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Bill Ritter, Jr.
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Todd Saliman
Director

MEMORANDUM

TO: Senator Abel Tapia, Chairman, Joint Budget Committee
cc: Members of the Joint Budget Committee

FROM: Todd Saliman, Director, Office of State Planning and Budgeting

DATE: February 9, 2007

SUBJECT: Governor Ritter's Recidivism Reduction and Offender Diversion Package

Attached please find Governor Ritter's recidivism reduction and offender diversion package. Pursuant to the Colorado Promise, the goal of this package is to invest in programs which protect public safety while allowing appropriate diversion and which provide for a successful transition from the Department of Corrections (DOC) in order to decrease the more than 40 percent recidivism rate.

Recidivism is related to a number of factors, including but not limited to: history of violence and propensity, education, vocational and financial achievement, employability, and housing. Programs to address these factors require a significant up-front General Fund investment. This investment acknowledges the necessary multi-year perspective when reducing recidivism.

Governor Ritter's package specifically targets programs which are innovative, collaborative, and which stress using existing community-based providers and models. For instance, the Colorado Unified Supervision Treatment Program (CUSP) is a unique collaborative and interdisciplinary request that crossed agencies and even branches of government. The CUSP initiative involved efforts from the Department of Corrections, the Department of Public Safety, the Department of Human Services, and the Judicial Branch.

It is estimated that the requested FY 2007-08 recidivism and diversion investment will result in immediate savings of \$3.2 million General Fund in FY 2007-08 and over \$11.0 million General Fund in out-year savings. Please note, these estimates do not include any potential savings in the Department of Human Services, Division of Youth Corrections (DYC) budget.

These recommendations are made in conjunction with a separate budget and financing package proposed by the OSPB.

Overview of Governor Ritter's Recidivism Reduction and Offender Diversion Package

Department of Human Services (Includes multi-agency CUSP initiative)

Total Program Cost: **\$5,243,600 Net General Fund** in FY 2007-08

Estimated Savings: \$2,087,289 in FY 2007-08.

Programs: (1) Multi-agency: CUSP reflected herein although it affects multiple departments, including DOC, DPS, DHS, and Judicial, (2) Mental Health and Alcohol and Drug Abuse Services, and (3) Division of Youth Corrections

Department of Public Safety

Total Program Cost: **\$2,763,039 General Fund** in FY 2007-08

Estimated Savings: \$1,120,952 in FY 2007-08.

Programs: (1) DCJ, Transition Mental Health Bed Differential; DCJ, Diversion Community Corrections Bed Increase; (3) Juvenile Diversion; (4) Specialized Community Corrections Diversion; and (5) Community Corrections Sanctions and Incentives

Department of Corrections (Excluding CUSP, reflected above in DHS)

Estimated Savings: **\$3,208,241 General Fund** in FY 2007-08

Programs: External Capacity, Private Prisons

Recidivism Reduction and Offender Diversion Package Summary

Governor Ritter's Recidivism and Diversion package requests FY 2007-08 funding of \$2,207,246 General Fund for diversion programs, \$858,438 General Fund for transition programs, \$3,094,267 General Fund for treatment programs for high-risk offender populations, \$1,257,218 net General Fund for DYC programs, and \$589,470 General Fund for program performance and for research and evaluation. This package provides \$6,159,951 to serve 740 offenders who are mentally ill and or who have substance abuse addictions.

Department of Human Services

Total DHS Program Cost: **\$5,243,600 Net General Fund** in FY 2007-08

- **Multiple Departments via DHS - Colorado Unified Supervision Treatment Program (CUSP): \$3,094,267 General Fund**

The CUSP Program is a multi-department collaborative effort involving the Department of Corrections, the Department of Public Safety, the Department of Human Services (Mental Health and Alcohol and Drug Abuse Division), and the Judicial Branch. The program is designed to reduce recidivism for adult offenders and would result in out-year cost avoidance to the state. This program would target offenders on the verge of incarceration or re-incarceration; create individualized supervision and treatment options for offenders with co-occurring mental health and substance use disorders. The program would build community-based options for methamphetamine abuse supervision failure and would apply evidence-based or best practice supervision/treatment. Demonstration sites would be selected in the following areas: Denver Metro Area; South Metro Area; North Metro Area – a high priority; and the Western Slope.

