MEMORANDUM

TO: Members of the Joint Judiciary Committee

FROM: Steve Allen, JBC Staff, 303-866-4961

SUBJECT: Budgetary Overview of Intensive Supervision Parole

DATE: September 25, 2013

A. The budget process, focusing on the parole portion of the doc budget request

The Colorado Department of Corrections (DOC) develops its budget requests in conjunction with and with the approval of the Office of State Planning and Budgeting (OSPB). The budget is developed 8 to 15 months before the start of the fiscal year in which the budget will take effect. For example, much of the Department's preparation of the FY 2014-15 budget is happening now, during the summer and early fall of 2013. During the budget preparation process, the Division of Criminal Justice (DCJ) at the Department of Public Safety, issues a forecast of future parole and prison populations. This projection, which is usually issued in July or August, helps guide the Department's request for the parole staff and related expenditures that are needed to supervise, monitor, and support the expected parole population.

1. The budget request is submitted to the Joint Budget Committee (JBC) on November 1. In December JBC staff presents salient features of the budget to the JBC. At approximately the same time, a revised prison and parole population forecast is issued by DCJ and another, independent forecast is issued by Legislative Council Staff (LCS). These forecasts almost always differ, sometimes substantially.

2. In January, the DOC, with OSPB approval, submits amendments to the budget it submitted on Nov 1. The parole portion of the request is often adjusted to reflect the revised DCJ forecast.

3. In March, JBC staff presents the amended request to the JBC. The Committee might accept the DOC's request or approve something different, such as an appropriation based on the LCS forecast rather than the DCJ forecast. The approved appropriation is then entered into the Long Bill and submitted to the General Assembly for approval or modification.

4. The FY 2014-15 budget goes into effect on July 1, 2014 and runs for a year.

5. Sometimes serious problems arise just before or shortly after the start of the fiscal year. For example, the population of parolees in the first months of the new fiscal year might be much higher than predicted the preceding December, resulting in appropriations that are too low. In addition, the DCJ summer parole population forecast might predict that population will continue to exceed prior predictions for the remainder of the year. The DOC might respond to such a situation by submitting, with OSPB approval, an interim supplemental request for additional funding and FTE for the parole program. The JBC would accept, modify, or reject it.

6. In December, midway through the fiscal year, new forecasts are issued by DCJ and by LCS. These forecasts predict the population for the remainder of the fiscal year that is in progress. If the DCJ forecast differs significantly from the forecast on which the current parole appropriation is based, the DOC is likely to submit a supplemental request for an adjustment to its parole appropriation. The requested adjustment could be either positive or negative depending on whether the forecast on which the current appropriation is based is too low or too high. Supplemental parole appropriation adjustments of this sort are requested in most years. The supplemental request is submitted in early January shortly before the session starts.

7. There is a final opportunity through an interim supplemental to adjust the appropriation if it is substantially off track as the end of the fiscal year approaches, but such end-of-fiscal-year supplementals are unusual.

As the above explanation illustrates, forecasts are a key part of the parole appropriation process. They are used to set the parole budget before the fiscal year starts. Changed forecasts often drive mid-year supplementals.

B. How much to request?

In order to formulate its request for a parole appropriation, the DOC begins with a parole population forecast. For example, the DCJ forecast might indicate that the number of parolees will rise by 1000 next year.

These extra parolees will differ from one another in terms of the amount of supervision, monitoring, and support that they require. In the great majority of cases, the Parole Board (the independent type-one agency that makes parole decision) will let the DOC select the appropriate level of supervision for each parolee. Using a risk assessment tool, the DOC will assign each newly arrived parolee to one of four supervision-classification levels: Intensive, Maximum, Medium, or Minimum. Departmental standards require parole officers to spend progressively more time supervising offenders in the higher risk categories. (See DOC Administrative Regulation (AR) 250-8 and AR 250-49 for specifics.) Offenders progress through these classifications as the Department's assessment of their risk changes. One offender may start with Intensive Supervision and progress to Maximum while another, less risky offender, starts at Medium. Movement up the classification scale is possible: a Medium offender who is having substantial problems could be placed on Intensive Supervision Parole (also called ISP-Parole). The typical term on ISP-Parole is 6 months, renewable for problem parolees.

