



**Joint Budget Committee**

# **Supplemental Budget Requests**

## **FY 2025-26**

### **Department of Corrections**

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# Summary of Staff Recommendations

The Department of Corrections manages the State's prison and parole systems.

## FY 2024-25 Summary

### Department of Corrections: Recommended Changes for FY 2024-25

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
<b>FY 2024-25 Appropriation</b>						
FY 2024-25 Appropriation	\$1,173,002,813	\$750,267,875	\$374,416,228	\$45,071,575	\$3,247,135	6,400.7
ES1 Personal service shortfall	7,375,408	7,375,408	\$0	\$0	\$0	0.0
ES2 Payments to local jails	1,275,578	1,275,578	\$0	\$0	\$0	0.0
Recommended FY 2024-25 Appropriation	\$1,181,653,799	\$758,918,861	\$374,416,228	\$45,071,575	\$3,247,135	6,400.7

**ES1 Personal service shortfall:** The JBC approved a \$7.4 million over-expenditure for a shortfall in personal services appropriations during the June interim supplemental process. This included \$4.1 million for unfunded PERA liability payments and \$3.3 million for shift differential payments. No further action is necessary.

**ES2 Payments to local jails:** The JBC approved a \$1.3 million over-expenditure for reimbursements to local jails holding DOC inmates during the June interim supplemental process. No further action is necessary.

# FY 2025-26 Summary

## Department of Corrections: Recommended Changes for FY 2025-26

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
<b>FY 2025-26 Appropriation</b>						
SB 25-206 Long Bill	\$1,185,594,856	\$1,086,514,775	\$50,574,557	\$45,164,521	\$3,341,003	6,389.0
Other legislation	4,661,591	-485,829	842,346	4,305,074	0	2.0
<b>Current FY 2025-26 Appropriation</b>	<b>\$1,190,256,447</b>	<b>\$1,086,028,946</b>	<b>\$51,416,903</b>	<b>\$49,469,595</b>	<b>\$3,341,003</b>	<b>6,391.0</b>
<b>Recommended Changes</b>						
Current FY 2025-26 Appropriation	\$1,190,256,447	1,086,028,946	\$51,416,903	\$49,469,595	\$3,341,003	6,391.0
ES1 Private prison utilization	2,778,474	2,778,474	0	0	0	0.0
S1/BA1 Prison caseload	2,392,935	2,392,935	0	0	0	15.1
S1.5/BA1.5 Payments to local jails	3,331,810	3,331,810	0	0	0	0.0
S2/BA2 Medical caseload	12,517,638	12,517,638	0	0	0	0.0
S3/R10 Offset - Transgender healthcare	-3,681,100	-3,681,100	0	0	0	0.0
S4/BA3 Medical and mental health contract services	10,016,296	10,016,296	0	0	0	0.0
S5/BA4 Unfunded PERA liability shortfall	0	0	0	0	0	0.0
S6 Food service inflation	620,471	620,471	0	0	0	0.0
S7/BA6 Reduce CI spending authority	-15,898,286	0	-3,758,540	-12,139,746	0	0.0
S8/BA7 Offset - Dress out	-400,000	-400,000	0	0	0	0.0
Impacts driven by other agencies [1]	1,468,408	1,468,356	52	0	0	0.0
Recommended FY 2025-26 Appropriation	\$1,203,403,093	\$1,115,073,826	\$47,658,415	\$37,329,849	\$3,341,003	6,406.1
Recommended Increase/-Decrease	\$13,146,646	\$29,044,880	-\$3,758,488	-\$12,139,746	\$0	15.1
Percentage Change	1.1%	2.7%	-7.3%	-24.5%	0.0%	0.2%
FY 2025-26 Executive Request	\$1,210,558,018	\$1,122,228,751	\$47,658,415	\$37,329,849	\$3,341,003	6,406.1
Staff Rec. Above/-Below Request	-\$7,154,925	-\$7,154,925	\$0	\$0	\$0	0.0

[1] These requests will be discussed in presentations for requesting agency.

Changes are assumed to be one-time unless otherwise noted.

**ES1 Private prison utilization:** The JBC approved a \$2.7 million over-expenditure for 153 more private prison beds for male inmates during the September interim supplemental process. These beds are therefore not included in the supplemental request for prison caseload. No further action is necessary.

**S1/BA1 Prison caseload:** The request seeks an increase of \$2.4 million General Fund to account for an increased number of male inmates sentenced to the DOC. The male inmate population is much higher than the current budget anticipated, so the request seeks funding for 788 additional male prison beds. This includes 300 beds at Sterling, 200 beds at Buena Vista, and 288 beds at Delta. JBC staff recommends approval of the supplemental request.

**S1.5/BA1.5 Payments to local jails:** The request seeks an increase of \$3.4 million General Fund to account for an increased number of DOC inmates housed in local jails. The jail backlog in the first half of the current fiscal year was about twice as high as the current appropriation can support. JBC staff recommends approval of the supplemental request.

**S2/BA2 Medical caseload:** The request seeks an increase of \$15.8 million General Fund to account for projected medical expenses. About \$10.2 million of this stems increasing per-offender per-month costs. JBC staff recommends a supplemental increase of \$12.5 million General Fund. Staff used a different population figure to calculate the recommendation.

**S3/R10 Offset - Transgender healthcare:** The request for a reduction of \$3.7 million General Fund aims to align the current funding for transgender healthcare with recent and projected usage. This line item and amount was restricted by the Governor in Executive Order D 2025 014. Staff recommends approval of the supplemental request.

**S4/BA3 Medical and mental health contract services:** The request for an increase of \$10.0 million General Fund addresses a projected shortfall in funding for clinical contract staffing services. The shortfall stems from large numbers of vacant state positions. Contract staff are more expensive than state FTE, so vacancy savings from vacant state FTE cannot cover the gap. Staff recommends approval of the supplemental request.

**S5/BA4 Unfunded PERA liability shortfall:** The request for an increase of \$3.9 million General Fund addresses a projected shortfall in funding for *Unfunded Liability Amortization Equalization Disbursement Payments*. This is the fourth consecutive year of a large shortfall in this appropriation. Staff recommends that the Committee delay action until staff can gather more information about the nature of the problem.

**S6 Food service inflation:** The Department requests an increase of \$620,471 General Fund because increased spending on raw food is leaving less money available to maintain and repair the equipment used to prepare food for consumption. Staff recommends approval of the supplemental request.

**S7/BA6 Reduce CI spending authority:** The request for a decrease \$16.9 million cash and reappropriated funds aims to align Correctional Industries' (CI) appropriations with actual expenditures. CI is a state enterprise. This request is consistent with recommendations in the recent evaluation of the DOC's budget practices. JBC staff recommends approval of the request.

**S8/BA7 Offset - Dress out:** The request for a decrease \$400,000 General Fund aims to align the appropriation with actual expenditures. Statute limits how the DOC spends the money, leading to large annual reversions. Staff recommends approval of the request.

**Impacts driven by other agencies:** The request includes a net increase of \$1.1 million for requests from other state agencies. These are also called “non-prioritized requests.” The amounts shown in the table below reflect the impacts of requests made by other agencies. These requests are discussed during supplemental presentations for the lead requesting agency, at which point a staff recommendation will be made. Staff will update these figures to reflect the Committee’s decisions on these requests.

**Impacts driven by other agencies**

Item	Total Funds	General Fund	Cash Funds	FTE
Health, life, and dental true-up	\$2,260,226	\$2,225,158	\$35,068	0.0
OIT Real time billing	-530,171	-518,560	-11,611	0.0
DPA Annual fleet supplemental	-261,647	-238,242	-23,405	0.0
<b>Total</b>	<b>\$1,468,408</b>	<b>\$1,468,356</b>	<b>\$52</b>	<b>0.0</b>

# Department Supplemental Requests

## → S1/BA1 Prison caseload

Item	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$2,392,935	\$2,392,935	\$0	\$0	\$0	15.1
Recommendation	\$2,392,935	\$2,392,935	\$0	\$0	\$0	15.1
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	0.0

### 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 based on data that was not available when the original appropriation was made. The inmate population has grown faster than the forecast that formed the basis for the current appropriation.

## Request

### Current year

The Department requests ongoing funding for 788 state prison beds because the male inmate population is much higher than the current budget expected. The JBC already approved funding for 153 private prison beds during the interim supplemental process, bringing the total increase to 941 beds in the current fiscal year.

These 788 beds represent all remaining male prison capacity available for use in the current and next fiscal year. They cannot accommodate projected growth in the prison population according to forecasts from the Division of Criminal Justice (DCJ) and Legislative Council Staff (LCS).

**Table 1: DOC FY 2025-26 S1/BA Prison Caseload Request (costs calculated for April-June 2026)**

Facility	Security Level	Beds	Total Funds	General Fund	Cash Funds	FTE
<b>Requested beds</b>						
Sterling	2	300	\$837,171	\$837,171	\$0	6.1
Delta	1	288	718,368	718,368	0	5.1
Buena Vista	2	200	516,134	516,134	0	3.9
<b>Other requested operating funds</b>						
Start-up (pillows, blankets, etc.)	n/a	n/a	\$288,748	288,748	0	n/a
Inmate phone calls	n/a	n/a	32,515	32,515	0	n/a
Subtotal for S1/BA1 Prison caseload		788	\$2,392,936	\$2,392,936	\$0	15.1
<b>Previously approved interim supplemental</b>						
Private prisons	3	153	\$2,778,474	2,778,474		
Total		941	\$5,171,410	\$5,171,410	\$0	15.1

There are about 400 other beds that are currently unavailable due to capital projects or the need for capital renovations. The 316 beds at Centennial South's C-tower will accommodate inmates displaced by a capital project at the Sterling Correctional Facility until mid-2027. Statute currently limits the use of the C-tower beyond the Sterling capital project. Per the Department, there are also 118 minimum security beds at Buena Vista that require about \$13.1 million in capital renovations before they can be used to house inmates on a regular basis.

