC staff has consistently heard reports from providers and board members that some qualified offenders are rejected despite their qualifications. Should the General Assembly appropriate millions of General Fund dollars for facility payments because there may be a lack qualified referrals that are approved by local boards and providers?

Reduce placements for sex offender treatment rather than facility payments?

JBC staff does not recommend that the JBC reduce funding for sex offender treatment to pay for other types of placements. The budget for the current fiscal year supports an ADP of 116 sex offender placements, or about $1.5 million General Fund. The year-to-date actual ADP is around 106. Reducing the appropriation by a significant amount would therefore result in reduced services for offenders actually receiving these services.

Reduce placements for residential dual diagnosis treatment rather than facility payments?

The JBC could consider reallocating $464,353 General Fund from Residential Dual Diagnosis (RDDT) to standard residential placements and leave the same amount in the *Facility Payments* line item. But it would only support about three full facility payments of about $154,000 or some other number of lesser payments.

The $464,353 figure is equal to about 20 RDDT beds. The budget for the current fiscal year supports an ADP of 90 RDDT placements, or about $2.1 million General Fund. The year-to-date actual ADP is closer to 70. However, the February 2025 figures are closer to 53, down from 80 in July 2024.

JBC staff notes that RDDT placements were reduced last year. The FY 2023-24 appropriation assumed an ADP of 120. The FY 2024-25 appropriation assumed an ADP of 90. This reduction of 30 beds helped offset the cost of an 87% increase in the per-diem differential rate for both RDDT and Intensive Residential Treatment (from $34.00 in FY 2023-24 to $63.61 in FY 2024-25).

Additional information

Differences between *Community Corrections Facility Payments* and *Placements*

FY 2024-25 Appropriation

- *Facility Payments:* $4,525,644 General Fund
- *Placements*: $76,841,807 General Fund.

Function: What does the line item do?

- *Facility Payments*: Provides a specific amount of guaranteed revenue for providers regardless of the size of the facility or offender population. In FY 2024-25, most providers received a flat payment of about $161,000. The largest two providers receive a double-payment.
- *Placements*: Reimburses providers for services. It is a less predictable amount of revenue based on the number of offenders served.

Purpose: Why does it do it?

- *Facility Payments*: The appropriation aims to help smaller facilities remain viable. A flat payment is proportionally more valuable to smaller providers than larger providers. The appropriation also originally aimed to ensure specific staffing ratios at all facilities.
- *Placements*: The appropriation provides most of the funding for the community corrections system. The appropriation is tied, in part, to the purposes of the system.[1] Community corrections is an alternative to prison for felony offenders. It provides an intermediate level of supervision that is less than prison but more than probation and parole. It consequently costs less than prison but more than probation or parole.

Long Bill footnotes governing the appropriation

- *Facility Payments*: "The amount of the appropriation assumes that the Department will provide an equal payment to all programs, with the exception that facilities with an average of 32 or more security FTE will receive a second facility payment. It is the General Assembly's intent that programs use these funds to invest in performance-enhancing measures. These measures include, but are not limited to, employee recruitment and retention. The General Assembly further intends that programs will provide a plan for the use of these funds to their local boards and the Division of Criminal Justice and maintain records that show how these funds are used."
    - This footnote has existed in similar forms for many years. The most recent iteration, shown above, aims to ensure that providers are not simply pocketing the money. Staff

[1] Section 17-27-101.5 Purposes of community corrections.

is recommending that the JBC strike this footnote so the DCJ has the flexibility to adapt to changing circumstances.

For example, the recommended appropriation assumes that providers with a physical capacity less than 105 will still receive a facility payment. However, providers should not reduce their physical capacity in order to qualify for a payment. Nor should providers on the cusp of that threshold be disqualified if there are legitimate reasons why they cannot serve more offenders. Staff concluded that a footnote would be overly prescriptive and would not allow the DCJ to make informed judgements about who should or should not receive a facility payment.