For purposes of its budget request, the Department places all intensive supervision parolees into the intensive category and lumps all other parolees into a single "regular" parole category. Historically, approximately 15 percent of parolees have been under intensive supervision and the Department has usually requested that its parole appropriation be based on this assumption. On occasion, however, the Department has requested that the appropriation be based on a higher ISP-Parole percentage.

Staffing ratios: The DOC tries to maintain specified supervision ratios for parolees as it expands and contracts. In its January 2013 parole-funding request, for example, the Department requested

enough parole officers to maintain a ratio of 1 parole officer to 68.7 parolees for regular parole and 1 parole officer per 22.8 offenders on ISP parole. The Department explained that 1:68.7 and 1:22.8 were the ratios at the time of its request and it was simply asking to maintain the current ratios. These supervision ratios have been lower in past years and the Department stated that it would, at some unspecified point in the future, like to reestablish the historical ratios of 1:60 for conventional parole and 1:20 for ISP parole.

Note that the Department actually requested an appropriation based on (1) ratios of 1:68.7 and 1:22.8 for parole officers who carry full caseloads, and (2) ratios that are half as high for parole officers who are classified as "team leaders" and take on additional management duties, such as supervising and mentoring other parole officers.

When the population of parolees expands, the Department also tries to maintain a management and support structure for parole officers, with specified ratios of managers to parole officers and specified ratios of administrative support staff to Parole Officers. For example, regular-parole team leaders supervise an average of 7.5 regular parole officers while ISP-parole team leaders supervise 10.4 ISP-parole officers. One administrative staffer is requested for each 4.4 regular parole officers and one is requested for each 3.8 ISP-parole officers. Supervisors above the team-leader level are also requested using specific ratios. Each of these employees must be paid a salary as well as benefits, and must be supported by an appropriate amount of operating expenditures for such things as ongoing training, leased office space, travel, a cell phone contract, etc.

Parolee monitoring and support: Based on past history, the DOC forecasts that a certain percentage of its parolees will need specialized monitoring (such as ankle bracelets) or specialized support, such as mental health services, drug and alcohol treatment services, or other crime-specific treatment.

Start-up costs. As the number of FTE increases, one-time start-up costs must be incurred, such as the cost of a month of new officer training, the cost of equipping the officer with a badge, a weapon, body armor, handcuffs, a desk, a computer, a cell phone, and so forth.

