

Schedule 13

Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09

Request Title: Contract Services to FTE
 Department: Department of Corrections
 Priority Number: BA # 3

Dept. Approval by: *Aristedes W. Zavaras*
 Date: 01/23/08
 OSPB Approval: *[Signature]*
 Date: 01/23/08

Fund	1		2		3		4		5		6		7		8		9		10	
	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10										
Total of All Line Items	26,881,064	57,704,892	0	57,704,892	58,407,912	0	58,407,912	0	58,407,912	0	0	58,407,912	0	58,407,912	0	0	58,407,912	0	0	0
FTE	222.1	271.5	0.0	271.5	271.9	0.0	271.9	0.0	271.9	0.0	0.0	271.9	0.0	271.9	0.0	0.0	271.9	0.0	0.0	0.0
GF	25,883,099	55,761,344	0	55,761,344	56,464,364	0	56,464,364	0	56,464,364	0	0	56,464,364	0	56,464,364	0	0	56,464,364	0	0	0
GFE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CF	500	29,311	0	29,311	29,311	0	29,311	0	29,311	0	0	29,311	0	29,311	0	0	29,311	0	0	0
CFE	997,465	1,914,237	0	1,914,237	1,914,237	0	1,914,237	0	1,914,237	0	0	1,914,237	0	1,914,237	0	0	1,914,237	0	0	0
FF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(1) Management	0	25,157,817	0	25,157,817	25,157,817	0	25,157,817	0	25,157,817	0	0	25,157,817	0	25,157,817	0	0	25,157,817	0	0	0
(A) Executive Director	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HLD	0	24,395,549	0	24,395,549	24,395,549	0	24,395,549	0	24,395,549	0	0	24,395,549	0	24,395,549	0	0	24,395,549	0	0	0
CF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CFE	0	762,268	0	762,268	762,268	0	762,268	0	762,268	0	0	762,268	0	762,268	0	0	762,268	0	0	0
FF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(1) Management	0	403,991	0	403,991	403,991	0	403,991	0	403,991	0	0	403,991	0	403,991	0	0	403,991	0	0	0
(A) Executive Director	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
STD	0	391,488	0	391,488	391,488	0	391,488	0	391,488	0	0	391,488	0	391,488	0	0	391,488	0	0	0
CF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CFE	0	12,503	0	12,503	12,503	0	12,503	0	12,503	0	0	12,503	0	12,503	0	0	12,503	0	0	0
FF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(1) Management	0	3,627,912	0	3,627,912	3,625,276	0	3,625,276	0	3,625,276	0	0	3,625,276	0	3,625,276	0	0	3,625,276	0	0	0
(A) Executive Director	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AED	0	3,512,492	0	3,512,492	3,509,856	0	3,509,856	0	3,509,856	0	0	3,509,856	0	3,509,856	0	0	3,515,314	0	0	0
CF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CFE	0	115,420	0	115,420	115,420	0	115,420	0	115,420	0	0	115,420	0	115,420	0	0	115,420	0	0	0
FF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(1) Management	0	117,285	0	117,285	117,285	0	117,285	0	117,285	0	0	117,285	0	117,285	0	0	117,285	0	0	0
(A) Executive Director	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AED	0	105,458	0	105,458	105,458	0	105,458	0	105,458	0	0	105,458	0	105,458	0	0	105,458	0	0	0
CF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CFE	0	11,827	0	11,827	11,827	0	11,827	0	11,827	0	0	11,827	0	11,827	0	0	11,827	0	0	0
FF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(1) Management	0	127,949	0	127,949	127,949	0	127,949	0	127,949	0	0	127,949	0	127,949	0	0	127,949	0	0	0
(A) Executive Director	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AED	0	115,046	0	115,046	115,046	0	115,046	0	115,046	0	0	115,046	0	115,046	0	0	115,046	0	0	0
CF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CFE	0	12,903	0	12,903	12,903	0	12,903	0	12,903	0	0	12,903	0	12,903	0	0	12,903	0	0	0
FF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09

Request Title: Contract Services to FTE
 Department: Department of Corrections
 Priority Number: BA # 3

Dept. Approval by: Aristedes W. Zavaras
 OSPB Approval:

Date: 01/23/08
 Date: 01/23/08

Fund	1		2		3		4		5		6		7		8		9		10	
	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 08-10										
(1) Management (A) Executive Director SAED	Total	0	645,392	0	644,294	0	644,294	54,979	699,273	39,985										
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0										
	GF	0	621,346	0	620,248	0	620,248	49,435	669,683	35,953										
	GFE	0	0	0	0	0	0	0	0	0										
	CFE	0	24,046	0	24,046	0	24,046	5,544	29,590	4,032										
FF	0	0	0	0	0	0	0	0	0											
(2) Institutions (K) Mental Health Personal Services	Total	5,154,005	5,671,386	0	5,671,386	0	5,830,243	432,693	6,262,936	474,936										
	FTE	53.9	77.5	0.0	77.5	0.0	77.7	11.0	88.7	12.0										
	GF	5,154,005	5,671,386	0	5,671,386	0	5,830,243	432,693	6,262,936	474,936										
	GFE	0	0	0	0	0	0	0	0	0										
	CFE	0	0	0	0	0	0	0	0	0										
FF	0	0	0	0	0	0	0	0	0											
(2) Institutions (K) Mental Health Operating	Total	56,872	61,260	0	61,892	0	61,892	13,500	75,392	13,500										
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0										
	GF	56,872	61,260	0	61,260	0	61,892	13,500	75,392	13,500										
	GFE	0	0	0	0	0	0	0	0	0										
	CFE	0	0	0	0	0	0	0	0	0										
FF	0	0	0	0	0	0	0	0	0											
(2) Institutions (K) Mental Health Contract Services	Total	501,595	568,561	0	568,561	0	575,533	(505,166)	70,367	(551,713)										
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0										
	GF	501,595	568,561	0	568,561	0	575,533	(505,166)	70,367	(551,713)										
	GFE	0	0	0	0	0	0	0	0	0										
	CFE	0	0	0	0	0	0	0	0	0										
FF	0	0	0	0	0	0	0	0	0											

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09
 Contract Services to FTE
 Department of Corrections
 BA # 3
 Dept. Approval by: **Aristedes W. Zavaras** Date: 01/23/08
 OSPB Approval: Date: 01/23/08

Fund	1		2		3		4		5		6		7		8		9		10	
	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10										
(4) Inmate Programs (B) Education Personal Services	Total	9,369,878	8,377,882	0	8,377,882	8,738,853	0	8,738,853	4,942,878	13,681,731	5,425,466									
	FTE	135.5	145.4	0.0	145.4	145.6	0.0	145.6	93.7	239.3	102.2									
	GF	9,369,878	8,377,882	0	8,377,882	8,738,853	0	8,738,853	4,031,356	12,770,209	4,519,975									
	GFE	0	0	0	0	0	0	0	0	0	0									
	CFE	0	0	0	0	0	0	0	0	0	0									
(4) Inmate Programs (B) Education Contract Services	Total	5,093,300	5,991,743	0	5,991,743	5,991,743	0	5,991,743	(5,473,016)	518,727	(5,991,743)									
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.00									
	GF	4,095,835	4,991,743	0	4,991,743	4,991,743	0	4,991,743	(4,473,016)	518,727	(4,991,743)									
	GFE	0	0	0	0	0	0	0	0	0	0									
	CFE	997,465	1,000,000	0	1,000,000	1,000,000	0	1,000,000	(1,000,000)	0	(1,000,000)									
(4) Inmate Programs (D) Drug & Alcohol Personal Services	Total	215,573	213,857	0	213,857	224,465	0	224,465	2,652,176	2,876,641	2,911,108									
	FTE	3.5	3.5	0.0	3.5	3.5	0.0	3.5	57.3	60.8	62.5									
	GF	215,573	213,857	0	213,857	224,465	0	224,465	2,652,176	2,876,641	2,911,108									
	GFE	0	0	0	0	0	0	0	0	0	0									
	CFE	0	0	0	0	0	0	0	0	0	0									
(4) Inmate Programs (D) Drug & Alcohol Operating (New Line)	Total	0	0	0	0	0	0	0	74,000	74,000	74,000									
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0									
	GF	0	0	0	0	0	0	0	74,000	74,000	74,000									
	GFE	0	0	0	0	0	0	0	0	0	0									
	CFE	0	0	0	0	0	0	0	0	0	0									

