Joint Budget Committee

Interim Supplemental Budget Requests FY 2025-26

Department of Corrections

Prepared by:
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June 18, 2026

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Contents

Interim Supplemental Requests

→ ES-02 Payments to local jails

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	$4,477,389	$4,477,389	$0	$0	$0	0.0
Recommendation	4,477,389	4,477,389	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	0	0	0	0	0	0.0

Does JBC staff believe the request satisfies the interim supplemental criteria of Section 24-75-111, C.R.S.? YES
The Controller may authorize an overexpenditure of the existing appropriation if it: (1) Is approved in whole or in part by the JBC; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not in session; (3) Is approved by the Office of State Planning and Budgeting (except for State, Law, Treasury, Judicial, and Legislative Departments); (4) Is approved by the Capital Development Committee, if a capital request; (5) Is consistent with all statutory provisions applicable to the program, function or purpose for which the overexpenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the overexpenditure is to be made.

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES
An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.

Request

The Department requests the authority to overspend the FY 2025-26 appropriation for local jail reimbursements by $4.5 million General Fund. This amount is *in addition to* the $3.3 million General Fund added through the supplemental process.[1] This was the amount requested by Department and approved by the General Assembly.

The Department expects to spend an amount that translates to an ADP of 540. The current appropriation supports an average daily population (ADP) of 381 DOC inmates in local jails.

The amount requested is based on billed and audited reimbursements through February 2026 the actual local jail ADP in March, April, and May. Per statute, counties have up to three months to submit invoices, while the DOC has 45 days to audit and pay them. This creates a lag in expenditures.

[1] House Bill 26-1151: https://leg.colorado.gov/bill_files/112721/download

Recommendation

Staff recommends that the Committee approve the request. The data show that the ADP over the course of the fiscal year was much higher than the appropriation can support. Approving the over-expenditure allows the DOC to reimburse local jails for holding DOC inmates. However, it is possible that the over-expenditure would be smaller if the DOC had opened more funded beds earlier.

Points to consider

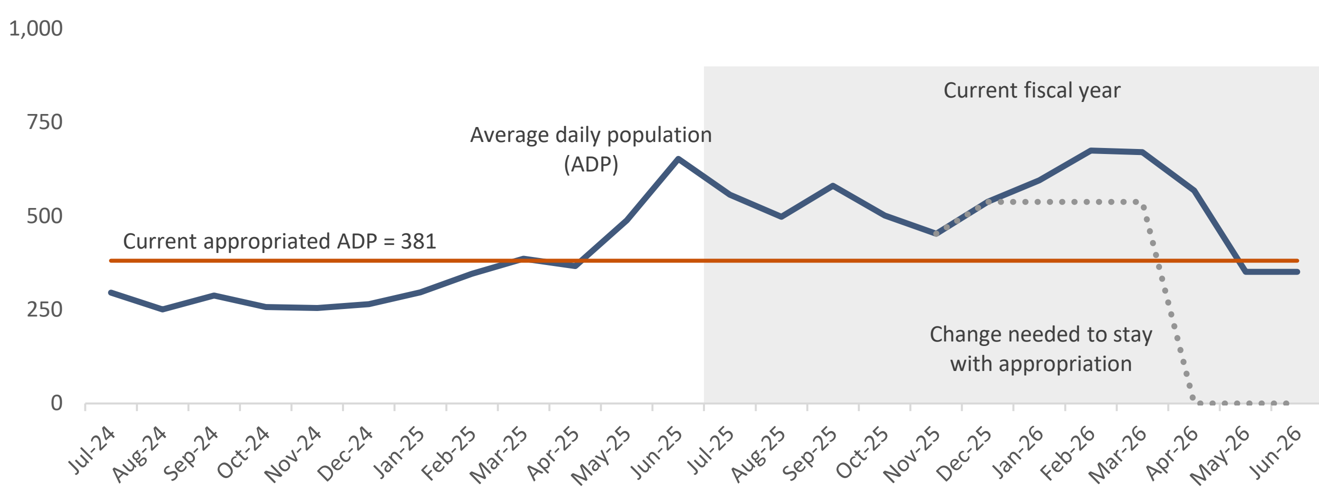
- The jail backlog at the end of May 2026 was 366, as compared to 670 at the end of February.
- Staff concludes that minimal growth in the male inmate population since the end of November 2025 is the main factor helping the DOC reduce the jail backlog.
    - The male inmate population grew by 407 from July through November 2025. It grew by 54 from November 2025 through May 2026.
    - The growth rate slowed due to fewer new court commitments, more discretionary paroles, and more sentence discharges.
- The General Assembly approved funding for 788 additional male prison beds. Funding was calculated for April through June 2026. The DOC's monthly reports show that the DOC opened 296 beds in April and 100 beds in May. Many of these beds were vacant in May. The request says they opened 596 in April and May, which is not consistent with the monthly reports.

Analysis

The following graph shows two key things. First, that the ADP of DOC inmates in local jails far exceeded the ADP supported by the appropriation *even after* a supplemental increase of $3.3 million General Fund. Second, to hit the appropriated ADP, the local jail ADP would have had to: (1) Stay flat from December through March, and, (2) Decline to <u>zero</u> in the last three months of the fiscal year.

That did not happen. The ADP rose between December and March, peaking at 675 in February. The jail backlog subsequently dropped to 366 by the end of May, but the drop was not enough to keep the ADP for the fiscal year within the current appropriation.

The backlog of DOC inmates in local jails was well over the appropriated ADP through most of the fiscal year



Factors reducing the jail backlog: slower growth of the male inmate population and additional prison beds

The jail backlog at the end of May 2026 was 366, as compared to 670 at the end of February. There are at least two factors helping the DOC reduce the backlog. First, supplemental funding for additional prison beds probably helped, but as of May 31, 2026, only 396 of the 788 funded beds had come online. A fair number of those beds were vacant. Those additional beds seem to have helped, but do not explain jail backlog decline on their own.

Another key factor is minimal growth in the male inmate population since the end of November 2025. Since that time, the population grew by just 54 inmates (0.3%), compared to 407 male inmates in the prior six months.

396 of 788 supplemental male prison beds brought online through May

The General Assembly approved the Department's request for $2.3 million General Fund to support 788 additional male prison beds. Funding was calculated for three months, from April through June 2026. This included funding for 300 minimum-restricted beds (Level 2) at Sterling, 200 minimum-restricted beds at Buena Vista, and 288 minimum (Level 1) beds at Delta.

Per the present interim request, the DOC staggered the openings to "to accommodate the logistical constraints of processing inmates through the Diagnostic Reception and Center (DRDC) and coordinating movements to lower-security beds."[2] Specifically, it activated 296 beds on April 1, 300 beds on May 1, and the remaining 192 beds on June 1. The latter addition of 192 beds on June 1 could further reduce the jail backlog from present levels, assuming there is not an offsetting increase in the overall male inmate population.

However, the Department's monthly capacity reports show that only 396 beds were open through the month of May, rather than the 596 stated in the request. Specifically, the reports suggest that no beds were added at Buena Vista and 96 of the 288 were added at Delta. All 300 were added at Sterling.