## FY 2026-27

The table below shows the cost of the request in the next fiscal year. The number of beds stays the same, but the cost reflects a full year. The one addition reflects the loss of federal grant funding for the State Criminal Alien Assistance Program (SCAAP). The SCAA provides "federal payments to state and local governments that incur significant costs for incarcerating undocumented criminal aliens." The Department expects to use the remaining balance of the fund in FY 2026-27 and will be about \$800,000 short by the end of the fiscal year. Because these funds directly support private prison beds, the Department requests General Fund to fill the gap. This increases to the full amount of the current of the SCAA cash fund appropriation—\$2.8 million cash funds—in FY 2027-28.

**Table 2: DOC FY 2026-27 S1/BA1 Prison Caseload Request**

Facility	Security Level	Beds	Total Funds	General Fund	Cash Funds	FTE
<b>Requested</b>						
Sterling	2	300	\$2,941,261	\$2,941,261	\$0	24.0
Delta	1	288	\$2,638,852	2,638,852	0	20.0
Buena Vista	2	200	\$1,902,358	1,902,358	0	15.0
Private prisons	3	153	\$4,467,600	4,467,600	0	0.0
<b>Other requested operating funds</b>						
Inmate phone calls	n/a	n/a	\$155,739	155,739	0	n/a
Lost federal grant for State Criminal Alien Assistance Program (SCAAP)	n/a	n/a	\$0	783,733	-783,733	
<b>Total</b>		968	<b>\$12,105,810</b>	<b>\$12,889,543</b>	<b>-\$783,733</b>	<b>59.0</b>

**Table 3: Summary of request FY 2025-26 through FY 2027-28**

	FY 25-26	FY 26-27	27-28
General Fund	\$2,392,935	\$12,889,543	\$15,094,481
Cash Funds	0	-783,733	-2,893,386
Total Funds	\$2,392,935	\$12,105,810	\$12,201,095
FTE	15.1	59.0	59.0
Beds	788	788	788

## Further capacity considerations

The Governor's Office and DOC are "currently identifying any existing facilities that may be available for purchase or lease as well as general cost estimates for any improvements necessary to bring these facilities up to the required operational standards." They are also considering various funding mechanisms to make this happen. These include "certificates of participation (COPs), freeing up emergency reserve funds one time by adding state assets into reserve, leasing from State entities that may be able to purchase correctional facilities, such as the State Land Board, or direct capital funding."

In the short-run, the DOC may deal with capacity pressures by using temporary "sled beds," increasing the local jail backlog, and contracting with in-state and out-of-state providers for additional beds.

## Recommendation

Staff recommends that the Committee approve the supplemental request. Staff asks for permission to centrally appropriate these funds, as has been done in recent years. The Department's request affects 26 different line items, hindering visibility and complicating any amendments that members may request.

### Reason for the recommendation

- **The prison population is already well above the number of beds supported by the budget.** The local jail backlog is also above appropriated levels, largely due to a shortage of prison beds available to place new intakes.
- **It could save about \$2.4 million General Fund in costs related to the local jail backlog.** Incremental increases in state prison beds (by living unit) cost less than incremental increases in the local jail backlog, even though the total cost of a state prison bed vastly exceeds what the State pays to local jails. The state budget already includes most of the total cost of operating state prisons, so incremental changes reflect the marginal cost of a single living unit. Alternatively, payments to local jails reflects the total cost to the State.
- **The prison population forecasts are not far apart** in the current fiscal year. Both forecasts suggest all 788 beds would be required in FY 2026-27. Staff found that the calculated number of beds was accurate and consistent with the current methodology, with one change supported by JBC staff.

### Points to consider

- **Adding beds at Sterling and Buena Vista could worsen a projected shortfall in total compensation** in the current fiscal year, mainly due to overtime and unfunded PERA liability payments. These two prisons account for about 25% of all overtime hours worked, which may be driving a \$4.5 million year-over-year increase in overtime expenses and a \$4.0 million shortfall in unfunded PERA liability payments. There are also more correctional officer job vacancies at these prisons than other prisons.
- **It could also increase clinical contract staff costs.** As noted in a separate request, Sterling has historically been the primary consumer of contract nursing staff. Adding inmates there will add medical care costs.
- **The State has largely relied on the lawful discretion of the Parole Board to restrain prison population growth through discretionary paroles.** This has been especially true in the last few fiscal years, but it was also true in 2019 when the Department was approaching its capacity limits just before the start of the coronavirus pandemic. Data from the current fiscal year show that the Board is granting fewer discretionary paroles than in previous years, widening the gap between admissions and releases.
- **Admissions have remained relatively constant.** New court commitments are the primary source of admissions and always exceeded discretionary paroles, excluding the pandemic. New commitments show a slight decline in recent years, but it is not enough to restrain prison population growth. One reason is that technical parole returns have increased in recent years, mainly for absconding and misdemeanor charges.
- **The budget is written to current law.** State statutes and the decisions that people make within the boundaries of those statutes are two of many factors that drive prison population growth. If the State wishes to restrain or reverse prison population growth, it must reduce admissions or increase releases, or some combination of both. This can happen without legislation if non-legislative actors make decisions that are aligned with this policy goal. Otherwise, the General Assembly should consider statutory changes that are consistent with its desired policy goals.

## Analysis

### Decline in discretionary paroles drives net increase in male prison admissions

A significant increase in the male inmate population has already occurred. From July through December 2025, admissions outpaced releases by 377.<sup>1</sup> This is a major shift from a year ago, when admissions and releases from July through December 2024 were nearly equal.

**Table 4: Comparing male inmate admission and release data in 2024 and 2025, July through December**

	July through December 2024, actual data	July through December 2025, actual data	Difference
<b>Admissions</b>			
New court commitments	1,921	1,960	39
Technical Parole Returns	556	560	4
Parole Returns, New Felony Conviction	311	305	-6
Other	9	6	-3
<b>Subtotal</b>	<b>2,797</b>	<b>2,831</b>	<b>34</b>
<b>Releases</b>			
Discretionary parole	1,866	1,539	-327
Mandatory parole	474	433	-41
Re-parole	1	0	-1
Discharge	415	461	46
Other	44	21	-23
<b>Subtotal</b>	<b>2,800</b>	<b>2,454</b>	<b>-346</b>
<b>Net admissions/-releases</b>	<b>-3</b>	<b>377</b>	<b>380</b>

Discretionary parole is the main factor driving the net increase in admissions in the current fiscal year, with 327 fewer releases as compared to a year ago. When asked about it, the Parole Board said,

"Over time, discretionary releases rise and fall; there is not a single factor that contributes to the increase or decrease in discretionary releases. However, availability and access to and an individual's willingness to participate in treatment or programming, prior and/or recent community failures also play a part in release decisions."<sup>2</sup>

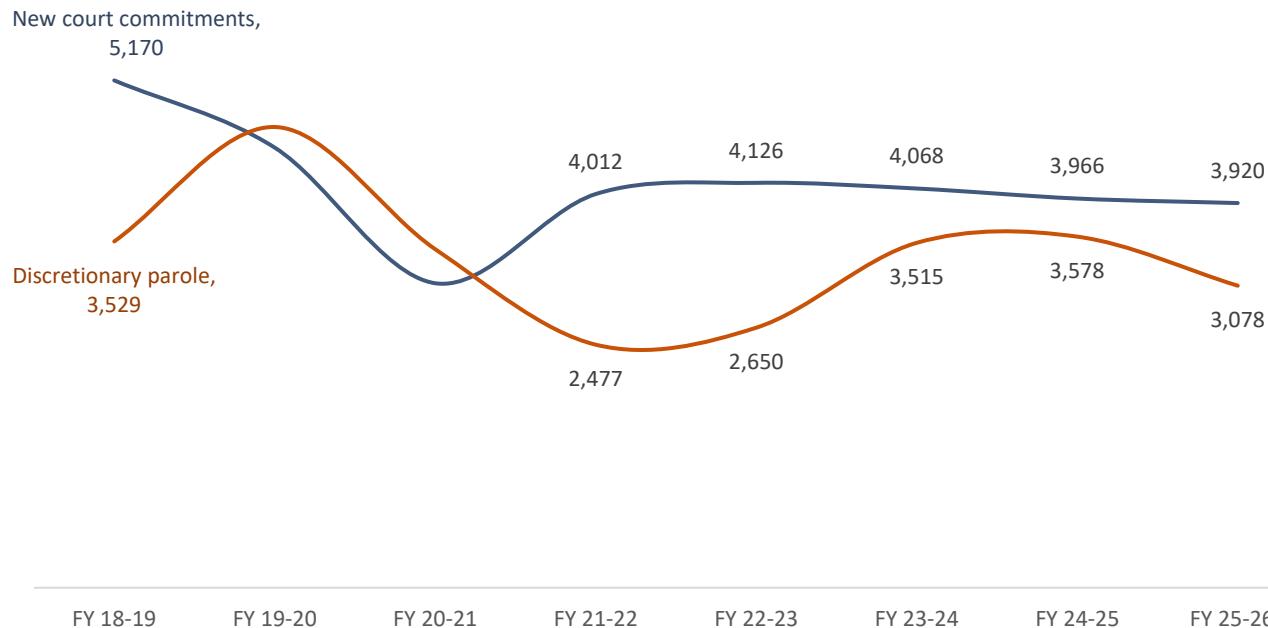
A closer look at the data show that the State has been relying on the Board's discretion to restrain prison population growth in recent years. The Board used that discretion more often in the year prior to the pandemic and again from FY 2022-23 through the first half of FY 2024-25. This slowed the growth rate. The Board is using its discretion less often since January 2025, leading to larger growth in the inmate population.