**Schedule 13
Change Request for FY 08-09 Budget Request Cycle**

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09
 Contract Services to FTE
 Department of Corrections
 Priority Number: BA # 3
 Dept. Approval by: Aristedes W. Zavaras
 Date: 01/23/08
 OSPB Approval: Date: 01/23/08

Fund	Request Cycle									
	1	2	3	4	5	6	7	8	9	10
	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
(4) Inmate Programs (C) Drug & Alcohol Contract Services	Total	3,692,662	4,301,737	0	4,301,737	0	4,335,747	(3,042,264)	1,293,483	(3,323,360)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	3,692,662	4,301,737	0	4,301,737	4,335,747	0	4,335,747	1,293,483	(3,323,360)
	GFE	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0
(4) Inmate Programs (E) Sex Offender Treatment Program Personal Services	Total	2,531,835	2,413,838	0	2,413,838	0	2,548,542	153,007	2,701,549	167,945
	FTE	29.2	45.1	0.0	45.1	0.0	45.1	3.6	48.7	4.0
	GF	2,531,835	2,385,027	0	2,385,027	2,519,731	0	2,519,731	2,672,738	167,945
	GFE	0	0	0	0	0	0	0	0	0
	CFE	0	28,811	0	28,811	28,811	0	28,811	28,811	0
(4) Inmate Programs (E) Sex Offender Treatment Program Operating	Total	265,344	269,516	0	269,516	0	269,516	(168,792)	100,724	(184,740)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	264,844	269,016	0	269,016	269,016	0	269,016	100,224	(184,740)
	GFE	0	0	0	0	0	0	0	0	0
	CFE	500	500	0	500	500	0	500	500	0
FF	0	0	0	0	0	0	0	0	0	

Letternote revised text:
 Cash Fund name/number, Federal Fund Grant name:
 IT Request: Yes No
 Request Affects Other Departments: Yes No
 If Yes, List Other Departments Here:

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Corrections
Priority Number:	BA # 3
Change Request Title:	Contract Services to FTE

SELECT ONE (click on box):

- Decision Item FY 08-09
- Base Reduction Item FY 08-09
- Supplemental Request FY 07-08
- Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

This budget amendment requests the conversion of contract services appropriated funds to personal services, health, life, dental, short-term disability, amortization equalization disbursement, and operating dollars for a total of \$0 and FTE authority for 165.6 positions in FY08-09 and annualizing to \$0 and 180.7 FTE in FY09-10. Approval of the request will provide the right business model for continuity of programs and services, and create stable labor needs in the Department.

Background and Appropriation History:

Historically, the Department of Corrections has contracted for a number of vendors to provide contract workers for the Education, Mental Health, Drug & Alcohol, and Sex Offender Treatment Subprograms. Contracted worker positions are for Teachers, Library Technicians, Teachers Aides, Social Worker/Counselor, General Professionals, Health Care Professionals, Health Care Technicians, Clinical Therapists, Administrative Assistants, Programs Assistants, and State Services Trainees (Interns, and Research Assistants). Contract services evolved during an era of growth within the Department to provide services required by State Statute. The contracts were to be experimental until a permanent labor need was calculated and FTE positions created. The contracted workers

work side by side with the Department's FTE and perform similar job functions within the assigned facilities. Maintaining a stable, consistent, and healthy environment and providing the most efficient and effective programs are critical elements in delivering a quality product to the offender.

The percentage of FTE to contract workers in the above mentioned Subprograms are:

<u>Subprogram</u>	<u>FTE %</u>	<u>Contract Workers %</u>
Education	54.6%	45.4%
Mental Health	86.6%	13.4%
Drug & Alcohol	4.9%	95.1%
Sex Offender Treatment	91.8%	8.2%

While these contract workers perform a vital function, several issues have been encountered in the past; the Department has identified the following issues with contractors and contract workers:

- Few vendors are willing to contract for the required Educational, Mental Health, Drug and Alcohol, and Sex Offender treatment services.
- As contract salaries, benefits, and administrative fees are renegotiated, the number of contract workers dwindles as contract dollars have not been adjusted to meet the new need.
- Contractors have been unable to recruit qualified contract workers.
- There is a high turnover rate with contract workers. The Education Subprogram has experienced an 84% turnover in contract workers in the last three years, relating to a 3 to 1 turnover for contract positions compared to FTE.
- The high turnover results in high numbers of contract vacancies.
- The additional vacancies result in not providing offenders with expected classroom or treatment contact hours.
- Administrative and Supervisory authority is split between vendors and DOC.
- Differences between contractors in administrative fees and how the fees are applied

Operations are also impacted as contract workers cannot participate in essential functions during a facility emergency or lockdown. Contract workers must be escorted to an isolated area and cannot assist facility FTE in administrative duties, helping in the kitchens preparing meals, searches, or other critical duties during a lockdown.