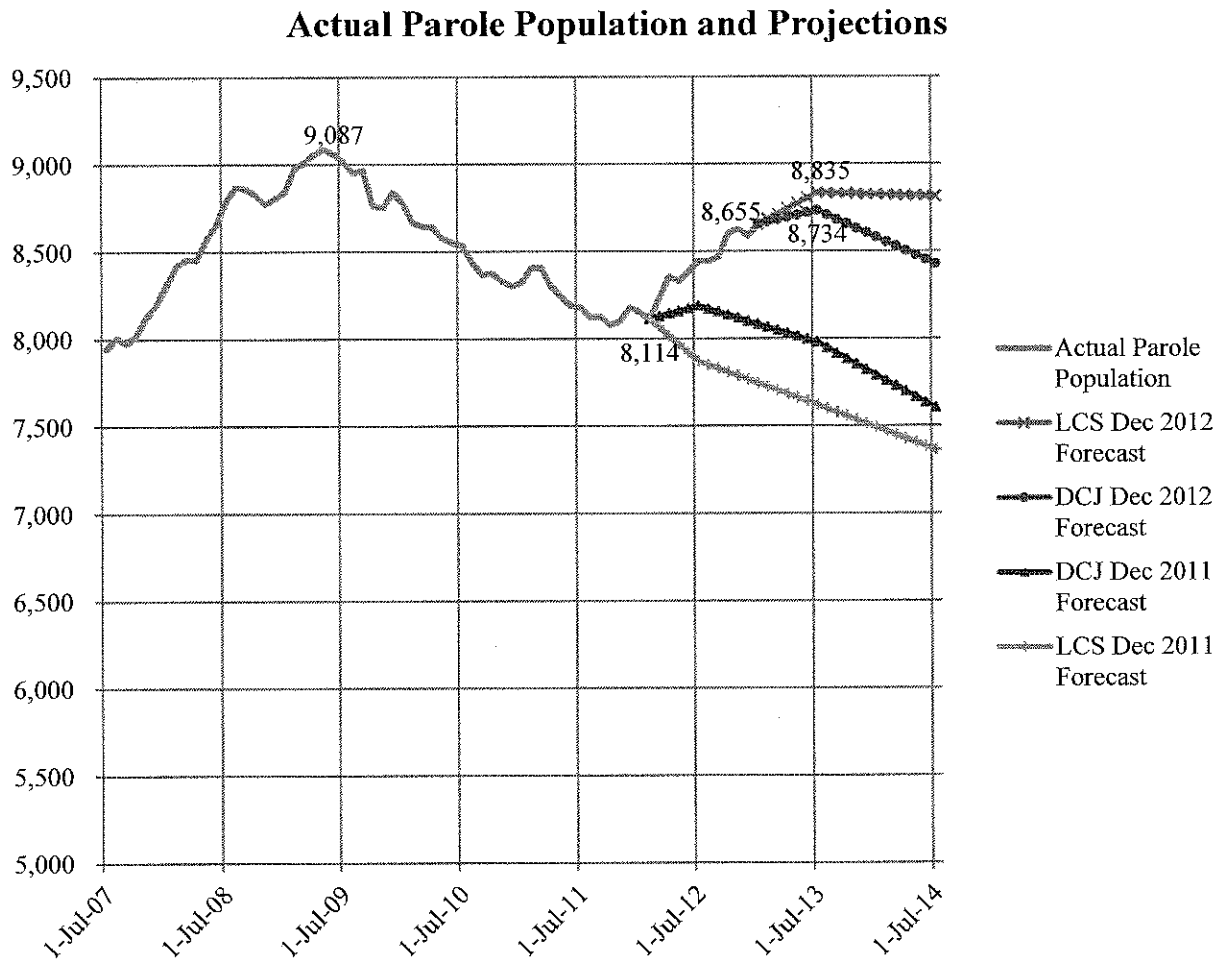
As a result, 21 separate appropriations need to be adjusted up and down as the parole population changes.

C. Example

The following diagram shows the situation that the JBC confronted in March 2012, when, during "figure setting," it had to choose a parole appropriation for the DOC for FY 2012-13. The parole population had peaked in May 2009 at 9,087 and subsequently declined to 8,114 by the time of figure setting, when the Committee had to choose between two competing parole population forecasts, which split off from the population value of 8,114 in the diagram. The two forecasts were the DCJ December 2011 parole population forecast, which is marked with triangles (and is in red if you are viewing the diagram in color) and the Legislative Council Staff (LCS) forecast, which is marked with vertical lines (and is in orange if you are viewing the diagram in color).

The Committee choose to base appropriations on the Legislative Council Staff forecast, the lower of the two projections.

As the diagram shows, the parole population headed in the opposite direction from the chosen forecast immediately after the Committee made its decision. Over the 10 month period following the Committee's decision, the parole population recovered 55.6 percent of the population loss experienced over the preceding two and a half years, reaching 8,655 at the beginning of January 2013. The LCS forecast, on which the parole appropriation was based, indicated that the Department would be supervising approximately a thousand fewer offenders by that time. As a result, appropriations and staffing for the parole office were far too low relative to the number of parolees.



During January 2013 supplementals, the JBC again had to choose between two competing parole forecasts, which split off from the 8,655 population shown in the diagram. This time the LCS forecast was higher.

The Department based its supplemental request on the DCJ forecast. However, the JBC decided to approve a supplemental that was based on the higher LCS forecast. As it turned out, the parole population at the end of FY 2012-13 was 8,746, which was closer to the DCJ projection.

This example illustrates that forecast errors can result in parolee supervision ratios that differ, perhaps substantially, from what was intended.