<sup>1</sup> DOC data is preliminary but subsequent adjustments tend to be very small.

<sup>2</sup> Parole Board hearing with the JBC, January 7, 2026. [https://content.leg.colorado.gov/sites/default/files/FY2026-27\\_corpbhrg.pdf](https://content.leg.colorado.gov/sites/default/files/FY2026-27_corpbhrg.pdf). Page 2.

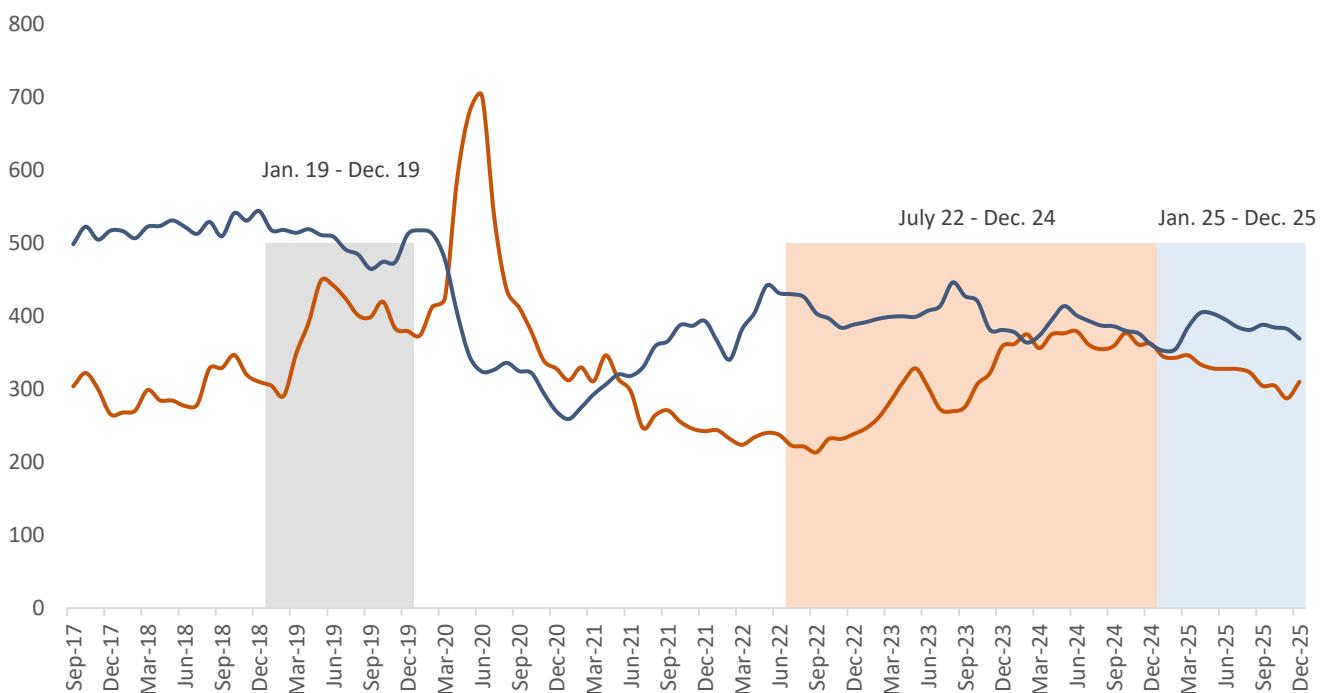
The graphs below show this trend in historical context. They compare the most common form of admissions (new court commitments) with the most common form of release in recent years (discretionary paroles).

Discretionary paroles for male inmates rose in last two fiscal years but were still outpaced by new court commitments. (Annual totals reflected in DOC reports, FY 2025-26 projected)



DOC data show a general increase in discretionary paroles from mid-2022 to the end of 2024, with occasional fluctuations. The data also show a steady decline since January 2025.

(Monthly totals calculated from DOC reports, 3-month moving average)



## Determining the requested and recommended number of male prison beds

### Distribution of the inmate population, relationship to the local jail backlog, and related costs

The Division of Criminal Justice (DCJ) forecast suggests there will be 17,166 male inmates at the end of the current fiscal year. This figure includes inmates in local jails, community corrections, the intensive supervision program (ISP-I), and DOC prisons. At the end of December there were 16,739 male inmates in the DOC's custody. About 90.0% of these inmates were in state or private prisons, or 15,072. For context, the current budget assumed there would be 16,079 male inmates and a prison population of 14,873 at this point in the year.

**Table 5: Comparing actual male inmate population to budget assumption**

	Budget assumption (mid-point of fiscal year)	Actual (mid-point of fiscal year)	Difference
Total male inmate population	16,079	16,739	660
Male prison population	14,873	15,072	199

The request brings enough prison beds online to substantially reduce the local jail backlog, assuming that other factors are held fairly constant. It assumes that 92.0% of male inmates at the end of the fiscal year will be in state or private prisons<sup>3</sup>, an increase of 2.0% from present levels. This allows for a 2.0% decrease in the local jail backlog (see Table 6a). If the forecast is accurate and the current distribution of male inmates stays the same, the male jail backlog would remain elevated (see Table 6b).

**Table 6a: Comparing the current distribution of the male inmate population to the forecast and DOC request**

	Dec. 2025 actual (#)	Dec. 2025 actual (%)	Jun. 2026 projection (#)	Jun. 2026 projection (%)
Total male inmate population	16,739	100.0%	17,166	100.0%
Inmates in state and private prisons [1]	15,072	90.0%	15,793	92.0%
Inmates in community corrections and ISP-I	1,134	6.8%	1,167	6.8%
Inmates in local jails	465	2.8%	138	0.8%
Community regressions/Escapees	68	0.4%	68	0.4%

[1] Estimated by JBC staff

**Table 6b: If the projected male inmate population at the end of June 2026 matched the current distribution**

	Dec. 2025 actual (#)	Dec. 2025 actual (%)	Jun. 2026 projection (#)	Jun. 2026 projection (%)
Total male inmate population	16,739	100.0%	17,166	100.0%
Inmates in state and private prisons [1]	15,072	90.0%	15,449	90.0%
Inmates in community corrections and ISP-I	1,134	6.8%	1,167	6.8%
Inmates in local jails	465	2.8%	481	2.8%
Community regressions/Escapees	68	0.4%	68	0.4%

[1] Estimated by JBC staff

<sup>3</sup> This 92.0% figure was the historical average from July 2023 through June 2025. The increase in the local jail backlog over the past six months has reduced the two-year average to 91.6%.

Increasing state prison beds and reducing the local jail backlog actually saves the State money in the current situation. That is because incremental increases in state prison beds cost less than incremental increases in the local jail backlog, even though state prison beds are generally more expensive.<sup>4</sup> For example:

- 200 minimum-restricted beds at Buena Vista = Increase of \$1.9 million General Fund and 15.0 FTE.
- 200 inmates in the local jail backlog = Increase of \$5.6 million General Fund.

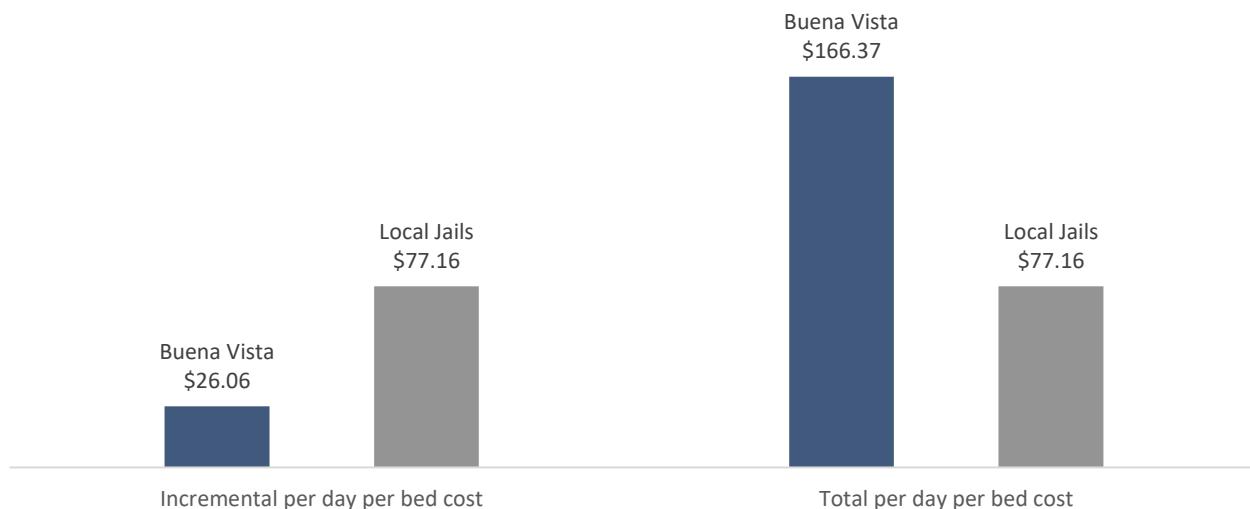
Buena Vista's prison beds appear cheaper because most of the costs to operate Buena Vista are fixed and are already in the DOC budget. The incremental increase in the budget reflects the marginal cost opening one 200-bed living unit, not the total cost of operating 200 beds at Buena Vista. This principle holds true for all DOC prison beds, not just Buena Vista. Alternatively, the incremental increase for 200 local jail beds reflects the total cost to the State, not the marginal cost of 200 additional local jail beds.