Outcomes: The CUSP prison cost avoidance is conservatively estimated at estimated at \$2,009,982 General Fund in out-years based on 50 percent of the 208 high-risk offender population served. It is anticipated that more than 50 percent would be successful.

- **Alcohol and Drug Abuse Division – Short-term Intensive Residential Remediation Treatment (STIRRT): \$892,115 General Fund in FY 2007-08**

This proposal seeks to expand the existing STIRRT program. The STIRRT program incorporates a 2 week residential stay with an outpatient, after-care treatment component and is designed to reduced recidivism among adult offenders (18 and over) who have been unsuccessful in community treatment for drug and alcohol abuse and continue to commit offenses.

This proposal includes the following: (1) \$567,000 for a new STIRRT program in Rifle serving 130 females and 260 males and providing continuing care to 220 offenders for eight months; (2) \$419,448 for a new STIRRT program in Fort Collins serving 260 adult male offenders and providing continuing care to 150 male offenders for eight months; (3) \$262,667 to expand the STIRRT program at Arapahoe House to provide 300 adult male offenders with continuing care for eight months and to offer psychiatric services and 30 days of medications to offenders

with co-occurring disorders; and (4) 243,000 to expand the STIRRT program in Pueblo to provide continuing care to 130 adult offenders for eight months.

Outcomes: Assuming that one quarter of the 432 people served in this program were prevented from going to prison, this proposal will reduce the prison population by 108, saving the State \$2,087,289.

- **Division of Youth Corrections – Continued Funding Flexibility: Cost Neutral**

The DYC funding flexibility proposal would continue the flexibility afforded the Division through Footnote #79 to the FY 2006-07 Long Bill. Footnote #79 allows up to 10 percent of the General Fund appropriation in the Division’s “Purchase of Contracts Placement” line item to be used for treatment transition and wraparound services. Additionally, the Division requests an increase from 10.0 to 15.0 percent General Fund flexibility in this line item.

Outcomes: Outcomes anticipated include the following: reduced growth in the commitment ADP; a reduction in the percentage of failed placements/program failures; reduction in recidivism rates; decreases in actuarial risk as determined by the Colorado Juvenile Risk Assessment; increases in the number of successful discharges from Parole; and increased safety level for youth and staff.

- **Division of Youth Corrections – Restoration of Funding for Senate Bill 91-94: \$1,856,017 General Fund in FY 2007-08**

This proposal seeks to restore the budget for S.B. 91-94 programs that was reduced during the economic downturn. This funding will provide for the full array of detention continuum services, including nonresidential services, shelter care, and temporary holding placements. When these programs were previously fully funded, 25 percent was directed at strategies to serve youth prior to commitment and/or to reduce the time in commitment and 75 percent was directed at detention services. Other factors, such as the statutory cap on the number of juvenile detention system beds (at 479) have meant that DYC directed S.B. 91-94 funds to be used exclusively for detention.

Outcomes: Using figures from Washington State Institute for Public Policy regarding the long term cost/benefit of evidence-based juvenile justice programs, and based on the assumption that \$1.0 million of this requested amount would be used to implement similar evidence-based programs; the Division estimates net benefits that to the State could be as high as \$14.5 million.

- **Division of Youth Corrections: Continuum of Care (reduction of \$598,799 net General Fund in FY 2007-08**

This proposal maintains the FY 2006-07 supplemental funding adjustment to the Parole Program Services line item to create a more stable source of funding for the Continuum of Care Initiative and adjusts the Purchase of Contract Placements line item to reflect the December 2006 Legislative Council revised projections for commitment average daily population. This change has two goals: ensuring appropriation accountability and clarity for the Contract Placements line and

providing a stable source of funding for the Continuum of Care initiative. As part of this Initiative, the Division proposes to leverage existing locally-based collaboratives and partnerships that have been demonstrated through the S.B. 91-94 process and the H.B. 04-1451 process. The Division will seek demonstration pilots in areas where there is a high level of collaboration such as Boulder, Denver, and Mesa County.