The Department's employees and contract workers are required to complete the Basic Training program at the Department's Training Academy. Basic Training costs for a new employee, outside a 50-mile radius of the Training Academy in Canon City, are approximately \$1,000 per contract worker. In addition, the contractor bills the Department for advertising, recruitment costs, and administrative overhead costs. Administrative overhead charges vary between vendors and typically range between 7% and 10%, and benefits received are dependent upon negotiated vendor contracts.

Contracting agencies have also had difficulties providing adequate oversight, performance evaluations, or disciplinary action to contracted workers. The contractors depend strongly upon information provided by the Department's FTE to make personnel decisions. Contract workers often do not understand the prison system and the need for prison specific programs.

High turnover rates with contract workers (3 to 1 over FTE) results in additional costs in training, advertising, and administrative fees, as well as reduced programs. When a contract worker leaves employment, the position remains vacant for an average three months, due to advertising the opening, testing applicants, background checks, interviews, awarding the position, and the standard two week notice to previous employers. After hiring, the new contract worker must attend a five-week basic training before starting employment. For example, the 84% turnover rate in Education over the last three years as applied to actual expenditures has resulted in \$12,045,929 over three years, compared to \$5,658,591 in FTE turnover for the same period. Table 1 shows that if the contract worker turnover rate were the same as FTE, the turnover would have been 29 positions instead of 117 for a difference of \$9,033,969 over three years. These figures do

not include the additional costs of basic training, advertising, and increased administrative fees related directly to turnover.

Table 1 - Turnover Costs - Education Contract Services vs. FTE			
	Contract @ 84%	FTE @ 21%	Difference
Positions	139	144.7	
	84%	21%	
Turnover	117	30	87
	Contract Services	Personal Services	
	84%	21%	
FY 04-05	\$4,625,185	\$8,644,187	
FY 05-06	\$4,621,148	\$8,931,606	
FY 06-07	\$5,093,300	\$9,369,878	
Total Actual Costs	\$14,339,633	\$26,945,671	
Turnover Costs	\$12,045,292	\$5,658,591	\$6,386,701
Difference if Contract Workers @ 21% turnover			
		Positions (139*21%)	29
		21% Turnover Costs	\$3,011,323
		84% Turnover Costs	\$12,045,292
		3-Year Difference 84% to 21% Turnover Rates	(\$9,033,969)

Contract and Personal Services reflect actual expenditures for FY 04-05 through 06-07.

General Description of Request:

The Department requests \$0 and 165.6 FTE in FY08-09, annualizing to \$0 and 180.7 FTE in FY09-10, appropriated as contract services dollars, to personal services, health, life, dental, short-term disability, amortization equalization disbursement, supplemental amortization equalization disbursement, and operating dollars.

The Department has dedicated substantial resources to recruiting, training, and hiring quality staff to facilitate the Mental Health, Education, Drug and Alcohol, and Sex

Offender Treatment programs. Converting contract dollars to personal services dollars saves the department administrative overhead costs, training costs, recruitment costs, and provides consistency in the programming process. Converting the contract dollars to personal services facilitates the hiring of a long-term stable workforce and provides the Department the flexibility and adaptability to place staff in areas with the most need.

The Department anticipates the following internal benefits if the request is approved:

- Continuity of programs and services
- Supports the ongoing labor need of the Department
- Additional classroom hours for teachers and offenders
- Additional counseling and program hours for offenders
- More offenders in classrooms on a regular basis
- Reduced offender idleness in living units
- Stability and consistency in the Mental Health, Education, Drug & Alcohol, and Sex Offender Treatment programs
- Increased mentoring, guidance and stability to the offenders, which assists in successful programs
- Due to less staff turnover, better identification of observed behaviors that could potentially escalate into dangerous situations, and the ability to de-escalate before issues arise
- Increased numbers of program completions
- Achieve cohesive correctional programs
- Equitable and consistent staff management (i.e. – Training, Evaluations, Disciplinary Process, and Benefits)
- All Department staff will be paid based on the State compensation plan and pay rates
- Improved morale
- Elimination of contract disputes
- Stable workforce with 50% reduced turnover, resulting in less training, advertising, and administrative fee expenses.