**Table 7: Comparing the incremental and total State cost per bed, Buena Vista and local jails**

Line		Buena Vista	Local Jails
A	Beds	200	200
B	Days	365	365
C	Cost to open or fund	\$1,902,358	\$5,632,680
D	Incremental cost per bed per day [A/B/C]	\$26.06	\$77.16
E	Total State cost per bed per day [1]	\$166.37	\$77.16

[1] FY 2025-26 per bed per day cost for Buena Vista estimated by JBC staff.

The incremental cost of adding 200 beds at Buena Vista is much lower than the incremental cost of paying for 200 more local jail beds, even though the total costs for Buena Vista are much higher.



JBC staff therefore concludes that funding fewer state prison beds than requested would actually cost the State more money due to a higher local jail backlog.<sup>5</sup> Specifically, it would cost about \$2.4 million General Fund more to house inmates in local jails than in state prisons.

<sup>4</sup> This is also true for community corrections and private prison beds.

<sup>5</sup> Based on most recent forecast, which accounts for fewer discretionary paroles granted by the Parole Board.

Let one assume that the current distribution of the inmate population persists through the end of the fiscal year, with fewer inmates in prison and more inmates in local jails (see Tables 6a and 6b for background). That would translate to an increase of 444 male prison beds, or 344 fewer than requested. JBC staff estimates that the local jail backlog would average about 480-500 throughout the fiscal year. This would drive an increase of \$6.6 million General Fund for reimbursements to local jails, compared to \$3.3 million requested by the Department.<sup>6</sup>

**Table 8: JBC staff-estimated cost of funding different numbers of male prison beds**

	Add 444 male prison beds [1]	Add 788 male prison beds	Difference
Incremental cost for male prison beds	\$1,533,212	\$2,392,936	\$859,724
Incremental cost for local jail backlog	6,674,725	3,331,810	-3,342,915
Total	\$8,207,937	\$5,724,746	-\$2,483,191

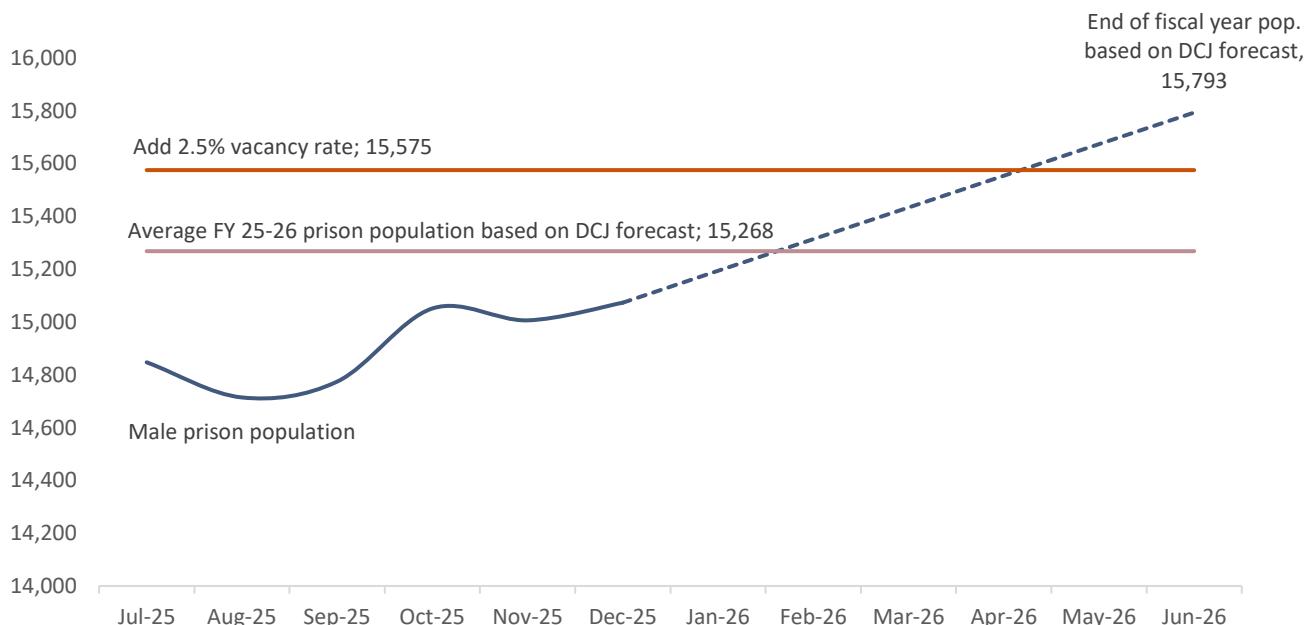
[1] Estimated by JBC staff. These estimates are rough but should be close enough to demonstrate the point.

### Request and recommendation based on the estimated prison population at the end of the fiscal year

The current budget is based on the estimated average male prison population throughout the fiscal year. This is consistent with historical practice. However, the current request and recommendation are based on the estimated prison population at the end of the fiscal year.

The reason for the change is mathematical, operational, and financial. In short, budgeting to the average population would consume all vacant beds by April 2026. The growth curve is steep enough that expected growth in the prison population in the second half of the fiscal year (720 inmates) would exceed the number of beds held vacant in the current methodology (2.5%, or about 307 beds). This would drive a large and expensive increase in the local jail backlog. The graph below is a visual illustration of the concept.

Budgeting to the average prison population would consume all vacant beds by April 2026, driving an expensive increase in the local jail backlog.



<sup>6</sup> See S1.5/BA1.5 Payments to local jails

## Male prison caseload methodology tables

The following tables show the full prison caseload calculation through FY 2027-28. These calculations suggest that all 788 beds requested in the current year would be needed in FY 2026-27 under both the DCJ and LCS forecasts.

**Table 9a: Male prison caseload calculations based on the DCJ forecast**

Line		FY 25-26	FY 26-27	FY 27-28
A	Funded state bed capacity	12,237	12,237	12,237
B	Add 100 bed for Transgender Unit at Sterling	100	100	100
C	Beds offline due to maintenance projects	-74	-48	-48
D	Subtotal starting state bed capacity [ A + B + C ]	12,263	12,289	12,289
E	Less: 2.5% vacancy rate [D * 0.025]	-307	-307	-307
F	Subtotal available state male beds [ D + E ]	11,956	11,982	11,982
G	Funded private prison beds	3,107	2,954	2,954
H	Subtotal available male prison capacity [F + G]	15,063	14,936	14,936
I	Projected male prison population (Dec. 2025 DCJ forecast)	15,793	16,010*	16,424*
<b>J</b>	<b>Estimated male prison bed increase/-decrease from current levels</b>	<b>730</b>	<b>1,074</b>	<b>1,488</b>
K	Remaining capacity: Unfunded beds available for use if funded [ Q ]	788	941	941
<b>L</b>	<b>Difference between remaining capacity and projected growth [K - J]</b>	<b>58</b>	<b>-133</b>	<b>-547</b>
Currently closed and unfunded male beds available for use		FY 25-26	FY 26-27	FY 27-28
M	Sterling (minimum-restricted custody)	300	300	300
N	Delta Correctional Center (minimum custody)	288	288	288
O	Buena Vista (minimum-restricted custody)	200	200	200
P	Private prisons (medium custody)	0	153	153
Q	Subtotal	788	941	941
Currently closed and unfunded male beds unavailable for use		FY 25-26	FY 26-27	FY 27-28
R	Centennial South (close custody, requires legislation) [1]	316	316	316
S	Buena Vista (minimum custody) [2]	118	118	118
T	Rifle Correctional Center (minimum custody) [3]	8	8	8
U	Subtotal	442	442	442

\* Projected male prison population for FY 2026-27 and FY 2027-28 reflects average for the year.

**Table 9a: Male prison caseload calculations based on the LCS forecast**

Line		FY 25-26	FY 26-27	FY 27-28
A	Funded state bed capacity	12,237	12,237	12,237
B	Add 100 bed for Transgender Unit at Sterling	100	100	100
C	Beds offline due to maintenance projects	-74	-48	-48
D	Subtotal starting state bed capacity [ A + B + C ]	12,263	12,289	12,289
E	Less: 2.5% vacancy rate [D * 0.025]	-307	-307	-307
F	Subtotal available state male beds [ D + E ]	11,956	11,982	11,982
G	Funded private prison beds	3,107	3,107	3,107
H	Subtotal available male prison capacity [F + G]	15,063	15,089	15,089
I	Projected male prison population at end of fiscal year (Dec. 2025 LCS forecast)	15,674	15,892*	16,286*
<b>J</b>	<b>Estimated male prison bed increase/-decrease from current levels</b>	<b>611</b>	<b>803</b>	<b>1,197</b>
K	Remaining capacity: Unfunded beds available for use if funded	788	941	941
<b>L</b>	<b>Difference between remaining capacity and projected growth [K - J]</b>	<b>177</b>	<b>138</b>	<b>-256</b>

\* Projected male prison population for FY 2026-27 and FY 2027-28 reflects average for the year.