- *Placements*: "This appropriation assumes the daily rates and average daily populations listed in the following table. THE DAILY RATES SHOWN IN THE TABLE ARE ASSUMED TO BE THE DEFAULT RATES, BUT IT IS THE GENERAL ASSEMBLY'S INTENT THAT THE DIVISION ADJUST THESE RATES ON AN AS-NEEDED BASIS. The appropriation assumes that offenders will not be charged a daily subsistence fee. The base rate for standard nonresidential services assumes a weighted average of the rates for four different levels of service. This appropriation also assumes that the residential base per-diem rate in the table included in this footnote will be increased by 1.0 percent for programs meeting recidivism performance targets and 1.0 percent for programs meeting program completion performance targets."

Rate type	Rates	Average Daily Population	Estimated Allocation
Residential base rate	$70.39	1,005	$25,809,726
Base rate plus 1.0% incentive	$71.09	783	$20,317,167
Base rate plus 2.0% incentive	$71.80	875	$22,931,125
Specialized differentials			
Intensive residential treatment	$63.61	206	$4,782,836
Residential dual diagnosis treatment	$63.61	90	$2,089,589
Sex offender treatment	$34.68	116	$1,468,351
Standard non-residential	$9.94	792	$2,931,271
Outpatient therapeutic community	$27.67	25	$257,508
Total			**$80,587,573**

  - This footnote governs the DCJ's allocation of the appropriation for most of the community corrections system. This appropriation consistently reverted millions of General Fund dollars over the past few fiscal years. The DCJ defers to the per-diem rate set in the Long Bill footnote, but this deference is not a legal requirement. The DCJ could adjust per-diem rates on a limited basis in lieu of a facility payment, hence the approved change to the Long Bill footnote, which staff has attempted to capture in this iteration (in small caps).

Referrals

The following table shows acceptance rates for the different types of placements in the community corrections system. Here is the DCJ's summary of findings:

> "Diversion and Transition referral rates vary considerably across judicial districts, and also vary over time. In general, Diversion and Condition of Parole referrals were approved at higher rates than Transition referrals. Cases with a sex offense conviction were frequently denied; in some judicial districts, these cases are automatically excluded from consideration. The judicial district with the highest Transition acceptance rate (with an acceptance rate above 60%) in FY24 was the 2nd. The judicial district with the highest Diversion acceptance rate (with rates above 80%) was the 2nd. The judicial districts with the highest Condition of Parole acceptance rates (with rates above 80%) were the 15th and 18th."

FY 2023-24 Community Corrections Referral Report

Judicial District	Transition Referrals[2]	Denied by Board	Denied by Facility	% Approved	Diversion Referrals	Denied by Board	Denied by Facility	% Approved	Parole Referrals	Denied by Board	Denied by Facility	% Approved
1st	501	146	247	21.6%	577	51	142	66.6%	43	0	24	44.2%
2nd	394	95	50	63.2%	224	20	4	89.3%	0	0	0	
4th	1,128	272	423	38.4%	1,026	191	251	56.9%	187	17	35	72.2%
6th	102	44	40	17.6%	109	24	0	78.0%	4	1	0	75.0%
7th	187	172	0	8.0%	173	59	0	65.9%	34	20	0	41.2%
8th	351	42	221	25.1%	573	47	123	70.3%	43	2	16	58.1%
9th	142	69	47	18.3%	100	52	0	48.0%	17	4	0	76.5%
10th	353	93	152	30.6%	203	47	19	67.5%	17	2	5	58.8%
12th	50	16	13	42.0%	375	69	71	62.7%	24	8	3	54.2%
13th	44	27	0	38.6%	132	57	0	56.8%	20	7	0	65.0%
15th	135	117	0	13.3%	126	57	0	54.8%	1	0	0	100.0%
17th *	785	201	201	48.8%	1,316	167	166	74.7%	69	52	0	24.6%
18th	585	206	117	44.8%	854	192	36	73.3%	7	0	0	100.0%
19th	277	66	115	34.7%	365	48	74	66.6%	38	6	21	28.9%
20th	351	41	254	16.0%	207	36	8	78.7%	19	1	12	31.6%
21st *	173	71	71	17.9%	371	61	61	67.1%	43	24	0	44.2%
Totals	5,558	1,678	1,951	34.7%	6,731	1,178	955	68.3%	566	144	116	54.1%

*Due to the 17th JD's and 21st JD's screening processes, this is the inclusive number for both the board and facility denials. The facility and screening committee review the criteria cases at the same time.