Funded and operational capacity in the DOC's monthly reports at Buena Vista, Delta, and Sterling

Funded capacity	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Buena Vista	1,034	1,034	1,034	1,034	1,034	1,034	1,034	1,034	1,034	1,034	1,034
Delta	189	189	189	189	189	189	189	189	192	288	288
Sterling	2,220	2,220	2,220	2,220	2,220	2,220	1,920	1,920	1,920	2,120	2,220

Note: The 300-bed drop in capacity at Sterling in January 2026 relates to a capital project there. 300 offsetting beds were increased at Centennial South's C-tower.

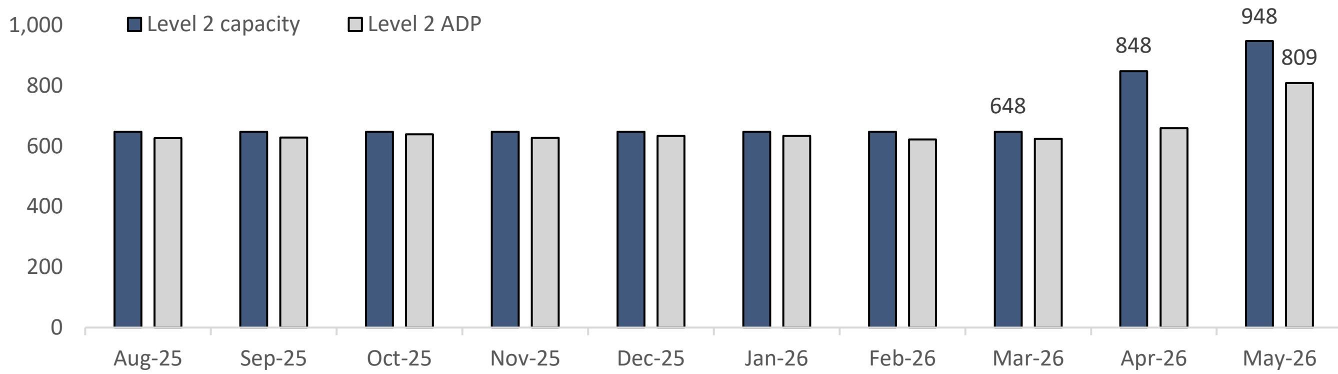
Operation capacity	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Buena Vista	934	1,034	1,034	1,034	1,034	1,034	1,034	1,034	1,034	1,034	1,034
Delta	189	189	189	189	189	189	189	189	192	288	288
Sterling	2,220	2,220	2,220	2,220	2,220	2,220	1,920	1,920	1,920	2,120	2,220

Source: Department of Corrections Monthly Population and Capacity Report. Funded capacity is "the number of beds that have been funded by the legislature for the current fiscal year." Operational capacity is "the number of permanent beds at a prison excluding non-capacity beds unless otherwise specified due to emergency needs." Non-capacity beds are beds that are not utilized due to the need for a statutory change, significant construction, or legislative funding.

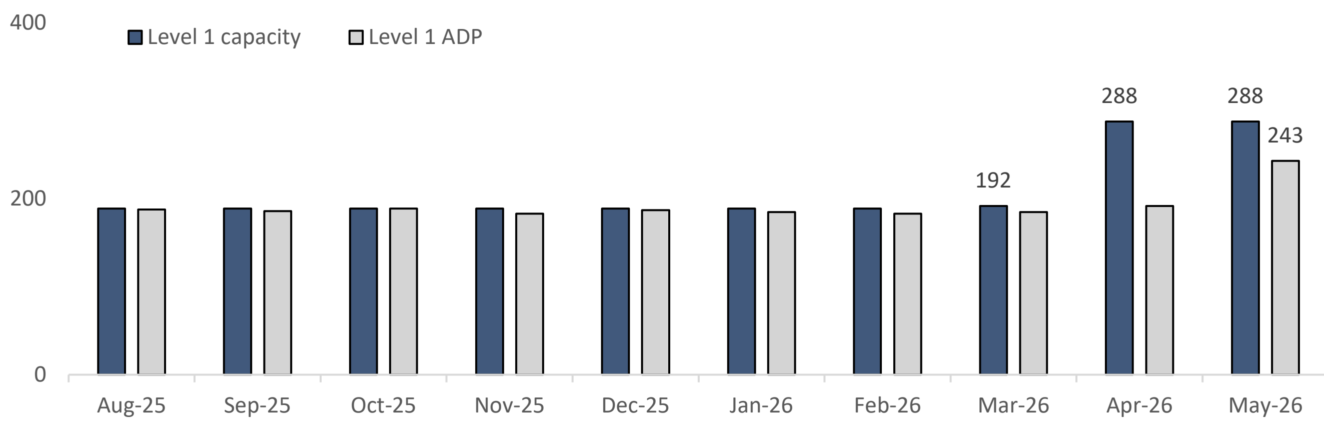
[2] The DOC explained in a previous request, "DRDC has the capacity to intake up to 257 inmates per week (45 males x 5 days/week; 16 females x 2 days/week. In FY 2025-26, the Department is averaging 152 per week (130 males; 22 females). Although the Department has the ability to intake up to 257 inmates per week, the Department can only achieve that when the appropriate beds are available." [See FY 2026-27 S1.5-BA1.5 Payments to Local Jails, page 6.]

Those same reports show 300 added beds at Sterling and 96 at Delta. However, many of those beds were vacant in the month of May. The following graphs show these data, along with the data for Buena Vista that shows no change.

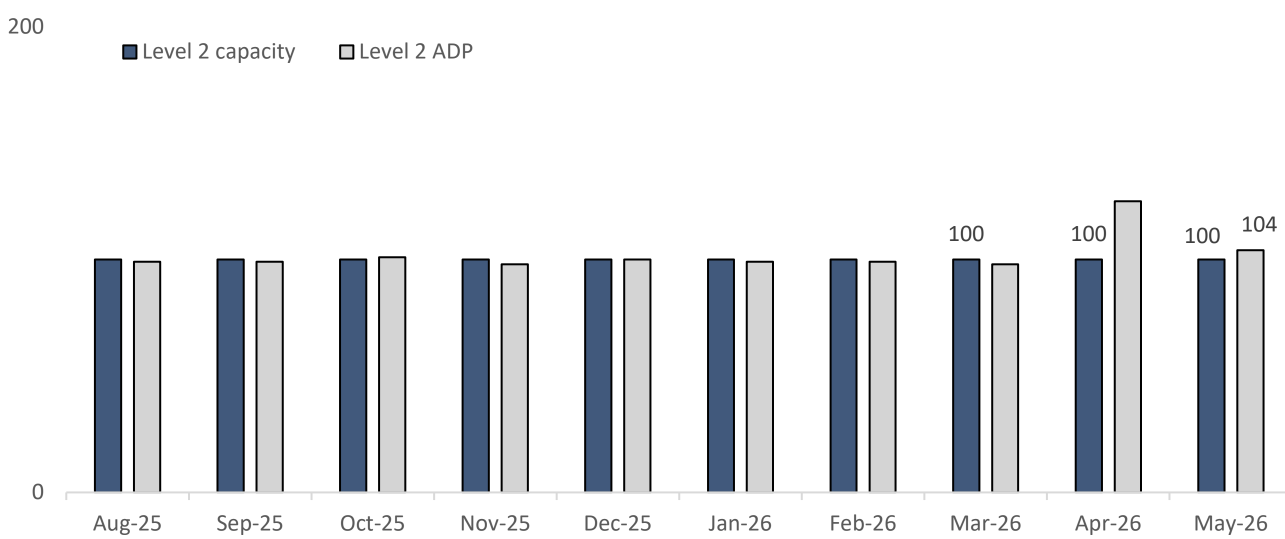
Sterling: Level 2 capacity vs average daily population (ADP)