## → S1.5/BA1.5 Payments to local jails

Item	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$3,331,810	\$3,331,810	\$0	\$0	\$0	0.0
Recommendation	3,331,810	3,331,810	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	0.0

### 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 funding for an average daily population (ADP) of 381 DOC inmates in local jails in FY 2025-26 and 396 inmates in FY 2026-27. The current appropriation support an ADP of 263.

A major decline in the local jail backlog is necessary to meet the 381-bed objective. The fiscal year to-date ADP is close to 500. That means that the ADP in the second half of the fiscal year would need to average about 262 to bring the full-year ADP down to 381.

## Recommendation

Staff recommends that the Committee approve the supplemental request.

### Reasons for the recommendation

- The local jail backlog has been well above appropriated levels throughout the current fiscal year. This warrants an increased appropriation, regardless of the prison caseload issue.
- The request and recommendation assume that the local jail backlog will decline in the second half of the fiscal year, which reduces the impact on the General Fund.

### Points to consider

- A June interim supplemental is likely if the DOC is unable to substantially and quickly reduce the backlog.
- The cost to the State for a DOC inmate in local jails is about 39.0% higher than it used to be. This stems from a large increases in the per-diem reimbursement rate in FY 2023-24.
- There are a couple of ways to reduce the jail backlog. First, bring more male prison beds online so the DOC can move more inmates from local jails to state prisons. The DOC requested 788 male prison beds in S1/BA1 to accomplish this. Second, free up existing space by releasing more inmates to community corrections or parole. The second option would require the Parole Board to grant more discretionary paroles and local community corrections boards and providers to accept many more DOC inmates than they currently do. In other words, these groups would have to exercise their lawful discretion differently than they have recently.

## Analysis

### What is the local jail backlog and what does the State pay for?

Inmates classified as 'jail backlog' have been sentenced to DOC, assigned a DOC number, and are awaiting transfer. Per statute, reimbursement for the jail backlog is for "each day following seventy-two hours after such sentence is imposed but prior to the transmittal of the sentenced inmate to a department facility."<sup>7</sup>

Statute does not require reimbursements or a specific reimbursement rate. Rather, payment is "subject to available appropriations" for a "a portion of the expenses and costs incurred by that county or city and county in the confinement and maintenance in a local jail of any person who is sentenced to a term of imprisonment in a correctional facility."<sup>8</sup> The General Assembly sets the reimbursement rate in the Long Bill.

### Prioritizing intakes from local jails

The Department is required to take inmates from Denver and Jefferson counties within 72 hours, which stems from a lawsuit. It prioritizes other intakes based on factors such as length of time in the backlog and meetings with the jails. The DOC provided the following information in the request.

"To ensure fairness, the Department prioritizes these transfers as much as possible based on the oldest date added to the backlog, except for counties with mandatory 72-hour intake timeframes (Denver and Jefferson Counties). The Department also prioritizes inmates who are nearing or have passed their Mandatory Release Date (MRD). The Department is not aware whether inmates are past their MRD until DOC's Time Computation unit receives a mittimus (court order to deliver a person to jail/prison) and completes a time calculation analysis. As soon as DOC is aware that an inmate is past their MRD, they are typically brought in on a same-day intake and release, but these cases are rare. These individuals may have served all or a significant portion of their sentence in county jail due to the length of their pre-sentence confinement..."

...The Department works with counties to prioritize intake and meets monthly with jails and the Colorado Jail Association (CJA) to ensure that DOC supports their specific intake needs."

### Other issues mentioned by the Department in the request

- Counties do not share total local jail capacity information with the Department. The DOC does not control capacity at local jails, unless the Department contracts with a county to provide a certain number of beds for a specific purpose.
- The DOC prefers not to rely on jail backlog as additional capacity for several reasons:
  - Jail capacity is uncertain and fluctuates over time, whereas prison capacity is more stable and predictable
  - Jails often do not have the same level of resources to address inmate medical, mental health, and programming needs.
  - County jails often contend with various pressures on jail populations, in addition to DOC backlogs.

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<sup>7</sup> Section 17-1-112 (1), C.R.S.

<sup>8</sup> Section 17-1-112 (1), C.R.S.

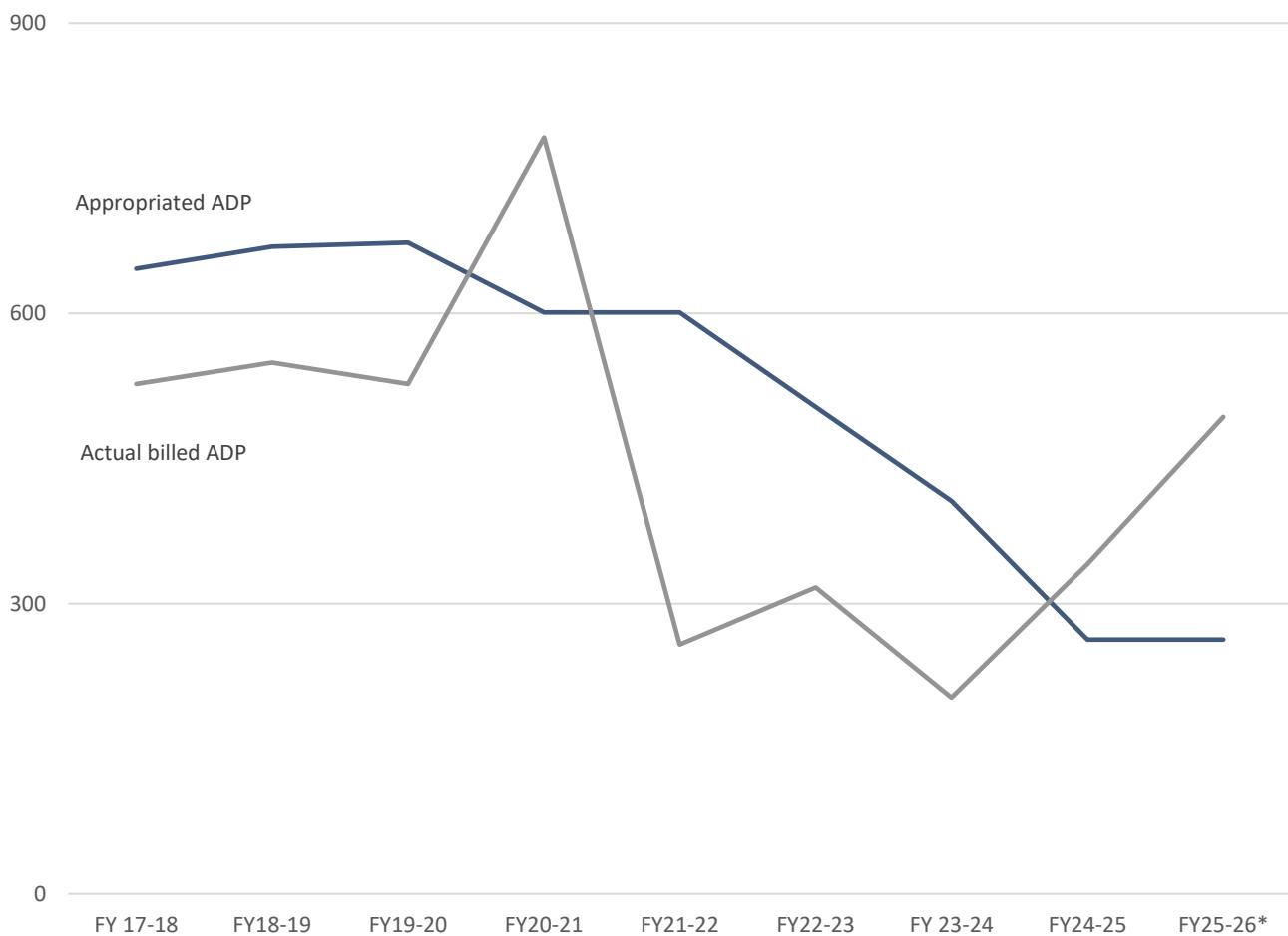
## Trends in the local jail backlog

The current local jail backlog is about where it was in the three years preceding the pandemic, but it is much higher than it has been in recent years. It is also higher than the current appropriation can support.

### FY 2017-18 to present

The local jail backlog used to be much higher than it has been in recent years. The billed average daily population (ADP) from FY 2017-18 to FY 2019-20 was about 534, compared to about 287 from FY 2021-22 to FY 2024-25. These data suggest that the recent increase in the backlog is large by post-COVID standards, but it is not historically abnormal.

The local jail backlog was much higher pre-COVID than it was post-COVID, with the exception of the increase over the past 12 months.



\*FY 2025-26 year to-date, estimated based on DOC request and monthly population and capacity reports.

The higher pre-COVID jail backlog required an appropriation almost twice as large as the current appropriation. It averaged \$13.5 million from FY 2017-18 to FY 2019-20, compared to \$7.4 million currently.

Large appropriations led to large General Fund reversions. Over the last eight fiscal years, the *Payments to Local Jails* line item reverted more than \$2.0 million General Fund six times, averaging \$4.2 million. The appropriation has been trimmed in recent years to reflect this reality.

*Payments to Local Jails* reversions to the General Fund. Positive numbers are reversions, negative numbers are over-expenditures. (\$, millions)



\*FY 2025-26 over-expenditure based on the DOC request.