D. Historical Parole and ISP Parole Data

Parole funding appears in two subdivisions of the Long Bill: a group of line items called the "Parole Subprogram" and a group of line items called the "Parole Intensive Supervision Subprogram." Each subprogram has its own appropriations for FTE, operating expenses, and so forth. Nearly all of the appropriations to the ISP subprogram support ISP Parole but some of the regular parole appropriations also support ISP. Thus a clean division of expenditures into those for ISP and Regular Parole is not possible; one must settle for an approximation.

The charts on the following pages show pertinent parole data going back to FY 1999-00. Figure 1 shows the average daily population (ADP) on parole, which equals the average of each day's population over the course of a fiscal year. ADP is less volatile than monthly data and is frequently used for budgeting.

As Figure 1 shows, the total parole population peaked in FY 2008-09, bottomed in FY 2011-12, and in FY 2012-13 began to rise again. Note that the ISP parole population and the regular parole population have recently moved in opposite directions.

Figure 1

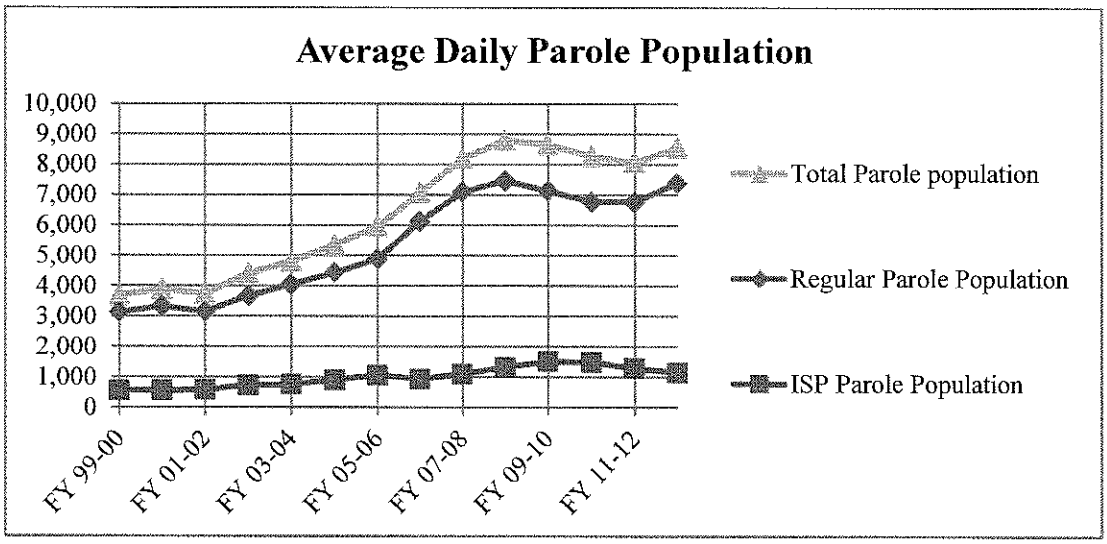


Figure 2 shows that the portion of parolees assigned to ISP has varied between 13 and 18 percent and was frequently above the 15 percent figure commonly cited by the Department in its budget requests.