External benefits include an anticipated increase in the number of offenders released with program completions, and basic education and vocational certificates that improve the offender's chances for employment, decreasing the likelihood of continued criminal behavior. This request provides a more effective use of these dollars, and contributes to the stability and consistency of the delivery of educational services.

Consequences if Not Funded:

The Department would not be able to continue to hire contract workers as in the past, and with salaries, benefits, and administrative overhead costs renegotiated each year, the number of contract workers would continue to decrease. The recommended policy of rotation of contract workers is every two years with at least a six month break in service to the state. This would cause a complete turnover of contract workers every two years, doubling training costs, and causing additional administrative fees as the contractors would incur additional costs to hire and replace contract workers. The Department would lose continuity of programs to the offenders. Scheduling programs and classes would be impossible due to the additional turnover of contract workers. Reduced programs would result in idle offenders, requiring additional security staff for supervision.

Other consequences could include an increase in recidivism due to breaks in treatment and education, as well as longer sentences as the offenders would not be able to complete programs mandated for parole eligibility. Current shortages in the medical fields would add to the difficulty in finding contract replacement workers.

Calculations for Request:

Summary of Stand Alone Budget Amendment Request by Department of Corrections 0 FY 08-09						
Agency	FTE	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds
Department of Corrections	165.6	\$0	\$0	\$0	\$0	\$0
Total		\$0	\$0	\$0	\$0	\$0

Table 1: Summary of Stand Alone Budget Amendment Request by Subprogram – Summary for Schedule 13

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$0	\$0	\$0	\$0	\$0	165.6
(1A) Executive Director's Office - Health, Life, and Dental	\$739,187	\$669,041	\$0	\$70,146	\$0	0.0
(1A) Executive Director's Office - Short-term Disability	\$9,533	\$8,572	\$0	\$961	\$0	0.0
(1A) Executive Director's Office – Amortization Equalization Disbursement	\$117,285	\$105,458	\$0	\$11,827	\$0	0.0
(1A) Executive Director's Office – Supplemental Amortization Equalization Disbursement	\$54,979	\$49,435	\$0	\$5,544	\$0	0.0
(2K) Mental Health – Personal Services	\$432,693	\$432,693	\$0	\$0	\$0	11.0
(2K) Mental Health – Operating	\$13,500	\$13,500	\$0	\$0	\$0	0.0
(2K) Mental Health – Contract Services	(\$505,166)	(\$505,166)	\$0	\$0	\$0	0.0
(4B) Education - Personal Services	\$4,942,878	\$4,031,356	\$0	\$911,522	\$0	93.7
(4B) Education - Contract Services	(\$5,473,016)	(\$4,473,016)	\$0	(\$1,000,000)	\$0	0.0
(4D) Drug & Alcohol – Personal Services	\$2,652,176	\$2,652,176	\$0	\$0	\$0	57.3
(4D) Drug & Alcohol – Operating (New Line)	\$74,000	\$74,000	\$0	\$0	\$0	0.0

Table 1: Summary of Stand Alone Budget Amendment Request by Subprogram – Summary for Schedule 13

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
(4D) Drug & Alcohol – Contract Services	(\$3,042,264)	(\$3,042,264)	\$0	\$0	\$0	0.0
(4E) Sex Offender Treatment Program – Personal Services	\$153,007	\$153,007	\$0	\$0	\$0	3.6
(4E) Sex Offender Treatment Program – Operating	(\$168,792)	(\$168,792)	\$0	\$0	\$0	0.0

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$0	\$0	\$0	\$0	\$0	180.7
(1A) Executive Director's Office - Health, Life, and Dental	\$806,271	\$729,745	\$0	\$76,526	\$0	0.0
(1A) Executive Director's Office - Short-term Disability	\$10,396	\$9,348	\$0	\$1,048	\$0	0.0
(1A) Executive Director's Office – Amortization Equalization Disbursement	\$127,949	\$115,046	\$0	\$12,903	\$0	0.0
(1A) Executive Director's Office – Supplemental Amortization Equalization Disbursement	\$39,985	\$35,953	\$0	\$4,032	\$0	0.0
(2K) Mental Health – Personal Services	\$474,936	\$474,936	\$0	\$0	\$0	12.0
(2K) Mental Health – Operating	\$13,500	\$13,500	\$0	\$0	\$0	0.0
(2K) Mental Health – Contract Services	(\$551,713)	(\$551,713)	\$0	\$0	\$0	0.0