The per-diem rate reimbursement rate for local jails is also much higher than it used to be, mainly due to a 24.8% increase in FY 2023-24. This is a key factor driving the higher cost of DOC inmates in local jails as compared to DOC prison beds. The table below the graph suggests that the per-diem rate increase accounts for about \$2.1 million of the current request.

The per-diem reimbursement rate for local jails holding DOC inmates increased substantially in FY 2023-24.



#### Accounting for the impact of the targeted rate increase in FY 2023-24

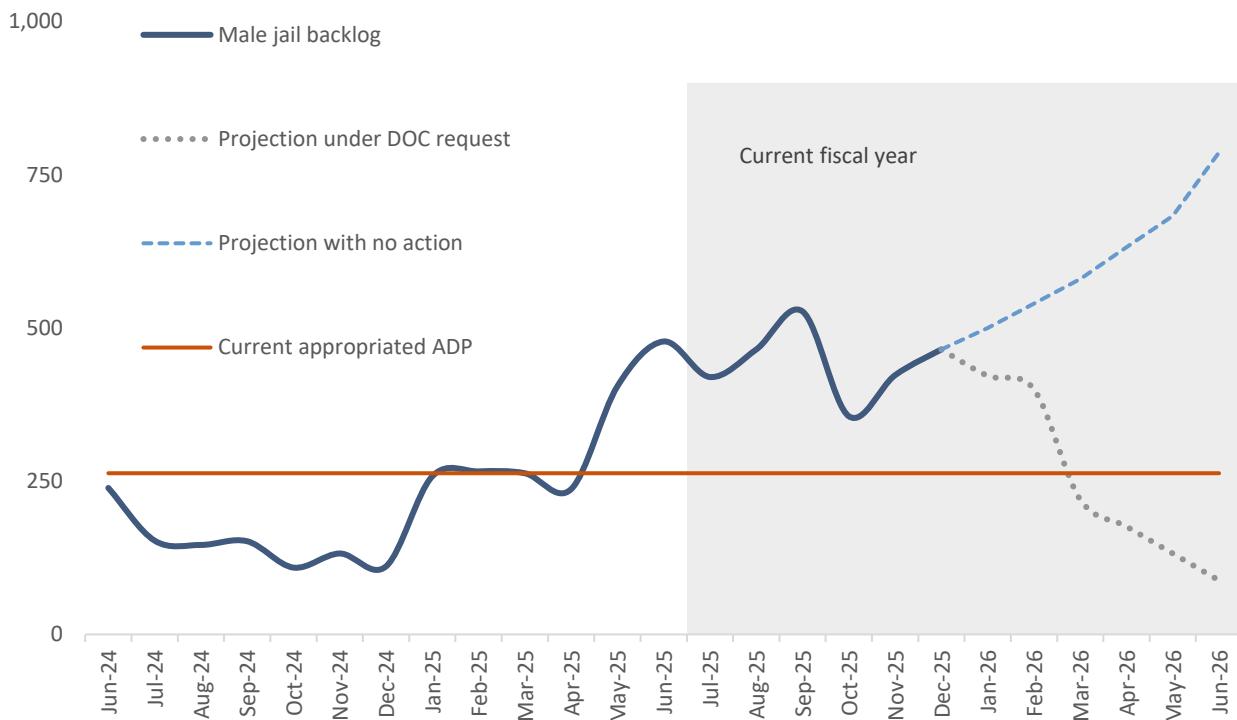
	If rate tracked with common policy	Current	Difference
Per-diem rate	\$61.82	\$77.16	\$15.34
Days	365	365	365
FY 25-26 beds, per DOC request	381	381	381
Total	\$8,596,998	\$10,730,255	\$2,133,257

## June 2024 to present

The data show a large increase in the jail backlog since December 2024. The graph shows that it dropped after the JBC approved an interim supplemental request in September 2025 for 153 private prison beds for male inmates. It subsequently rose again as the total male inmate population rose.

Under the DCJ forecast, the male jail backlog would increase substantially through the end of the fiscal year if: (1) the community corrections population stays proportionally consistent, with a slight increase through the end of the year, and (2) the DOC holds a 2.5% prison bed vacancy rate. In this scenario, the projected rise in the inmate population would affect the local jail backlog the most. This assumes that the Parole Board's discretionary decisions resemble the trend from July through December 2025. It also assumes community corrections boards and providers will not accept abnormally large numbers of DOC inmates.

Recent growth in the male jail backlog could continue or decline, depending on the availability of prison beds or decision-making related to releases from prison, or both.



## → S2/BA2 Medical caseload

Item	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$15,814,568	\$15,814,568	\$0	\$0	\$0	0.0
Recommendation	12,517,638	\$12,517,638	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	-\$3,296,930	-\$3,296,930	\$0	\$0	\$0	0.0

### 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 funding for external medical services (\$11.4 million) and pharmaceuticals (\$4.4 million). It accounts for expected increases in the per-offender per-month (POPM) rates and the prison population. Specifically, an 11.8% increase for the external medical POPM rate, a 15.7% increase in the pharmaceutical POPM rate, and an increase of 924 inmates in prisons. The POPM increase drives most of the request.

### Per-offender per-month rate increase accounts for about 65% of the FY 2025-26 request

Line item	POPM rate	Prison population	Total
External medical services	\$7,395,225	\$4,060,426	\$11,455,651
Purchase of pharmaceuticals	2,845,041	1,513,876	4,358,917
Total	\$10,240,266	\$5,574,302	\$15,814,568

The projected increase for the pharmaceutical POPM largely reverses a previous decrease that largely stemmed from expected federal 340B savings. Specifically, the current appropriation assumed that the pharmaceutical POPM would drop by 17.6% from original FY 2024-25 levels. Per the current request, the Department is not able to expand 340B participation as fast as hoped. "The Department intends to expand the 340B drug pricing program; however, due to new regulations surrounding the program, new hurdles have surfaced that will delay the intended expansion for some time." The projected increase in the external medical POPM is largely in line with previous years, which averaged around 13.5%.

## Total request through FY 2026-27

The request is much larger than usual. For example, the *External Medical Services* request is 2.5-3 times larger than the previous two budget cycles. This reflects the combination of a larger starting base, the 11.8% increase in the POPM, and a large increase in the prison population. Furthermore, the Department is requesting \$2.1 million General Fund for hemophilia treatment for three inmates. The annual cost per inmate is between \$580,000 and \$800,000, with future increases possible. The table on the next page shows the total request.

## S2/BA2 Medical Caseload: Total request for FY 2025-26 and FY 2026-27

Line item	FY 25-26	FY 26-27	Total increase
External medical services	\$11,455,651	\$4,091,103	\$15,546,754
Purchase of pharmaceuticals	4,358,917	2,257,489	6,616,406
Hemophilia treatment	0	2,078,059	2,078,059
Hepatitis C	0	0	0
<b>Total</b>	<b>\$15,814,568</b>	<b>\$8,426,651</b>	<b>\$24,241,219</b>

## Recommendation

Staff recommends a supplemental increase of \$12.5 million General Fund.

### Reasons for the recommendation

JBC staff's calculations used a different prison population figure than the request. The request used the estimated population at the end of the fiscal year, whereas JBC staff's recommendation uses the average. In this case, JBC staff thinks the average is more appropriate because the appropriation is based on per-offender per-month costs and does not concern itself with prison bed vacancy rates.

However, the Department's supplemental request is not unreasonable given the projected increase required for FY 2026-27. Staff concurs with the FY 2026-27 request and expects to recommend full approval during figure setting. In staff's view, part of the decision here relates to timing and budget balancing needs. The Committee may approve a larger amount now and a smaller amount later, or the reverse. It is possible that the larger appropriation in the current fiscal year obligates more money than is necessary. If that's the case, it will either revert or potentially be used to deal with cost overruns in other medical line items.<sup>9</sup> Approving a smaller amount may result in a June interim supplemental request.

## S2/BA2 Medical Caseload: Total request for FY 2025-26 and FY 2026-27

Line item	FY 25-26 Request	FY 25-26 JBC staff rec.	Difference
External medical services	\$11,455,651	\$9,041,623	-\$2,414,028
Purchase of pharmaceuticals	4,358,917	3,476,015	-\$882,902
<b>Total</b>	<b>\$15,814,568</b>	<b>\$12,517,638</b>	<b>-\$3,296,930</b>

### Point to consider

It is possible that unavailable medical care *inside* DOC prisons contributes to cost increases for external medical care. In other words, it is possible that the DOC will send an inmate to a nearby hospital if/when the inmate needs care that would normally be handled internally, but cannot be handled due to clinical staffing shortages.

<sup>9</sup> A Long Bill footnote allows the DOC to transfer up to 5.0% of appropriations for external medical services, pharmaceuticals, and hepatitis C treatments between those line items.

## Analysis

Medical caseload adjustments usually affect two line items: (1) *External Medical Services*, and (2) *Purchase of Pharmaceuticals*. The following table summarizes the populations that qualify for care under each appropriation. These lines are typically adjusted annually to account for changes in the prison population and changes in the costs for medical drugs and services. Two other line items—*Hepatitis C* and *Hemophilia Treatment*—may also be included in medical caseload adjustments.

Population	Used to compute appropriation for	Offenders in DOC facilities (including YOS*)	Offenders in private prisons	Offenders in community corrections, jails, on parole, ISP-I*
Pharmaceutical population	<i>Purchase of Pharmaceuticals</i>	Yes	No	No
External medical services population	<i>External medical services</i>	Yes	Yes	No

\*YOS is the Youthful Offender System. ISP-I is Intensive Supervision-Inmate status under which inmates are placed in the community and intensively supervised.