Figure 2

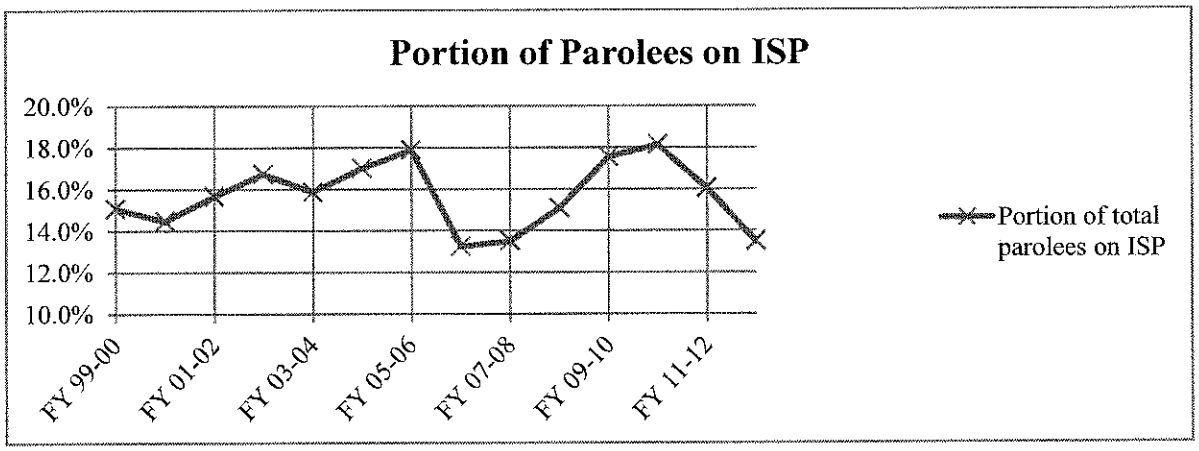


Figure 3 shows the supervision ratios for regular and ISP parolees. Note that the ratio of regular parolees to parole officers has twice hovered near 60, which is often cited as a target, but rose substantially following the 2001 recession, peaking in FY 2006-07.

The supervision ratio for ISP parolees has at times been near the target of 20, but it rose after the 2001 recession and then temporarily dipped, which is closely related to the decline in the percentage of parolees on ISP that occurred from FY 2006-07 to FY 2008-09.