Delta: Level 1 capacity vs average daily population (ADP)



Buena Vista: Level 2 capacity vs average daily population (ADP)

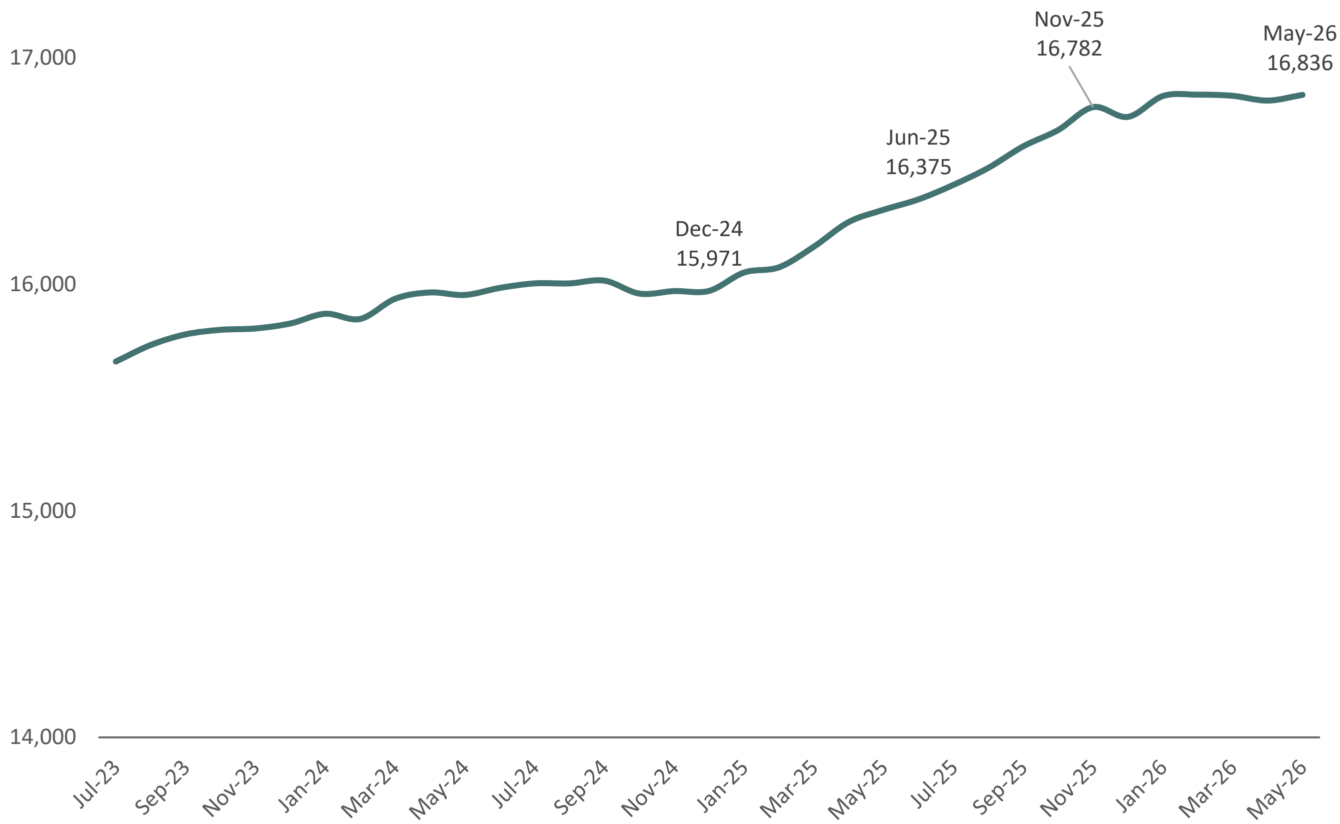


Minimal change in the male inmate population since November 2025

The growth of the male inmate population slowed substantially over the past six months, especially as compared to the preceding year.

- November 30, 2025 to May 31, 2026: +54 inmates, or 0.3%
- June 30, 2025 to November 30, 2025: +407 inmates, or 2.5%
- December 31, 2024 to June 30, 2025: +404 inmates, or 2.5%

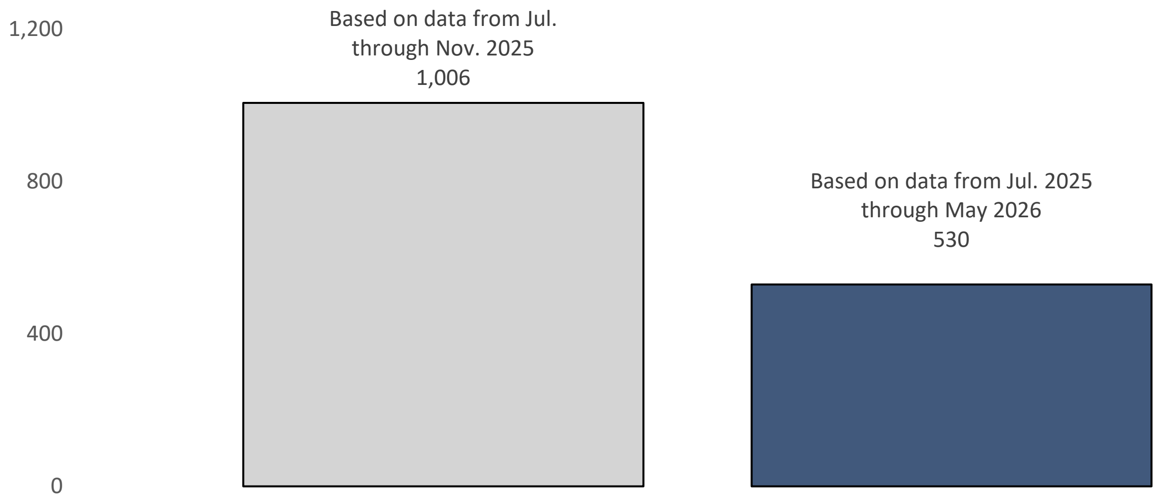
Total male inmate population (includes inmates in prisons, local jails, and the community)



The estimated growth in the male inmate population for the current fiscal year is about **half** of what was expected at the end of November 2025. At that point, the male inmate population was expected to grow by about 1,000 inmates by the end of the current fiscal year. Through May 2026, expected growth trimmed down to 530.