In JBC staff's view, these data do not support an assertion that providers cannot earn enough revenue to offset the absence of a facility payment due to a lack of referrals.

[2] Per the DCJ, "The transition referrals, approvals, and denials include all transition referrals screened by each judicial district, including primary, secondary and tertiary. A transition primary referral is a referral that is sent to the jurisdiction that an inmate is planning to parole to. Secondary and tertiary referrals are those that have been denied by the primary jurisdiction and sent to alternate jurisdictions for screening. In some jurisdictions, the number of secondary and tertiary transition referrals exceeds the number of primary referrals received."

➔ Long Bill Footnotes

Staff recommends **continuing** the following footnotes.

N Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements -- This appropriation assumes the daily rates and average daily populations listed in the following table. **THE DAILY RATES SHOWN IN THE TABLE ARE ASSUMED TO BE THE DEFAULT RATES, BUT IT IS THE GENERAL ASSEMBLY'S INTENT THAT THE DIVISION ADJUST THESE RATES ON AN AS-NEEDED BASIS.** The appropriation assumes that offenders will not be charged a daily subsistence fee. The base rate for standard nonresidential services assumes a weighted average of the rates for four different levels of service. This appropriation also assumes that the residential base per-diem rate in the table included in this footnote will be increased by 1.0 percent for programs meeting recidivism performance targets and 1.0 percent for programs meeting program completion performance targets.

Rate type	Rates	Average Daily Placements	Estimated Allocation
Residential base rate	$70.39	1,005	$25,809,726
Base rate plus 1.0% incentive	$71.09	783	$20,317,167
Base rate plus 2.0% incentive	$71.80	875	$22,931,125
Specialized differentials			
Intensive residential treatment	$63.61	206	$4,782,836
Residential dual diagnosis treatment	$63.61	90	$2,089,589
Sex offender treatment	$34.68	116	$1,468,351
Standard non-residential	$9.94	792	$2,931,271
Outpatient therapeutic community	$27.67	25	$257,508
Total			**$80,587,573**

Comment: The recommended footnote reflects an additional 121 placements at the standard residential rate and 24 placements at the Intensive Residential Treatment rate.

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

Comment: The recommended footnote ensures that condition-of-probation placements receive the same per-diem reimbursement as felony placements. This footnote has existed for many years.

Staff recommends **eliminating** the following footnotes.

N Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Facility Payments -- The amount of the appropriation assumes that the Department will provide an equal payment to all programs, with the exception that facilities with an average of 32 or more security FTE will receive a second facility payment. It is the General Assembly's intent that programs use these funds to invest in performance-enhancing measures. These measures include, but are not limited to, employee recruitment and retention. The General Assembly further intends that programs will provide a plan for the use of these funds to their local boards and the Division of Criminal Justice and maintain records that show how these funds are used.

Comment: Staff recommends eliminating this footnote. Staff is recommending a lower flat-rate facility payment only for smaller facilities without a related footnote that stipulates a specific threshold. JBC staff thinks that it would be more prudent to allow the DCJ to consider the facts on the ground as it implements the facility payment and not be bound to an assumption used to calculate the appropriation.

For example, the recommended appropriation assumes that providers with a physical capacity less than 105 will still receive a facility payment. However, providers should not reduce their physical capacity in order to qualify for a payment. Nor should providers on the cusp of that threshold be disqualified if there are legitimate reasons why they cannot serve more offenders. Staff concluded that a footnote would be overly prescriptive and would not allow the DCJ to make informed judgements about who should or should not receive a facility payment.

Joint Budget Committee Staff

Memorandum

To: JBC Members
From: Phoebe Canagarajah, JBC Staff (303-866-2149)
Date: Monday, March 10, 2025
Department: Department of Labor and Employment
Subject: Staff Comeback – Adjustments to S1/R1/BA1 (UI Funding Expand & Realign)

This memo corrects some information and adjusts staff recommendation presented in figure setting for S1/R1/BA1 (Unemployment Insurance Funding Expansion and Realignment).