## External Medical Services

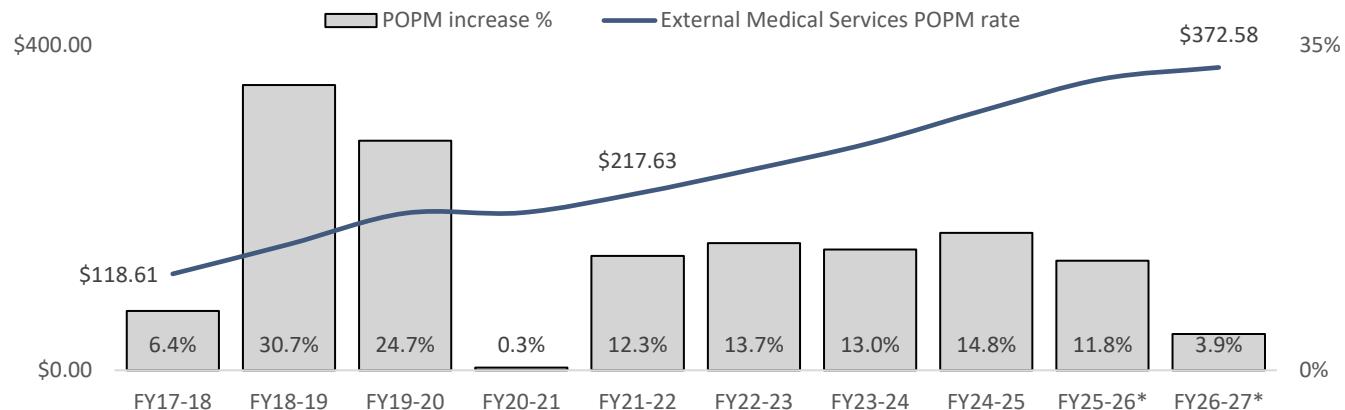
Medical care to inmates can be divided into two categories: internal care provided within DOC facilities, and external care provided outside of DOC facilities by contracted health care providers that offer specialty services, outpatient tests and procedures, more extensive emergency services, and inpatient hospital care. Inmates who receive external services must be accompanied by corrections officers, or by contractors who provide security.

The Department contracts with Correctional Health Partners (CHP) to manage external health care services for inmates. CHP reviews requests for external services, making sure that all suitable internal care options have been utilized before an inmate is sent out for external care. CHP also establishes a network of external specialty and institutional providers who treat DOC inmates. CHP verifies the resulting bills but the DOC makes the payments.

### Increase in the per-offender per-month (POPM rate)

The 11.8% increase in the POPM is slightly less than the average of about 13.5% in recent years. It has increased by a total of 126.4% over the past five years.

*External Medical Services, change in the rate (\$ and year-over-year change (%)*



Per the request, inpatient admissions and length of stay are key factors driving the external medical services POPM increase. Admissions are up about 9.0% over the previous year and length of stay is "trending to be 18.6% higher than last fiscal year." Similarly, outpatient authorizations are trending up about 17.6%. Lastly, the number of emergency care incidents have gone up.

It is possible that unavailable medical care *inside* DOC prisons increases the use of external medical care. In other words, it is possible that the DOC will send an inmate to a nearby hospital if/when the inmate needs care that would normally be handled internally, but cannot be due to clinical staffing shortages. This came up during JBC staff's tour of a prison during the interim.

Cost increases add to increased utilization. For example, the cost of emergency care increased from \$57.56 POPM to \$79.87 POPM over the past year or so.

#### Calculations for External Medical Services

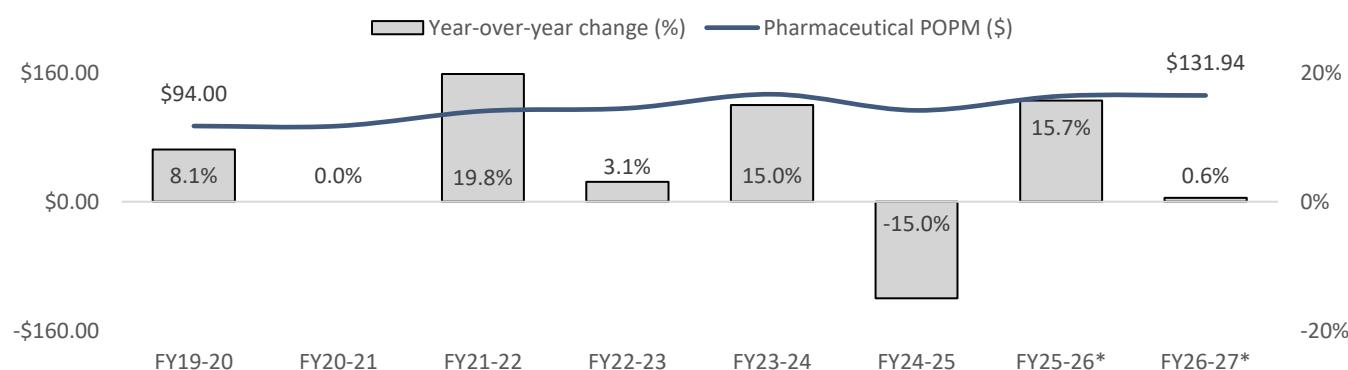
Line		FY 25-26	FY25-26	FY25-26
A	FY 25-26 Current external medical services appropriation	\$65,374,875	\$65,374,875	\$65,374,875
C	FY 25-26 Original projected population (Dec. 2024 DCJ forecast)	16,227	16,325	16,325
D	Projected population (Dec. 2025 DCJ forecast)	16,325	17,249	16,688
E	<i>Subtotal population change</i>	98	924	363
F	FY 25-26 Funded per-offender per-month rate (POPM)	\$320.84	\$320.84	\$320.84
G	Projected POPM rate		\$358.59	\$358.59
H	<i>Subtotal % change in POPM rate [ (G-F)/F ]</i>	14.8%	11.8%	11.8%
I	Subtotal projected base funding [ D * F or G * 12 ]	\$62,852,556	\$74,223,827	\$71,809,799
	Administrative charges			
J	Charge up to 14,000 inmates	\$2,310,000	\$2,310,000	\$2,310,000
K	Charge for inmates over 14,000	212,319	296,699	296,699
L	Subtotal administrative charges [ J + K ]	\$2,522,319	\$2,606,699	\$2,606,699
M	Total projected need [ I + L ]	\$65,374,875	\$76,830,526	\$74,416,498
N	Change from current levels [ M - A ]		\$11,455,651	\$9,041,623

#### Purchase of pharmaceuticals

This line item includes pharmaceutical expenses for inmates in DOC facilities, including the Youthful Offender System. It excludes inmates housed in private prisons, jails, and other non-DOC facilities. The per-offender per-month rate (POPM) is derived from actual incurred expenses and projected expenses.

The pharmaceutical POPM has been a bit more volatile. It shows a steady increase but year-over-year changes are less predictable than the *External Medical Services* POPM.

*Purchase of Pharmaceuticals*, change in the rate (\$) and year-over-year change (%)



The request explains the change in the POPM as follows.

"While the Department participates in the Federal 340B drug pricing program operated by the Health Resources & Services Administration (HRSA), DOC has experienced pricing increases over the past year. According to internal Pharmacy records, DOC has seen an overall price increase of 3.6% across 1,740 formularies not included in the 340B program. A total of 497 products increased on average by 18.8%, while 276 products decreased by an average of 11%. Fifteen of the formularies used by the Department have seen increases of 190.5% to an exorbitant 801.9%, while another 15 have seen price decreases ranging from 44.2% to 83.7%. For the remainder of FY 2025-26, the Department projects overall expenditures in the pharmaceuticals line of \$21M, creating a pharmaceutical POPM of \$131.15. This POPM reflects an increase of \$17.75 from the current FY 2025-26 funded level.

The Department intends to expand the 340B drug pricing program; however, due to new regulations surrounding the program, new hurdles have surfaced that will delay the intended expansion for some time. DOC has increased pharmacy staffing to support adherence to the Federal guidelines and is seeking entry into the new 340B Pilot Rebate Program, which goes into effect January 1, 2026. This program requires participating entities to purchase certain medications at full wholesale pricing and then submit an application for cost rebates on those medications. DOC utilizes seven of the ten identified drugs that have met HRSA criteria for the Pilot Program. There is no guarantee that the Department will be accepted for each rebate it applies for. The 340B Eligibility and Submissions Portal (ESP) Program is another new requirement aimed at eliminating duplicate accounts and Medicaid rebate filings due to an entity's subordinate participation in the program as a second or lower grant recipient. It requires online registration and is a necessary component of the overall 340B program in order for DOC to purchase certain medications. The Department is awaiting a Federal response regarding purchasing guidelines for the ability to register for participation.

DOC has also taken necessary steps toward the goal of expanding the 340B program by purchasing a new medication management software program that will aid in ordering, dispensing, and tracking various medications, and further ensure adherence to Federal guidelines governing continued use of the program."