In other words, the data in November 2025 suggested that there would be a historically large increase in the male inmate population in FY 2025-26. More recent data shows such growth did not materialize. Rather, most of the growth in the male inmate population occurred before November 30, 2025. The growth rate slowed due to fewer new court commitments, more discretionary paroles, and more sentence discharges.

Recent data shows that the growth in the male inmate population in FY 2025-26 will be about half of what was expected in Nov. 2025

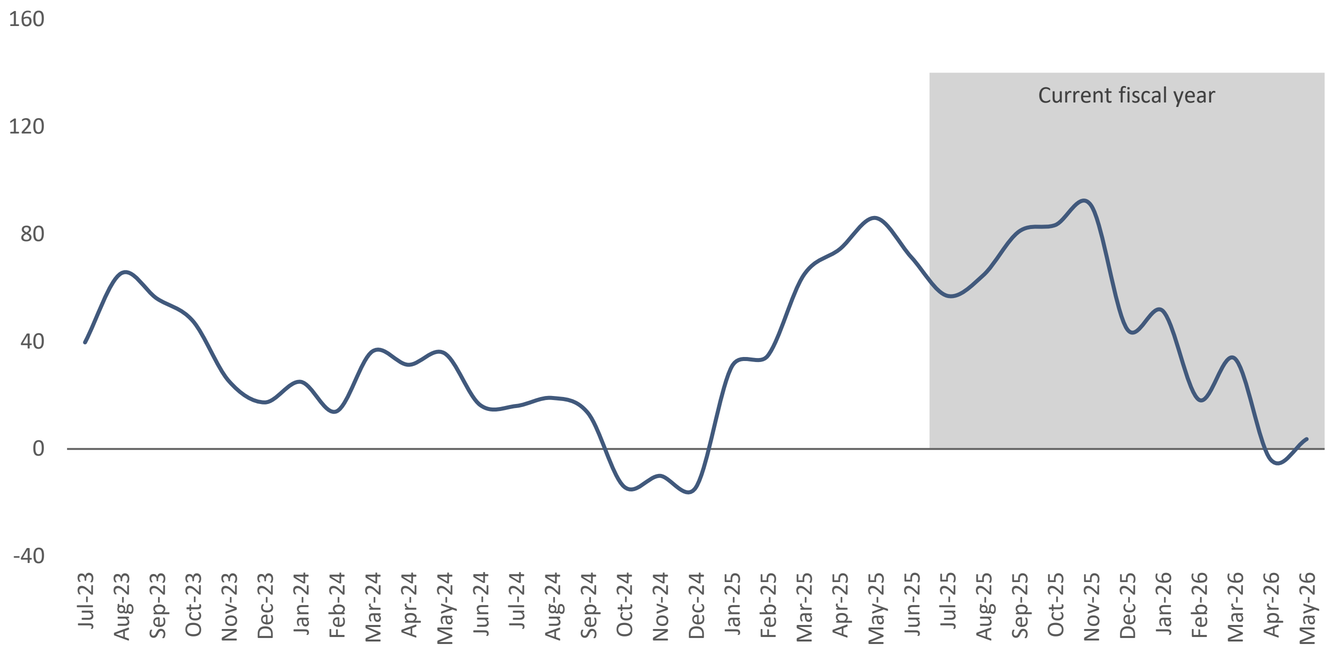


Projected FY 2025-26 change in the male inmate population at different points in the fiscal year

Male	Based on data from Jul. through Nov. 2025	Based on data from Jul. 2025 through May 2026	Difference
Admissions			
New court commitments	3,991	3,812	-179
Technical Parole Returns	1,150	1,126	-24
Parole Returns, New Felony Conviction	631	620	-11
Other	12	11	-1
Subtotal admissions	5,784	5,569	-215
Releases			
Discretionary parole	2,978	3,154	176
Mandatory parole	857	849	-8
Re-parole	0	0	0
Discharge	902	986	84
Other	41	50	9
Subtotal releases	4,778	5,039	261
Net admissions/-releases	1,006	530	-476

The following graph shows these trends through net monthly changes in the male inmate population. Specifically, it shows large net increases throughout most of 2025, followed by a steady drop from December 2025 through May 2026.

Net monthly changes in the male inmate population (moving 3-month average)



A note about the FY 2026-27 appropriation for local jails

The FY 2026-27 appropriated ADP for the DOC's local jail backlog is 307[3], supported by $8.6 million General Fund.

[3] 330 in the Long Bill, -17 in S.B. 26-036, and -6 in S.B. 26-115.

→ ES-03 Personal services shortage

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	$8,404,675	$8,404,675	$0	$0	$0	0.0
Recommendation	6,501,039	6,501,039	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	-$1,903,636	-$1,903,636	$0	$0	$0	0.0

Does JBC staff believe the request satisfies the interim supplemental criteria of Section 24-75-111, C.R.S.? YES
The Controller may authorize an overexpenditure of the existing appropriation if it: (1) Is approved in whole or in part by the JBC; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not in session; (3) Is approved by the Office of State Planning and Budgeting (except for State, Law, Treasury, Judicial, and Legislative Departments); (4) Is approved by the Capital Development Committee, if a capital request; (5) Is consistent with all statutory provisions applicable to the program, function or purpose for which the overexpenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the overexpenditure is to be made.

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES
An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.

Request

This is the third consecutive year of shortages in total personal services funding, also referred to here as compensation. The Department requests the authority to overspend these line items in the following amounts:

- Overtime: $6.5 million General Fund.
- Health, life, and dental: $1.3 million General Fund
- Medical and mental health contracts (specific lines unclear): $0.6 million General Fund

Overtime (OT)

Per the request, "OT remains high despite mitigation efforts, including posting non-security staff as relief for Correctional Officer (CO) shifts. OT is being driven by a high number of staff leave cases, rising due to the expansion of leave rights under Family and Medical Leave Insurance (FAMLI)."

Health, life, and dental (HLD)

Per the request, the over expenditure is needed because, "The annual HLD allocation was reduced by 1.5% for the JBC-approved GF Base Reduction in the total compensation process."

Medical and mental health contracts

Per the request, the "DOC further projects a shortfall of $648,457 across the remaining non-OT, non-HLD Personal Services lines. The majority of this shortfall will be felt in the Medical and Mental Health Contracts line, as a result of high contract costs and ongoing need for contract staff to cover unfilled medical and mental health FTE roles. The projected over-expenditures in Personal Services lines are further driven by tuition reimbursement, sick leave payouts, contract services, unemployment insurance, and non-HLD POTS."

Recommendation

Staff recommends approval of the requested over-expenditure for overtime. Staff recommends denial of the requests for Health, Life, and Dental and medical and mental health contracts.

Reasons for the recommendation

- **Overtime**: Staff has no issues with the request for overtime. In the regular supplemental process, the Department projected a personal services shortfall of $16.5 million General Fund. Overtime was a known component of that shortfall, accounting for $3.0 million. The average OT expenditure increased in the second half of the fiscal year, driving the shortfall to $6.5 million.
- **Health, life, and dental**: Staff respectfully disagrees with the premise that the JBC's original budget balancing action is at all relevant to asserted shortfall. The asserted $1.2 million dollar shortfall is just 0.6% of all centrally-appropriated compensation funding (aka POTS). The Department could cover this shortfall through other sources, but is choosing to cover other things instead, such as contract clinical staff. And, in the process, blames the JBC for the asserted shortfall.