Corrections to Centrally Appropriated Cost Adjustments

S1/R1 shifts centrally appropriated costs from the non-TABOR exempt Employment Support Fund (ESF) to the TABOR-exempt Workforce Development Fund and UI Program Support Fund (formerly the Employment and Training Technology Fund). Staff realized two errors in the adjustment presented during figure setting: a staff calculation error for the FY 2025-26 adjustment, and an error in the Department request which adjusted line items that do not use the ESF. The tables below reflect corrections to those errors for FY 2024-25 and FY 2025-26.

EDO Centrally Appropriated Cost Changes in FY 2024-25

	FY 2024-25 Appropriation	FY 2024-25 Supplemental Request	Net Change	*Net Change Presented During Figure Setting*
ESF	$20,512,537	$5,912,852	-$14,599,685	*-15,619,118*
Workforce Fund	$0	$6,372,012	$6,372,012	*6,690,327*
UI Support Fund	$0	$8,227,673	$8,227,673	*8,928,791*
Total	$20,512,537	$20,512,537	$0	*$0*

EDO Centrally Appropriated Cost Changes in FY 2025-26*

	FY 2024-25 Appropriation	FY 2025-26 Request	Net Change	*Net Change Presented During Figure Setting*
ESF	$20,315,784	$5,716,099	-$14,599,685	*-14,125,541*
Workforce Fund	$0	$6,372,012	$6,372,012	*6,690,327*
UI Support Fund	$0	$8,227,673	$8,227,673	*8,928,791*
Total	$20,315,784	$20,315,784	$0	*$1,493,577*

*Final ESF appropriation in the EDO may change through common policy decisions and related adjustments, which may impact the estimated General Fund relief resulting from R1 changes.

Balance Cap Adjustments

The Committee inquired about lowering fund balance caps, particularly for the ESF, during figure setting. Staff at the time did not recommend lowering this balance cap, but has since analyzed the ESF's balance cap, as well as the UI Program Support Fund's cap. Staff is updating their recommendation to lower both fund's balance caps, reflected in the second table below.

Staff Recommendation: Figure Setting			
Fund	Employment Support Fund	UI Support Fund	Workforce Fund
FY 2025-26 Est. Expenditure	$9,809,079	$49,388,227	$20,693,631
FY 2025-26 Balance Cap (unadjusted)	$7,000,000	$31,000,000	$6,800,000
Percent of Cap to total Expenditure	71.4%	62.8%	32.9%

Staff Recommendation: Updated			
Fund	Employment Support Fund	UI Support Fund	Workforce Fund
FY 2025-26 Est. Expenditure	$9,809,079	$49,388,227	$20,693,631
FY 2025-26 Balance Cap (unadjusted)	$3,500,000	$25,000,000	$6,800,000
Percent of Cap to total Expenditure	35.7%	50.6%	32.9%

The updated staff recommendation reflects the following:

- Lowering the ESF balance cap to $3.5 million (from $7.0 million), to be at 35.7% of estimated expenditure
- Lowering the UI Support Fund's balance cap to $25.0 million (from $31.0 million), to be at 50.6% of estimated expenditure
  - While the Committee could lower this cap further, it would not result in General Fund relief. Nor would lowering the cap have a significant impact on revenue into the Unemployment Insurance Trust Fund (where funds in excess of this cap would go). Therefore, while the updated cap is still high, staff recommends maintaining it so if costs continue to increase to the UI program, the JBC will not have to take legislative action to increase the cap if it approves additional spending increases.

Updated General Fund Relief

The above updates to centrally appropriated fund splits and the ESF balance cap result in the following changes to estimated General Fund relief. As a general note, relief estimates for all years, particularly out-years, are subject to change based particularly upon annual adjustments to expenditure and balance caps:

- FY 2024-25 relief: $4,297,060 (no change from figure setting)
- FY 2025-26 relief: $25,080,372 (from an estimated $24,775,885 in figure setting)

    - The increase in General Fund relief is mainly driven by centrally appropriated fund split adjustment corrections for the above-mentioned errors and related modeling corrections
- Out-years after FY 2025-26: Updated staff balance cap recommendations result in about \$3.8 million more in General Fund relief in FY 2026-27 compared to the figure setting balance cap recommendation, but this difference in estimated relief is expected to decrease in later out-years.