STATE OF COLORADO FY 08-09 BUDGET REQUEST CYCLE: DEPARTMENT OF CORRECTIONS

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
(4B) Education - Personal Services	\$5,425,466	\$4,519,975	\$0	\$905,491	\$0	102.2
(4B) Education - Contract Services	(\$5,991,743)	(\$4991,743)	\$0	(\$1,000,000)	\$0	0.0
(4D) Drug & Alcohol – Personal Services	\$2,911,108	\$2,911,108	\$0	\$0	\$0	62.5
(4D) Drug & Alcohol – Operating (New Line)	\$74,000	\$74,000	\$0	\$0	\$0	0.0
(4D) Drug & Alcohol – Contract Services	(\$3,323,360)	(\$3,323,360)	\$0	\$0	\$0	0.0
(4E) Sex Offender Treatment Program – Personal Services	\$167,945	\$167,945	\$0	\$0	\$0	4.0
(4E) Sex Offender Treatment Program – Operating	(\$184,740)	(\$184,740)	\$0	\$0	\$0	0.0

Assumptions for Calculations:

The Department assumes the positions will start at the minimum pay range. Calculations for the request contain amounts for 11 months of salary for 165.6 FTE in FY08-09 (150.0 FTE funded from General Fund and 15.6 FTE funded from Cash Funds Exempt), annualizing to 180.7 FTE in FY09-10 (163.7 FTE General Fund in FY09-10 and 17.0 Cash Funds Exempt). Assumptions include charging carry over contract workers to the appropriate personal services line in order to complete the hiring process, due to the decrease or elimination of the contract appropriation lines.

MENTAL HEALTH

The \$505,166 requested for Mental Health Personal Services and operating is for entry-level salaries for 11.0 FTE positions. An additional \$46,547 in General Funds is

requested for the annualized positions for FY09-10. The 11.0 FTE positions for FY08-09 and the annualized 12.0 FTE positions for FY09-10 are as follows:

<u>CLASSIFICATION</u>	<u>FY 08-09</u>	<u>FY 09-10</u>
Admin Assistant II	1.8	2.0
Health Care Tech II	0.9	1.0
Health Professional II	5.5	6.0
State Services Trainee II	<u>2.8</u>	<u>3.0</u>
Total	11.0 FTE	12.0 FTE

EDUCATION

The \$5,473,016 requested for Education Personal Services is for entry-level salaries for 93.7 FTE positions. An additional \$518,727 in General Funds is requested for the annualized positions for FY09-10. The 93.7 FTE positions for FY08-09 and the annualized 102.2 FTE positions for FY09-10 are as follows:

<u>CLASSIFICATION</u>	<u>FY 08-09</u>	<u>FY 09-10</u>
Teacher I	70.6	77.0
Library Technician I	17.0	18.5
Teacher Aid	3.3	3.6
Admin Assistant I	<u>2.8</u>	<u>3.1</u>
Total:	93.7 FTE	102.2 FTE

DRUG & ALCOHOL

The \$3,042,264 requested for Drug & Alcohol Personal Services and operating is for entry-level salaries for 57.3 FTE positions. An additional \$281,096 in General Funds is requested for the annualized positions for FY09-10. The 57.3 FTE positions for FY08-09 and the annualized 62.5 FTE positions for FY09-10 are as follows:

<u>CLASSIFICATION</u>	<u>FY 08-09</u>	<u>FY 09-10</u>
Admin Assistant II	4.1	4.5
Data Supervisor	0.9	1.0
General Professional II	1.8	2.0
General Professional III	0.9	1.0
Health Care Tech II	1.8	2.0
Health Professional II	2.8	3.0
Health Professional III	0.9	1.0
Program Assistant I	0.9	1.0
SW/Counselor I	18.8	20.5
SW/Counselor II	11.5	12.5
SW/Counselor III	9.2	10.0
SW/Counselor IV	0.9	1.0
State Services Trainee I	<u>2.8</u>	<u>3.0</u>
	57.3 FTE	62.5 FTE