Outcomes: The projected outcomes include the following: reduced growth in Commitment ADP; a reduction in the percentage of failed placements/program failures; a reduction in recidivism rates; decreases in the actuarial risk as determined by the Colorado Juvenile Risk Assessment (CJRA); increases in the number of successful discharges from Parole; increased safety level for youth and staff; and increased evidence of community re-integration.

Department of Public Safety

Total Program Cost: **\$2,763,039 General Fund (excluding CUSP initiative)** in FY 2007-08

- **Division of Criminal Justice, Community Corrections – Transitional Mental Health Beds (\$858,438 General Fund in FY 2007-08)**

This proposal would fund an additional 60 transition mental health beds for therapeutic communities. This program focuses on improving offenders' mental health functioning, decreasing psychiatric hospitalizations, decreasing recidivism, and ensuring a smooth transition to the community. This proposal would fund 40.0 beds for men (including enhanced funding for JERP) and 20.0 beds for women (potentially The Haven, housed on the Fort Logan campus, and Arapahoe County Residential Center).

Outcomes: The Department of Public Safety does not anticipate that this proposal will have any immediate impact on the Department of Corrections appropriation. Instead, the proposal will simply help stem the rate of growth in inmates. On a long-term basis, a potential savings of \$579,802 may be realized at DOC.

- **Division of Criminal Justice, Community Corrections – Community Corrections Bed Increases (\$1,066,268 General Fund in FY 2007-08)**

This Community Corrections proposal supports 75 additional residential diversion beds. Community corrections beds, on average, cost about half of a DOC bed. Thus, a community corrections diversion placement saves 50 percent. Additionally, offenders who successfully complete community corrections are 50 percent less likely to recidivate in the two-years following discharge (25% vs. 50% recidivism rate).

Outcomes: This proposal is anticipated to result in avoided costs of \$734,417 in FY 2007-08 and \$1,449,506 in out-year DOC prison costs.

- **Division of Criminal Justice, Specialized Community Corrections Beds (\$248,863 General Fund in FY 2007-08)**

This proposal would pay differentials for 20 residential mental health diversion beds and 20 additional therapeutic community diversion beds for offenders with a history of chronic substance abuse. These payments would allow 40 offenders with severe mental illness and substance addiction to be directly sentenced to community settings. The Peer I and the Haven therapeutic communities, housed on the Fort Logan campus, serve offenders with chronic substance dependence.

Outcomes: Because this proposal will partly result in the immediate diversion of offenders away from DOC facilities into community corrections settings, it is possible that this proposal could result in DOC savings. The FY 2007-08 DOC savings is \$386,535 and the out-year cost avoidance is \$773,070.

- **Division of Criminal Justice, Community Corrections Sanctions and Incentives Model (\$83,123 General Fund in FY 2007-08)**

The goal of this program is to develop and utilize an objective system to fund community corrections service delivery based on program performance. This model would determine a tiered rate structure by which community corrections programs are reimbursed. The DCJ anticipates that it would enhance the overall performance of the community corrections system.

Outcomes: For each percentage point in reduced recidivism for the 1,524 community corrections offenders, DOC will be required to house 15 fewer recidivists. A 1.0 percentage point change would result in \$562,329 in savings. This is a longer-term saving.

- **Division of Criminal Justice, Funding for Office of Research and Statistics Program Evaluations (\$506,347 General Fund in FY 2007-08)**

The DCJ's Office of Research and Statistics (ORS) will conduct rigorous scientific research and program evaluation on the projects funded in the recidivism package.

Outcomes: ORS is the primary criminal justice research entity and will ensure a consistent methodology in evaluating the results of new programs on recidivism rates and be a resource for the latest research in the field.

Department of Corrections (Excluding the CUSP Initiative, reflected in DHS above)

Estimated Savings: \$3,208,241 in FY 2007-08

Programs: External Capacity, Private Prisons

- **External Capacity (\$3,208,241 General Fund Savings in FY 2007-08)**

Outcomes: The outcome is the anticipated savings.