Essentially, after making changes to centrally appropriated cost fund splits, the balance cap changes do not significantly alter General Fund relief estimates, except to provide slightly higher relief in FY 2026-27 and possibly later out-years.

Joint Budget Committee Staff

Memorandum

To: Joint Budget Committee Members
From: Kelly Shen, JBC Staff (303-866-5434)
Date: Tuesday, March 11, 2025
Subject: Technical adjustments for CPW decision items

This memo contains three technical adjustments for Colorado Parks and Wildlife decision items within DNR, resulting in a net reduction of $136,042 cash funds and 0.8 FTE for FY 25-26.

Summary of Technical Adjustments		
Decision Item	Cash Funds	FTE
R6/BA1 Digital video evidence system for CPW officers	-$828,216	-0.8
R8 Wildlife conservation and management	692,173	0.0
R2 Outdoor Equity Grant Program	1	0.0
Total	-$136,042	-0.8

R6/BA1 Digital video evidence system for CPW officers

Staff recommends a technical adjustment to reduce the Department's FY 25-26 appropriation by $828,216 cash funds and 0.8 FTE, including $310,580 from the Parks Cash Fund and $517,636 from the Wildlife Cash Fund. This would remove the FY 24-25 cost of the new body worn camera program that was approved during the supplemental process.

This FY 24-25 amount was mistakenly rolled forward into the FY 25-26 budget. The FY 25-26 budget separately includes the Department's full R6 request amount of $1,008,184 and 2.0 FTE, including $378,069 from the Parks Cash Fund and $630,115 from the Wildlife Cash Fund.

R8 Wildlife conservation and management

Staff recommends a technical adjustment to increase the Department's FY 25-26 appropriation by $692,173 from the Wildlife Cash Fund in order to fully fund the Department's R8 request. This amount was mistakenly left out of staff's initial recommendation.

Dept Request	Initial Recommendation	Updated Recommendation
$2,314,410	$1,188,811	$1,880,984
11.1 FTE	11.1 FTE	11.1 FTE

This amount was requested for collars and capture costs in order to complete the proposed elk and deer monitoring and population studies ($622,528), as well as vehicle operating costs ($69,645). These costs decrease to $381,000 and $69,645 in FY 2026-27 and ongoing.

R2 Outdoor Equity Grant Program

Staff recommends an increase of $1 from the Wildlife Cash Fund in order to adjust for a rounding error.

Joint Budget Committee Staff

Memorandum

To: Joint Budget Committee Members
From: Kelly Shen, JBC Staff (303-866-5434)
Date: Friday, March 14, 2025
Subject: Additional footnotes and RFI's for the Department of Natural Resources

This memo contains three proposed footnotes and one request for information, most of which pertain to wolf reintroduction and damage compensation.

Footnotes

Staff recommends **continuing** the following footnote that was not included in the Department's figure setting presentation:

N Department of Natural Resources, Executive Director's Office, Administration – In addition to the transfer authority provided in Section 24-75-108, C.R.S., the Department may transfer up to 5.0 percent of the total appropriation among the following line items in this section: Personal Services and Operating Expenses.

Comment: This footnote provides transfer authority between the specified line items. The footnote was initiated by JBC Staff in FY 2018-19, in response to a decision item to combine the *Personal Services* and *Operating Expenses* line items and allow the Department flexibility in managing funds across the two line items.

At the time, JBC staff proposed a footnote in order to allow the Department some amount of flexibility while maintaining budget transparency by keeping the line items separate.

Staff recommends **adding** the following footnote:

N Department of Natural Resources, Division of Parks and Wildlife, Colorado Parks and Wildlife Operations, Wildlife Operations – It is the General Assembly's intent that $2,100,000 General Fund appropriated for this line item be used for the implementation of Proposition 114 for the reintroduction and management of gray wolves.