  Furthermore, three other factors are driving the HLD expenses: (1) migration from high-deductible plans to higher cost standard plans, (2) increased high-dollar claims, and (3) escalated GLP-1 utilization and costs.[4] There was a related statewide increase in HLD expenses beginning in November. At that point, the DOC was projecting a $1.5 million HLD shortfall. The General Assembly subsequently approved a statewide supplemental HLD increase, including $2.2 million for the DOC.
- **Contract clinical staff**: First, the scale of the problem seems more severe than indicated in the request: $6.5 million vs. $0.6 million. Staff is not confident that the request accurately describes the nature of the overall compensation problem. Second, staff lacks the information necessary to write the over-expenditure letter to the Controller. The request suggests that the requested $0.6 million should go to multiple line items. As of 11:46 AM on June 16, about 15 minutes before JBC staff's deadline, staff does not know exactly where this money should go.

Points to consider

- Statute allows for a statewide total over-expenditure of $3.0 million for state agencies other human services.[5] This may result in a restriction on the appropriation in the same amount of the over-expenditure in the following fiscal year. This restriction may be resolved through a supplemental request in the following fiscal year. This relatively small restriction would not jeopardize the DOC's ability to pay for HLD or contract clinical staff in FY 2026-27, at least through the normal supplemental process.
- This is the third consecutive year of a shortfall in total funding for personal services. The present shortfall is the most severe. At the time of the regular supplemental process, the DOC was projecting a shortfall of $16.5 million. The General Assembly approved a supplemental increase of $35.4 million General Fund, which included $17.5 million for compensation. However, projected expenses jumped by another $9.4 million, leading to the present request for $8.4 million to cover the shortfall.

[4] OSPB September 2025 interim supplemental request, pages 2 and 3. https://drive.google.com/file/d/11VXuancCsZr5s6WuDgNnl1r6Wok7E4It/view

[5] Section 24-75-109 (1)(c), C.R.S. The same section of statue also provide many specific over-expenditure authorities for HCPF, Human Services, and other agencies.

Analysis

Third consecutive year of a personal services shortfall

In FY 2023-24, the Department was short $7.2 million. Shift differential and contract medical services were the main drivers of the shortfall. The Department transferred money from line items for local jails, drug and alcohol treatment, and utilities to cover the shortfall. Subsequent legislation limited the DOC's ability to transfer money between line items for "like purposes."[6]

In FY 2024-25, the Department was short $7.4 million. The JBC approved an interim supplemental request for $4.1 million for the unfunded PERA liability and $3.3 million for shift differential.

FY 2025-26: $16.5 million projected shortfall increases to $25.9 million

The present shortfall is the most severe. The DOC's supplemental and budget amendment package in January noted that the DOC was expecting a $16.5 million dollar shortfall, or about 2.4% of all General Fund appropriations in compensation-related line items.

Projected compensation shortfall shown in January supplemental budget request (based on data through Oct. 2025)

	FY 25-26 Appropriation (before supplementals)	FY 25-26 Projected Expenditure (through Oct. 2025 payroll) [1]	Projected surplus/-shortfall
Personal Services	$501,170,480	$483,144,515	$18,025,965
Shift Differential	22,243,777	21,310,062	933,715
Incentives and bonuses	5,541,726	5,541,726	0
Short-term Disability	301,791	329,929	-28,138
FAMLI	1,996,453	2,158,396	-161,943
Unemployment insurance	0	350,000	-350,000
Other contract services	0	500,000	-500,000
Tuition reimbursement	0	600,000	-600,000
Health, Life, and Dental	85,276,960	86,780,299	-1,503,339
Overtime	33,313,135	36,318,028	-3,004,893
Annual/sick leave payouts	0	3,493,796	-3,493,796
Unfunded PERA liability (ULAEDP)	43,808,406	47,684,396	-3,875,990
Unappropriated clinical contract staff services	$0	$21,918,088	-21,918,088
Total	$693,652,728	$710,129,235	-$16,476,507

[1] Source: DOC FY 2026-27 S04-BA03 Medical and Mental Health Contract Services. A surplus may be otherwise described as "vacancy savings" available for other uses. A shortfall represents a potential use for vacancy savings. A shortfall may also be addressed through increased appropriations or an over-expenditure at the end of fiscal year.

The DOC's January supplemental package included increases of $17.5 million General Fund, which the General Assembly approved and implemented in H.B. 26-1151. Had the projected shortfall stayed constant, the supplemental increases would have covered the shortfall with about $1.0 million to spare.

[6] JBC bill S.B. 25-263. Section 24-75-108 (2)(h) now says that the DOC may only transfer money between line items if a Long Bill footnote authorizes it.

Comparing projected shortfall before and after supplemental increases in H.B. 26-1151 and H.B. 26-1410

	Projected surplus/-shortfall (through Oct. 2026 payroll) [1]	Supplemental increases in H.B. 26-1151 and H.B. 26-1410	Expected surplus/-shortfall after supplementals
Personal services	$18,025,965	$1,367,765 [2]	$19,393,730
Shift differential	933,715	0	$933,715
Incentives and bonuses	0	0	$0
Short-term disability	-28,138	0	-$28,138
Family and Medical Leave Insur.	-161,943	0	-$161,943
Unemployment insurance	-350,000	0	-$350,000
Other contract services	-500,000	0	-$500,000
Tuition reimbursement	-600,000	0	-$600,000
Health, Life, and Dental	-1,503,339	2,260,226	$756,887
Overtime	-3,004,893	0	-$3,004,893
Annual/sick leave payouts	-3,493,796	0	-$3,493,796
Unfunded PERA liability (ULAP)	-3,875,990	3,857,995	-$17,995
Unappropriated clinical contract staff services	-$21,918,088	$10,016,296	-$11,901,792
Total	**-$16,476,507**	**$17,502,282**	**$1,025,775**

[1] Source: DOC FY 2026-27 S04-BA03 Medical and Mental Health Contract Services. A surplus may be otherwise described as "vacancy savings" available for other uses. A shortfall represents a potential use for vacancy savings. A shortfall may also be addressed through increased appropriations or an over-expenditure at the end of fiscal year.
[2] Related to prison caseload funding for 788 state prison beds.

However, the shortfall accelerated by $9.4 million in the second half of the fiscal year, rendering the $17.5 million supplemental increase insufficient. Overtime was a big part of this, with the $3.0 million projected shortfall more than doubling to $6.5 million. Health, life, and dental expenditures also outpaced the supplemental increase, though not for the reasons listed in the present request.

Projected clinical contract staff expenses increased by about $5.6 million, far more than the $0.6 million sought in the present request. In short, a projected expense of $30.7 million shown in the January supplemental process increased to $36.3 million in the present request. Thus, the supplemental increase of $10.0 million General Fund in H.B. 26-1151 was insufficient. The present request suggests that the Department will fill the gap through other means, opting instead to focus mainly on Overtime and Health, Life, and Dental.