SEX OFFENDER TREATMENT

The \$168,792 requested for Sex Offender Treatment Personal Services is for entry-level salaries for 3.6 FTE positions. An additional \$15,948 in General Funds is requested for the annualized positions for FY09-10. The 3.6 FTE positions for FY08-09 and the annualized 4.0 FTE positions for FY09-10 are as follows:

<u>CLASSIFICATION</u>	<u>FY 08-09</u>	<u>FY 09-10</u>
Clinical Therapist	0.9	1.0
Data Specialist	0.9	1.0
SW/Counselor III	0.9	1.0
Admin Assistant I	<u>0.9</u>	<u>1.0</u>
Total:	3.6 FTE	4.0 FTE

Summary Table

The initial table provides a summary of programs FTE's requested within the Department.

Table 1

Reflects a summary of programs affected, fund splits, and FTE's requested within the Department by fiscal year.

Entry-level salaries, including benefits, based on the FY08-09 Compensation Plan. .
 The Department assumes CFE funds will remain constant at \$1,000,000 for FY08-09 and FY09-10.

The Department assumes the Education Subprogram operating costs will continue to be funded for FY08-09 through the Cash Fund Exempt appropriation.

Impact on Other Government Agencies: N/A

Cost Benefit Analysis:

Cost	Benefit
General Fund Impact: \$0 for FY08-09 and \$0 for FY09-10	The Department would be able to provide a continuity of Mental Health, Educational, Drug & Alcohol, and Sex Offender Treatment services, additional classroom hours, additional program hours, and a more stable learning environment. High contract worker turnover would be eliminated, and staff morale would increase. The Department would be able comply with Federal rules and regulations, State statutes, Department of Personnel and Administration's rulings on contract/leased workers.

Implementation Schedule:

Task	Month/Year
Write Position Description Questionnaires and Personnel Action Request	April, 2008 – May, 2008
Open the Application Window to the Public	May, 2008

Close Application Window	May, 2008
Review, Interview, and Hire New Positions	June, 2008
New Employees Begin	July, 2008 – December, 2008

Statutory and Federal Authority:

The statutes for the duties and powers of the Executive Director confer the authority to the Executive Director to manage, supervise, and control the correctional facilities within the State of Colorado and bestows authority to enter into agreements, contracts, and issue administrative warrants.

Article 1 Department of Corrections

Part 1 Corrections Administration

C.R.S. Section 17-1-103 (2007) Duties of the executive director.

1) The duties of the executive director shall be:

(a) To manage, supervise, and control the correctional institutions operated and supported by the state; to monitor and supervise the activities of private contract prisons; to manage and supervise the divisions, agencies, boards, and commissions that are or may be transferred to or established within the department by law or by the executive director pursuant to section [17-1-101](#) (2); to provide work and self-improvement opportunities; and to establish an environment that promotes habilitation for successful reentry into society;

(a.5) To develop policies and procedures governing the operation of the department;

(b) To supervise the business, fiscal, budget, personnel, and financial operations of the department and the institutions and activities under his or her control;

(c) In consultation with the division directors and the wardens, to develop a systematic building program providing for the projected, long-range needs of the institutions under his or her control;

C.R.S. Section 27-10-101.(2006) Legislative declaration

(1) The general assembly hereby declares that, subject to available appropriations, the purposes of this article are:

(a) To secure for each person who may have a mental illness such care and treatment as will be suited to the needs of the person and to insure that such care and treatment are skillfully and humanely administered with full respect for the person's dignity and personal integrity;

(b) To deprive a person of his or her liberty for purposes of treatment or care only when less restrictive alternatives are unavailable and only when his or her safety or the safety of others is endangered;

(d) To encourage the use of voluntary rather than coercive measures to provide treatment and care for mental illness and to provide such treatment and care in the least restrictive setting;

(g) To facilitate the recovery and resiliency of each person who receives care and treatment under this article.

The statutes establishing the Correctional Education Program, mandates the responsibilities of the program, in addition to providing the expectations, goals, and objects of the program. The goals and objectives of the program include:

1. Offenders will receive appropriate academic services, basic and functional literacy skills receive adult basic education instruction, specifically the ability to read and write the English language and the ability to perform routine mathematical functions,

2. The opportunity to obtain the equivalent of a high school education,
3. Entry-level marketable vocational skills in one or more occupational fields for which there is a demonstrable demand in the economy of this state,
4. Offenders will possess life management skills,
5. Provide the opportunity for Offenders to participate in college-level academic programs which may be offered within the correctional facility.