Comment: This footnote was initiated by a Long Bill amendment in FY 2021-22, and included in the Long Bill in FY 2022-23 and FY 2023-24. This footnote was mistakenly left out of the FY 2024-25 Long Bill, but staff recommends re-adding the footnote to align with the General Assembly's actions in FY 2021-22.

In response to a request during the DNR figure setting presentation on February 27, 2025, staff **proposes the following footnote** for the Committee's consideration:

N Department of Natural Resources, Department of Natural Resources, Division of Parks and Wildlife, Colorado Parks and Wildlife Operations, Wildlife Operations – It is the General Assembly's intent that the portion of these funds that are intended to be appropriated for the implementation of Proposition 114 not be spent on any future wolf reintroduction unless and until full and complete implementation of all state funded preventative measures discussed by the Parks and Wildlife Commission as part of its denial of a citizen petition to half wolf reintroduction during its January 8, 2025, meeting. These measures specifically include, but are not limited to, placement of a sufficient number of trained range riders in all the areas where wolves are physically located, development and implementation of a depredation response operation team, deployment of additional non-lethal conflict techniques, and implementation of site assessment and carcass management programs to minimize attractants.

Comment: This footnote is proposed in response to a request during the DNR figure setting presentation, and indicates the General Assembly's intent to make General Fund spending for future wolf reintroduction contingent on Colorado Parks and Wildlife's completion of state funded preventative measures outlined in the Parks and Wildlife Commission meeting on January 8, 2025.[1]

Requests for Information

In response to a request during the DNR figure setting presentation on February 27, 2025, staff proposes the following request for information:

N Department of Natural Resources, Department of Natural Resources, Division of Parks and Wildlife, Colorado Parks and Wildlife Operations, Wildlife Operations – On November 1st, 2025, the Department is requested to provide a report on wolf depredation incidents and compensation in Colorado since at least January 2024. The report should include:

- A list of all incidents, including date, county, claim status, claim amount, and the number of animals affected.
- Separated by calendar year, a summary of:
  - Total number and cost of claims paid,
  - Amount paid from the General Fund, Wolf Depredation Compensation Fund, and other funds,
  - Number and cost of claims that utilized the basic compensation ratio,
  - Number and cost of claims that utilized the itemized production losses option – please separate between direct losses and indirect losses.

[1] *Colorado Parks and Wildlife.* 2024. Memo re: Division recommendation to deny petition to halt wolf reintroduction. https://cpw.widen.net/view/pdf/g5st0grbku/Item.13_Division_Recommendation_to_Deny_Petition_to_Halt_Wolf_Reintroduction.pdf?u=xyuvvu.

Comment: If the Committee feels it is important to distinguish between the cost of indirect vs. direct losses, the Committee should proceed with the proposed RFI. If the Committee is more interested in a summary of all damages, the Committee could explore two existing reports and evaluate if they meet the Committee's data needs.

1. The first report is near-real time information on confirmed wolf depredation, including, for every incident: date, county, claim status, claim amount, and the number of animals affected.[2]
2. Pursuant to Section 33-1-128 (5)(a), C.R.S., the second report is an annual report produced on January 31 of each year that details:

    - The number of livestock and livestock guard or herding animals killed by gray wolves;
    - The number of claims made for compensation from the fund;
    - The number of compensation claims that were approved and denied;
    - The reasons for the denial of compensation claims;
    - The amount of money paid for compensation from the Wolf Depredation Compensation Fund;
    - An explanation of the number and cost of losses due to wolf depredation;
    - The number of resident gray wolves;
    - The number of resident gray wolf packs;
    - The activity of the gray wolf packs, including dates, determined from gray wolves being tracked; and
    - The number of gray wolf breeding pairs and the population changes of resident gray wolves.[3]

[2] First report available on CPW's website: https://docs.google.com/document/d/e/2PACX-1vRKBg2b1faK1Oi53O9HKe2EuaeT8lB9q0LpCOD8p6gyAE2YSH5MY-zlWo_uJdi0fTAD16DbmCBGbaax/pub.

[3] Second report available on Legislative Council's website: https://www.leg.state.co.us/library/reports.nsf/ReportsDoc.xsp?documentId=F2DFFD82573B9FF987258A9E0060F099.