Figure 3

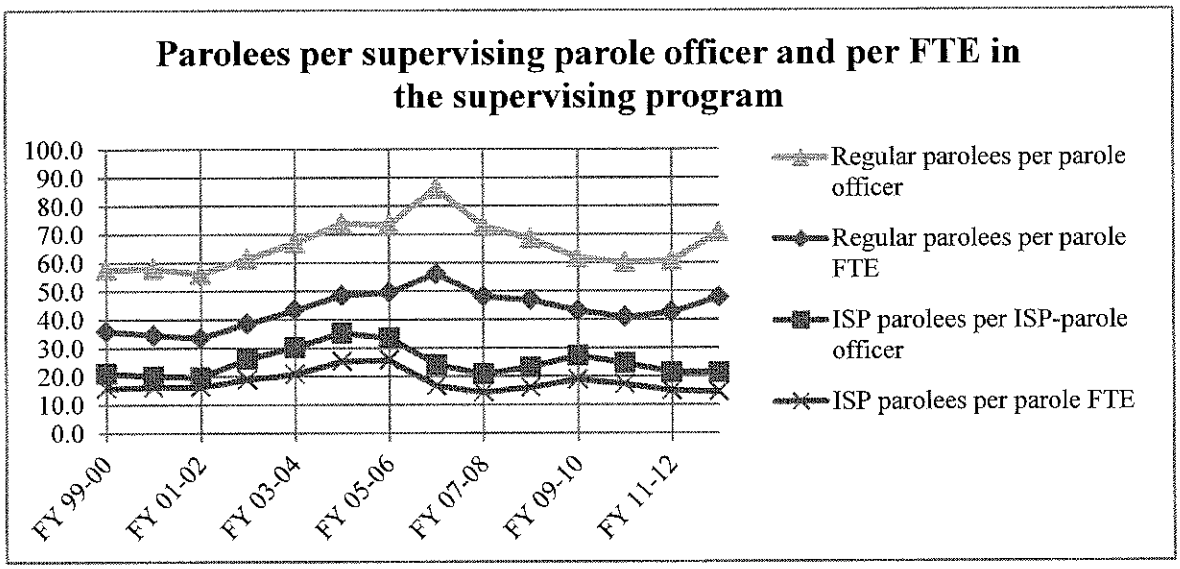


Figure 4

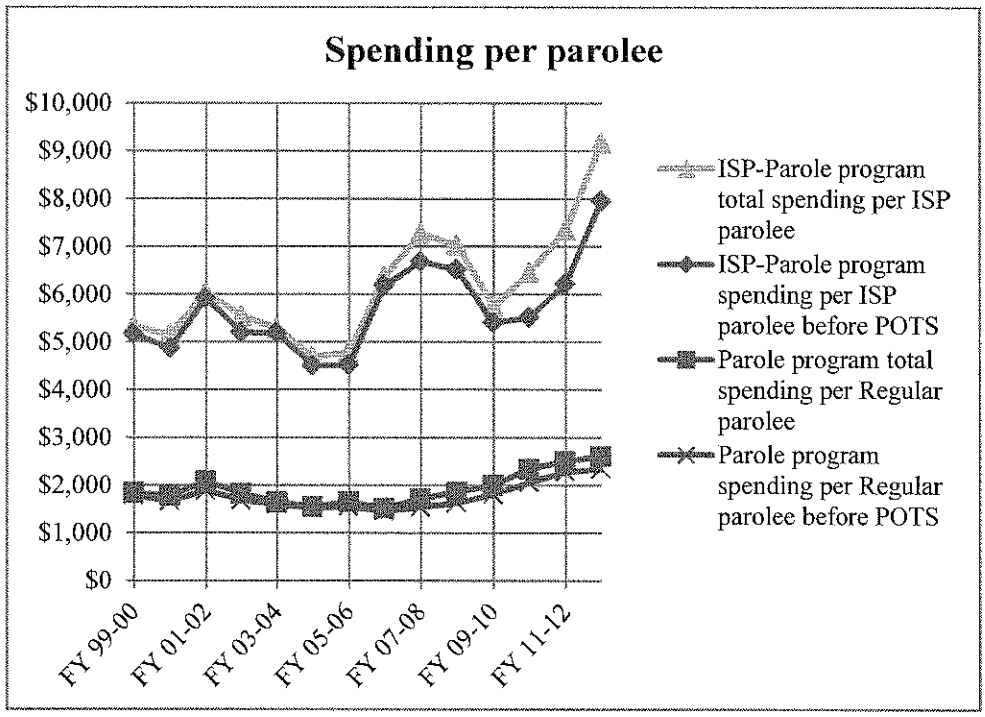


Figure 4 shows spending per parolee since FY 1999-00 while Figure 5 adjusts this spending for inflation. For regular parolees, FY 2011-12 spending is approximately equal to FY 2001-02 spending but ISP spending is higher.