C.R.S. Section 17-32-105 (2007) Development of correctional education program – goals and objectives.

(1) On and after July 1, 1990, the program shall have responsibility for the provision of educational services to persons in correctional facilities under the control of the department and for the development and implementation of a comprehensive competency-based education program, which program shall conform to the goals and objectives outlined in this subsection (1). The correctional education program may be implemented in phases with the goals and objectives implemented in all facilities in the order specified in this subsection (1); except that the goal and objective stated in paragraph (a) of this subsection (1) shall be implemented in all correctional facilities no later than July 1, 1991, and the entire program shall be completely implemented in all correctional facilities no later than July 1, 1992. The program shall continue to operate instructional services currently offered in correctional facilities until such services are incorporated in or replaced by instructional services offered under the correctional education program. The correctional education program shall encompass the following goals and objectives:

(a) First, to ensure that every inmate in a correctional facility shall receive appropriate academic services mandated by federal or state statutes, regulations, or orders;

(b) Second, to ensure that every person in a correctional facility who has two years or more remaining to serve on his sentence at the time that he is received at the facility and who lacks basic and functional literacy skills receive adult basic education instruction in accordance with the provisions of subsection (3) of this section;

(c) Third, to provide every person in a correctional facility who has an expectation of release from custody within five years with the opportunity to achieve functional literacy, specifically the ability to read and write the English language and the ability to perform routine mathematical functions prior to his release;

(d) Fourth, to provide every person in a correctional facility who has an expectation of release from custody within five years and who has demonstrated the intellectual capacity with the opportunity to obtain the equivalent of a high school education. A person who wishes to receive a standard high school diploma shall be required to meet the graduation requirements established by the school district where such person was last enrolled or to pass an equivalency examination. To be eligible to receive credit for completion of a course required for the receipt of a high school diploma, a person shall be required to have satisfied the requirements for such course established by the school district where such person was last enrolled.

(e) Fifth, to ensure that every person in a correctional facility who has an expectation of release from custody within five years be released possessing at least entry-level marketable vocational skills in one or more occupational fields for which there is a demonstrable demand in the economy of this state;

(f) Sixth, to ensure that every person in a correctional facility be released possessing life management skills which will allow him to function successfully in a free society;

C.R.S. Section 17-32-106 (2007) Powers and duties of the program.

(1) In connection with the development and implementation of the correctional education program, the program shall have the following powers and duties:

(a) To promulgate rules and regulations necessary to implement the correctional education program;

(b) To enter into agreements and contracts with public school districts, nonpublic schools, community colleges, junior colleges, state colleges and universities, and private agencies as may be deemed appropriate for the purpose of providing instructional services necessary to implement the correctional education program. Agreements and contracts for the provision of instructional services shall expressly state the educational goals and objectives of the program and the specific requirements for instructional services.

(d) To accept moneys from the federal government as well as contributions, grants, gifts, bequests, and donations from individuals, private organizations, and foundations and do all things necessary, not inconsistent with this article or any other laws of this state, in order to avail itself of such federal moneys under any federal legislation. All moneys accepted by the program shall be transmitted to the state treasurer for credit to the correctional education program fund.

(f) To expend moneys appropriated to the program by the general assembly, including moneys in the correctional education program fund, for the purpose of implementing the correctional education program;

(i) To exercise any other powers or perform any other duties that are consistent with the purposes for which the program was created and that are reasonably necessary for the fulfillment of the program's responsibilities under this article.

Performance Measures:

Recidivism – Improve successful re-integration into the community with pro-social stabilization by offenders released from Colorado prisons by a reduction in the rate of recidivism by 1% per calendar year to 47.7% over 4 years.

Clinical Services (Offender Management) – Improve efficiency and effectiveness of Clinical Services delivery of care. Increase treatment services 2% annually until reach 25% of offenders receiving recommended treatment services.

Education – Performance will be evaluated based on the number of academic and vocational enrollments and the number of successful completions of academic and Career and Technical Education (CTE) approved programs. Performance will also be evaluated on the reduction of turnover in Education Staff.