Comparing projected compensation shortfall after supplemental increases present request

	Expected surplus/-shortfall after H.B. 26-1151 and H.B. 26-1410	Projected surplus/-shortfall (through Apr. 2026 payroll) [1]	Difference
Personal Services	$19,393,730	$19,108,531	-$285,199
Shift Differential	933,715	752,525	-181,190
Incentives and bonuses	0	1,937,358	1,937,358
Short-term Disability	-28,138	-26,834	1,304
FAMLI	-161,943	-145,335	16,608
Unemployment insurance	-350,000	-350,000	0
Other contract services	-500,000	-525,000	-25,000
Tuition reimbursement	-600,000	-600,000	0
Health, Life, and Dental	756,887	-1,255,179	-2,012,066
Overtime	-3,004,893	-6,501,039	-3,496,146
Annual/sick leave payouts	-3,493,796	-3,094,214	399,582
Unfunded PERA liability (ULAP)	-17,995	2,745	20,740
Unappropriated clinical contract staff	-$11,901,792	-$17,708,233	-5,806,441
Total	**$1,025,775**	**-$8,404,675**	**-$9,430,450**

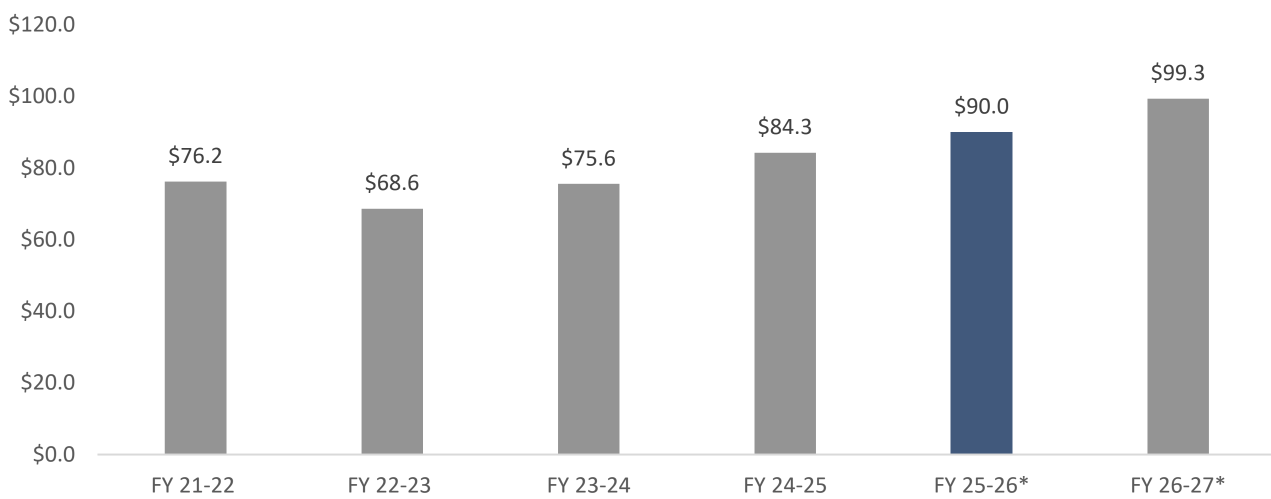
[1] Source: The current 1331 interim supplemental request.

Additional analysis about Health, Life, and Dental (HLD) expenses

Inflation-adjusted HLD expenses growing by 9.7% average since FY 2023-24

The following graph shows that the DOC's HLD expenses and appropriations are growing by about 10.0% *after* adjusting for inflation. This situates the present request as part of an ongoing increase in HLD expenses, rather than the result of a JBC balancing action that, in staff's view, is no longer relevant.

DOC inflation-adjusted health, life, and dental expenditures and appropriations, FY 2025-26 dollars



* FY 2025-26 amount includes present interim supplemental request. FY 2026-27 reflects appropriated amounts.

Total FY 2025-26 POTS funding

The following table shows that the requested HLD over-expenditure is 0.6% of total POTS funding. State agencies have the flexibility to use POTS funding for other compensation-related expense. For example, agencies can use HLD to pay for overtime, incentives, annual leave payouts, or any other related expense.

DOC's FY 2025-26 POTS appropriatoins

	General Fund
Health, Life, and Dental	$87,502,118
Short-term Disability	301,791
Paid Family and Medical Leave Insurance	1,996,453
Unfunded Liability Amortization Payments	47,666,401
Salary Survey	12,289,437
Step Increases	2,940,413
Overtime	33,313,135
Incentives	5,541,726
Shift Differential	22,243,777
Total	$213,795,251
Request for HLD over-expenditure	1,255,179
% of total General Fund for POTS	0.6%

Fiscal year to-date projected shortfalls and changes in the HLD appropriation

Projected HLD shortfall based on **July-October payroll data** (submitted in January supplemental package)

- -$1.5 million General Fund

January supplemental request and action

- +$2.3 million General Fund (request revised down from $3.3 million in Sept. interim supplemental), leaving a $0.8 million surplus based on projection.

Projected HLD shortfall based on **July-April payroll data** (submitted in June interim supplemental)

- -$1.3 million General Fund after supplemental increase of $2.3 million

Month-by-month HLD expense data

Month	Expense	Actual/Projection
June [1]	6,626,153	Actual
July	7,270,163	Actual
August	7,261,170	Actual
September	7,278,582	Actual
October	7,295,105	Actual
November [2]	7,632,484	Actual
December	7,604,976	Actual
January	7,624,019	Actual
February	7,617,568	Actual
March	7,608,125	Actual
April	7,288,744	Actual
May	7,562,653	Projection
June Biweekly [3]	87,555	Projection
Total	$88,757,297	Projection
Appropriation [4]	87,502,118	Actual
Est. Shortage	-$1,255,179	Projection

[1] Personal services run from June - May with pay-date shift
[2] Statewide increase
[3] June biweekly projection is based on the prior quarter average. Biweekly payrolls are not part of the Paydate Shift. DOC has limited staff on biweekly payroll. The majority of DOC staff are not eligible for biweekly payroll.
[4] Includes $2,225,158 GF HLD supplemental

Additional analysis of contract clinical staff expenses

Contract clinical staff cost overruns appear to be about $6.0 million more than the present request suggests.

The Department's January budget package projected that the Department would spend about $30.7 million on contract clinical staff in the current fiscal year. The Department planned to cover about 2/3 of that with vacancy savings and existing appropriations for that purpose. This drove a supplemental request for $10.0 million General Fund, which the General Assembly approved.

Information provided on June 16 shows a projected expense of $36.3 million. At the same time, the Department expects less vacancy savings available in those subdivisions to help cover the cost. Consequently, the Department expects to be short about $6.5 million, even after accounting for the $10.0 million supplemental increase. The tables on the next page show these calculations

Projected contract clinical expenses, per January supplemental request (data through November 6, 2025)

	Expenses			Funding Sources		
Long Bill subprogram and line item	Agency Contract Staffing	Service Contracts	Total projected expenses	Estimated vacancy savings	Contracts services line approp.	Difference (need)
2E - Medical Services - Service Contracts	$17,792,737	$2,330,000	$20,122,737	$7,606,980	$2,745,978	-$9,769,779
4J - Mental Health - Medical Contract Services	4,125,352	6,458,568	10,583,920	3,806,754	6,530,649	-246,517
Totals	$21,918,089	$8,788,568	$30,706,657	$11,413,734	$9,276,627	-$10,016,296 [1]

[1] The JBC approved the request for this amount of funding, which was appropriated in H.B. 26-1151.