Figure 5

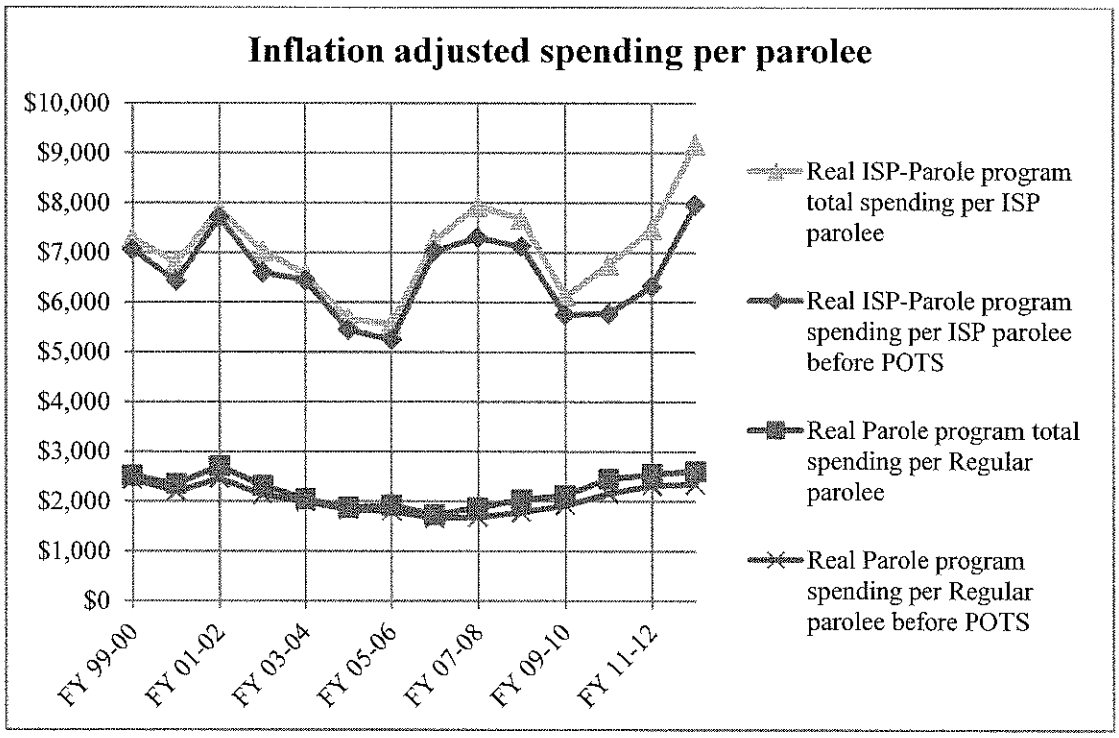


Figure 6 shows spending per parolee (regular and ISP) on operating expenses, contract services, parole wrap-around services, and home detention. In inflation adjusted terms, this spending steadily declined after FY 2001-02 and then jumped starting in FY 2010-11.

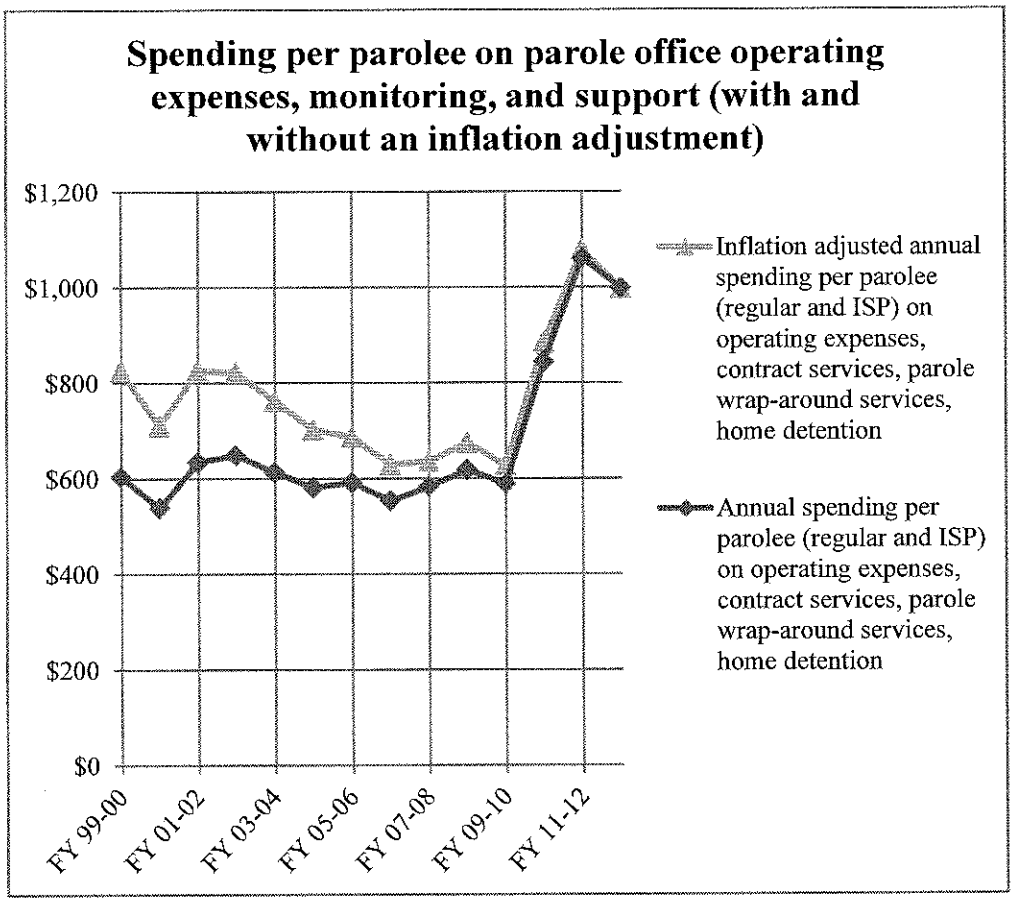



Figure 6