Projected contract clinical expenses, per June 16, 2026 data

	Expenses			Funding Sources		
Long Bill subprogram and line item	Agency Contract Staffing	Services Contracts	Total projected expenses	Estimated vacancy savings	Contracts services line approp.	Difference (need)
2E - Medical Services - Service Contracts	$13,782,678	$11,887,921	$25,670,599	$7,190,328	$12,515,757	-$5,964,514
4J - Mental Health - Medical Contract Services	3,925,555	6,749,715	10,675,270	3,323,697	6,777,166	-574,407
TOTALS	$17,708,233	$18,637,636	$36,345,869	$10,514,025	$19,292,923	-$6,538,921 [1]

[1] Present interim supplemental request seeks $0.6 million General Fund.

Change in projections

	Expenses			Funding Sources		
Long Bill subprogram and line item	Agency Contract Staffing	Services Contracts	Total projected expenses	Estimated vacancy savings	Contracts services line approp.	Difference (need)
2E - Medical Services - Service Contracts	-$4,010,059	$9,557,921	$5,547,862	-$416,652	$9,769,779	$3,805,265
4J - Mental Health - Medical Contract Services	-199,797	291,147	91,350	-483,057	246,517	-327,890
TOTALS	-$4,209,856	$9,849,068	$5,639,212	-$899,709	$10,016,296	$3,477,375

→ ES-04 Inmate phone calls

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	$332,341	$332,341	$0	$0	$0	0.0
Recommendation	332,341	332,341	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	$0	$0	$0	$0	$0	0.0

Does JBC staff believe the request satisfies the interim supplemental criteria of Section 24-75-111, C.R.S.? YES
The Controller may authorize an overexpenditure of the existing appropriation if it: (1) Is approved in whole or in part by the JBC; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not in session; (3) Is approved by the Office of State Planning and Budgeting (except for State, Law, Treasury, Judicial, and Legislative Departments); (4) Is approved by the Capital Development Committee, if a capital request; (5) Is consistent with all statutory provisions applicable to the program, function or purpose for which the overexpenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the overexpenditure is to be made.

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES
An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.

Request

The Department requests the authority to overspend the FY 2025-26 appropriation for inmate phone calls by $332,341 General Fund. The request asserts that the daily average minutes have gone from about 29 minutes per day to 35 minutes per day (13% increase), driving a shortfall in the appropriation of $2.9 million General Fund. The following table shows how the Department arrived at the requested amount.

DOC ES-04 Inmate Phone Calls

	Amount
SB 25-208 Inmate Phone Costs	$1,436,165
SB 25-206 Long Bill	1,434,634
HB 26-1151 Supplemental (Prison caseload)	32,515
Total FY 2025-26 appropriation	$2,903,314
FY 2025-26 Actual expenditure through April	-2,651,685
Projected expenditure in May and June	-583,970
Projected shortfall	-$332,341

Recommendation

Staff recommends that the JBC approve the request. Staff found that the Department's calculations were accurate and that the related assumptions were reasonable. The inmate population in May was lower than request expected, but staff found that plugging that figure into Department's calculations had a minimal effect on the projected over-expenditure.

Additional selected information from the request

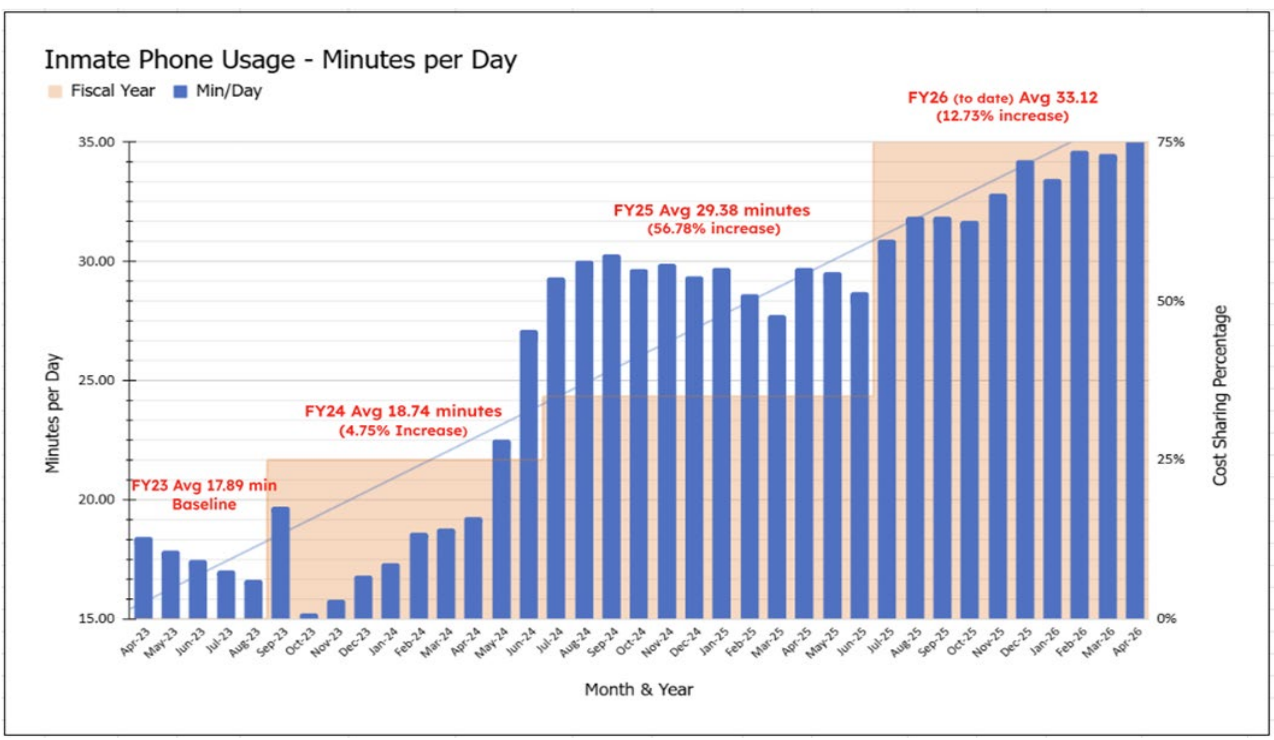
Background

"Implementation of House Bill 23-1133 follows a four-step incremental implementation process to transition to the full 100% state coverage of phone call costs (Table 1) in FY 2025-26. The base rate is $.019 per minute. Currently, CDOC covers 75% of the cost, while the individual in custody pays the remaining 25%. Under the provisions of the previously enacted legislation, no authority is granted to the Department to impose restrictions on the number of phone calls an offender may place.

Prior to the enactment of H.B. 23-1133, average daily phone usage for FY 2022-23 was approximately 18 minutes per day. Over the subsequent 3 years, as the cost burden shifted incrementally from inmate to the Department, the average minutes have nearly doubled."

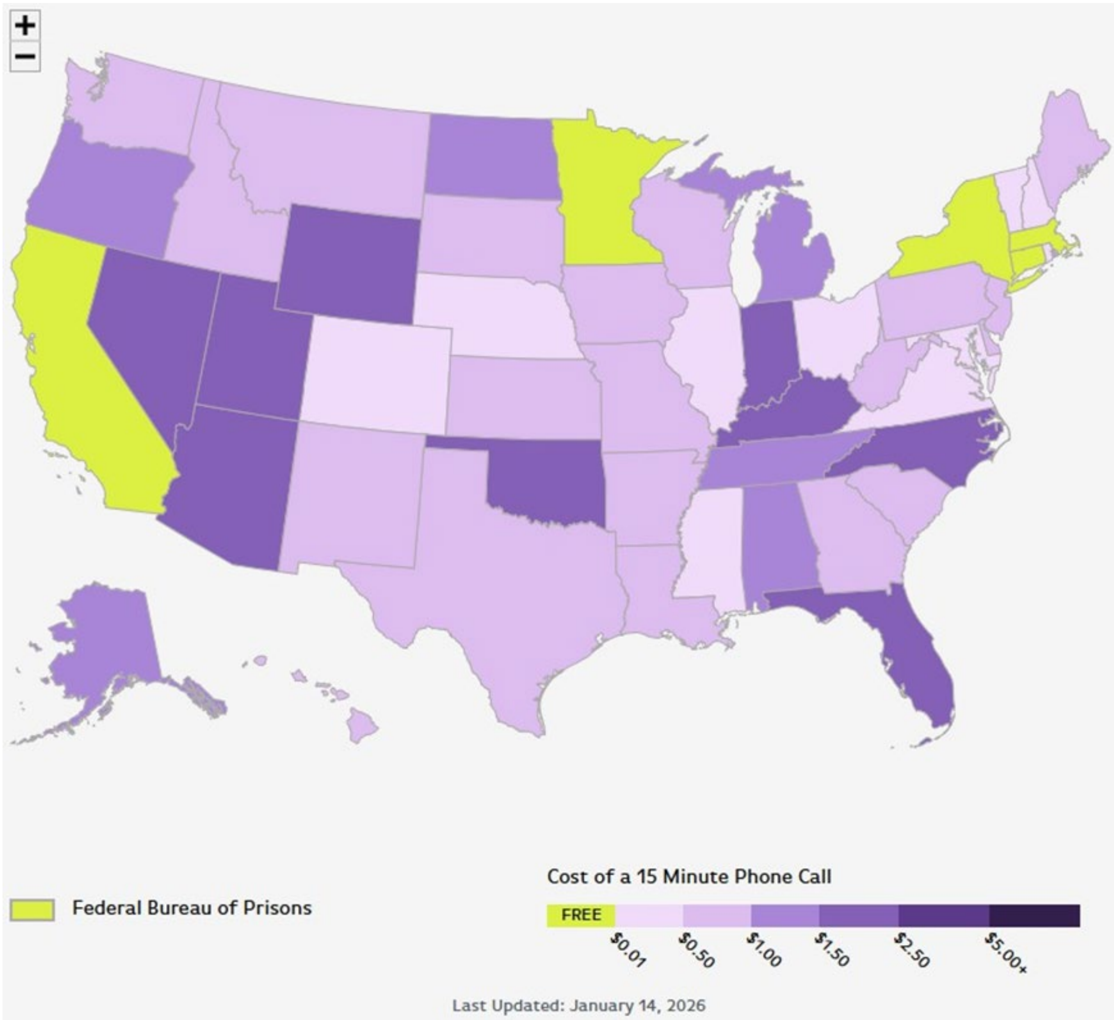
Current Fee Schedule

Fiscal Year	Cost Sharing %	Rate per Minute (Cost to CDOC)	Rate per Minute (Cost to Inmate)	Total Cost
2023 - 2024	25%	$0.005	$0.014	$0.019
2024 - 2025	35%	0.007	0.012	0.019
2025 - 2026	75%	0.014	0.005	0.019
2026 - 2027	100%	0.019	0.000	0.019



Appendix included in the request

"Colorado currently has one of the most affordable call rates nationwide, according to Worth Rises[7], a non-profit advocacy group that supports lowering inmate call costs.



All inmate calls are governed by CDOC AR 850-12[8], which outlines the security guidelines for outgoing calls. Some of the guidelines in place for inmate calls are:

- Inmate phone calls are recorded and reviewed for safety and security
- Access to telephones for the use of maintaining contact with the community is a privilege for inmates who demonstrate appropriate behavior according to CDOC code of conduct, ARs, and established facility rules.
- Disciplinary sanctions may be imposed for the abuse of telephone privileges and equipment.
- Inmates are limited to a maximum of 25 telephone contacts at any given time, including attorneys, and those contacts are vetted and verified before being approved.
- Inmates are limited to a maximum of 20 minutes per call, but they are not limited in the number of calls they can make per day.

[7] Prison & Jail Telecom Data
[8] CDOC AR 850-12: Telephone Regulations for Offenders

Per the contract agreement with Securus, tablets are issued to each incarcerated individual at no cost to the offender or CDOC, replaced and upgraded as needed, as long as the CDOC is a Securus customer. Tablets not only provide a mode of communication but also entertainment options such as music, games, and movies for inmates to purchase. Inmates have continuous, 24/7 access to all non-telephone tablet services, including but not limited to music, games, and movies, subject to standard content controls and facility policies.

Access to the phone call feature is time-gated: activation periods for using the telephone feature is determined and enabled daily by each facility in accordance with its operational and security schedules. Outside of the facility-defined calling windows, the phone call functionality is disabled while all other tablet services remain available.

To access the capabilities of the tablets, inmates are required to purchase usage credits in $1 increments from the Canteen, which can be used for phone calls, music, games, and movies. Securus provides customers with invoices that clearly itemize how the credits are spent on their tablets. In addition to the invoice, Securus supplies a detailed report specifying the allocation of credits across each category of purchase. Each type of purchase is reported separately, ensuring that expenditures are not comingled. This separation significantly reduces the risk of billing errors or misallocation of charges. Inmates also have the option of utilizing e-mail/secure messaging communication, educational, and programmatic content via their tablets. Several Department initiatives are intended to be provided on the tablets, including canteen ordering, banking, resident-facing applications, e-messaging, expansion of educational or vocational programming, surveys, and other initiatives.

C.R.S. 17-42-103(1.5) states that, “In administering the use of penal communications services pursuant to subsection (1) of this section, access to penal communications services must not be limited beyond what is necessary for routine facility operations.” Furthermore, there is no language in the current contract with Securus stating that the Department cannot take away the tablets; however, revocation of the tablets could lead to unrest among the population, further leading to safety and security concerns for the staff, inmates, and stakeholders. The tablets also provide accessibility options for the offender population, such as Video Relay Services (VRS) for deaf offenders and/or their loved ones."