#### ***Calculations for Purchase of Pharmaceuticals***

Line		FY 25-26 Current	FY 25-26 Request	FY 25-26 JBC Staff Rec
A	FY 25-26 Current appropriation	\$17,897,763	\$17,897,763	\$17,897,763
B	FY 25-26 Original projected prison population	16,325	16,325	16,325
C	FY 25-26 Supplemental projected prison population	16,325	17,249	16,688
D	Less FY 25-26 recommended private prison population	-2,968	-3,107	-3,107
E	Total FY 25-26 pharmaceutical population [ C + D ]	13,357	14,142	13,581
F	FY 25-26 Original projected POPM	\$113.40	\$113.40	\$113.40
G	FY 25-26 Supplemental projected POPM		\$131.15	\$131.15
H	<i>Subtotal % change in POPM rate [ (G-F)/F ]</i>		15.7%	15.7%
I	Total supplemental projected need [ E * F or G * 12 ]	\$17,897,763	\$22,256,680	\$21,373,778
J	Recommended change from current levels [ I - A ]		\$4,358,917	\$3,476,015

## → S3/R10 Offset - Transgender healthcare

Item	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	-\$3,681,100	-\$3,681,100	\$0	\$0	\$0	0.0
Recommendation	-3,681,100	-3,681,100	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	0.0

### 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 seeks to align the appropriation with recent and expected expenditures. Also, the Governor restricted this line item in Executive Order D 2025 014 (August 28, 2025).

The current appropriation of \$5.3 million General Fund was set in FY 2024-25 following a consent decree. This reflected the Department's estimate for a practice that it had not implemented before. The appropriation was under-utilized in its first year and half, leading to the current request. The request says the reduction "will not interfere with the Department's obligations in the Consent Decree as a result of *Raven v. Polis*.

The decrease includes the following key assumption about federal funding. "This estimate was developed under the assumption that Medicaid continues to cover transgender care. Colorado requires all health benefit plans, including Medicaid, to cover gender-affirming care."<sup>10</sup>

The request also proposes a change in process in future years. In short, future adjustments would be treated as technical adjustments. Technical adjustments may or may not rise to the level of a prioritized decision item for the JBC's consideration, but would be visible in budget documents. The request justifies the process change as consistent with legislative intent with respect to the consent decree. "The legislature affirmed Colorado's intent to comply with the *Raven v. Polis* Consent Decree by funding FY 2024-25 R-04 Transgender Unit and Healthcare in H.B. 24-1430."

The Department has indicated that this program or practice is Evidence-Informed.

## Recommendation

Staff recommends that the Committee approve the request.

<sup>10</sup> H.B. 25-1309 Protect Access to Gender-Affirming Health Care

## Reasons for the recommendation

- The Department reverted \$4.9 million of the \$5.3 million General Fund appropriation in the first year of implementation.
- Staff concluded that the Department's estimates are reasonable. The remaining appropriation would be \$1.6 million General Fund. This was calculated as follows:
  - An average of 200 inmates who identify as transgender women.
  - A study suggests the actual prevalence of gender-conforming surgery is between 5 and 25%, depending on the type of surgery. The Department used the midpoint of these estimates.
  - The Department applied these percentages to the figure of 200 inmates who identify as transgender women. This produces 18 inmates who may undergo genital surgery (9.0%) and 34 inmates who undergo breast surgery (17.0%).
  - The Department then applied current billing rates to the estimated population.

### **DOC request: Revised surgery estimate for gender-conforming care**

Procedure	Billing Rate	Prevalence Among DOC Population	Cost Estimate (Rate * Prevalence)
Orchiectomy	\$11,000	18	\$198,000
Mammoplasty	\$30,000	34	1,020,000
Vaginoplasty (assuming 81% covered by Medicaid)	\$15-25,000 (\$20,000 used for calculation)	18	68,400
<b>Subtotal</b>			<b>\$1,286,400</b>
<b>Contract for psychiatric services</b>			<b>350,000</b>
<b>Total revised appropriation</b>			<b>\$1,636,400</b>

## Additional information: Process for providing care

The Department provided the following information in the request.

"The Department provides medical care in accordance with generally accepted standards in the medical community, including, but not to exceed, the medical care covered by Colorado Medicaid. The state's Medicaid program currently covers behavioral health services, hormone therapy, gender confirmation surgeries, and other related medically necessary treatment for gender dysphoria. Gender-confirming surgery refers to several operations which align a person's physical characteristics with their gender identity. Transgender people may elect to have one or multiple such surgeries over several months or years or not undergo them at all. The Department worked with an independent medical consultant at Denver Health to provide guidance and expertise on DOC's revised clinical guidelines regarding care for transgender women and implemented the new guidelines in October 2024.

Shortly after the consent decree was finalized, the Department was able to hire a Gender Affirming Care (GAC) Specialist, who completed a re-assessment of every transgender inmate in DOC custody to assure proper medication dosing and assessment of any surgical requests. As outlined in Administrative Regulation 700-14, the workflow for a patient progressing through the gender affirming surgery process is as follows:

1. Once a patient requests gender affirming surgery, the GAC specialist assesses them to make sure they are medically able to undergo such a surgery.
2. The Gender Dysphoria Treatment Committee then reviews this information. If there is not an obvious medical exclusion, they move the request forward to the next step, the psychiatric assessment.
3. Psychiatric assessments are designed to evaluate the patient's ability to make such a decision and the ability to understand the consequence of the decision to undergo surgery. The psychiatric assessments are time-consuming. Psychiatrists spend approximately four hours with the patient, plus an additional 20 to 25 hours to complete the assessment. The Department has a contract with the University of Colorado to provide psychiatric services specifically for the transgender population.
4. After the psychiatry assessment is complete, the GAC specialist creates a consultation for the patient with the gender affirming specialists at Denver Health. Patients are referred to an external medical provider qualified to provide transgender surgery that cannot be provided by DOC. This process involves a second psychiatric evaluation and medical evaluations. The length of this process is intended to ensure a positive outcome for the patient. Every patient is different, and their desires and medical needs may change over the course of the evaluation process."

## **Additional information: How the Department pays for different kinds of care**

The Department provided the following information in the request.

"Transition-related healthcare, including psychiatric care, hormone therapy, and surgical procedures, is available to transgender men, non-binary, and gender nonconforming inmates in DOC custody. However, the costs of healthcare services and procedures for these inmates are paid out of the Department's standard medical caseload costs, rather than out of the Transgender Healthcare line item, since the latter was established specifically to fulfill the commitments made in the *Raven v. Polis* consent decree.

Besides gender-confirming surgery, the Transgender Healthcare line item has been used to pay for the psychiatry assessments described above. These psychiatry assessments were not part of the original cost analyses that produced the initial amount appropriated to the Transgender Healthcare line item. Because the Department has spent substantially less than was originally anticipated on medical procedures, this line item going forward can support the costs of psychiatric care without an additional appropriation. Although hormone therapy is a part of the treatment plan for transgender individuals, the Department is not currently using the Transgender Healthcare line item to pay for those medications. Hormone therapy is relatively inexpensive and is instead included in the Department's budgeting for the pharmacological needs for each individual."

## → S4/BA3 Medical and mental health contract services

Item	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$10,016,296	\$10,016,296	\$0	\$0	\$0	0.0
Recommendation	10,016,296	10,016,296	\$0	\$0	\$0	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	0.0

### 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 ongoing funding to pay for contract clinical workers filling vacant state positions. In the Department's words,

"DOC's ability to hire full-time employees (FTE) in clinical and behavioral health positions has been challenging for several years, even before the COVID-19 pandemic. DOC's vacancies in critical clinical care positions have remained high despite efforts to recruit and retain staff. This issue is especially apparent in facilities whose locations limit availability of qualified professionals, or where DOC must contend with competing employers...Compounding the issue, there is a national nursing shortage which is expected to continue through 2030."

The request is *in addition to* \$11.4 million in vacancy savings that the Department intends to use for this purpose. Contract workers cost more than clinical staff, so vacancy savings in the relevant line items cannot cover the full cost. The request states that contract staffing costs are, on average, "60% higher than the FTE cost, and that estimate relies on conservative averages of normal rates across all vendors with whom DOC contracts." The estimate excludes rates for travel nurses, mileage, and hotel costs.

The request seeks ongoing funding for this purpose because, "Many of these positions will likely never be filled by an FTE and the positions will need to be backfilled with agency staff through the contract service lines."

The request applies to contract service line items in the Medical Services Subprogram and the Mental Health Subprogram, with almost all of it—\$9.8 million—going to the Medical Services Subprogram. The request does not affect the Sex Offender Treatment Subprogram.

## Recommendation

Staff recommends approval of the supplemental request. The request demonstrates a clear gap between existing appropriations and expected costs based on about 4 months of actual expenses. It also provides data showing that vacancy savings cannot cover the gap. In fact, the data suggest a \$16.5 million total shortfall in personal services funding throughout the Department.

## Points to consider

### Centrally-appropriated compensation line items helped cover the gap in previous years

Centrally-appropriated compensation line items are also called "POTS." These line items include salary survey; step pay; health, life, and dental; unfunded PERA liability (ULAEDP); shift differential; short-term disability; and paid family and medical leave insurance. The Long Bill typically centralizes these line items in the Executive Director's Office. Agencies then transfer these appropriations to personal services line items throughout the Department. They can then spend those appropriations on things other than the originally intended purpose. For example, agencies can spend the *Health, Life, and Dental* appropriation on overtime, incentives, annual leave payouts, shift differential, ULAEDP, or contract staff to fill vacant state positions.

The DOC has been using increasingly large amounts of centrally-appropriated compensation funding to deal with unappropriated contract clinical staffing costs. It is not clear which appropriations were used for this purpose. For example, the data show that the DOC was over-appropriated in the *Health, Life, and Dental* line item by \$6.0 million General Fund in FY 2022-23. The Department may have used some or all of this amount for clinical contract staffing costs. The analysis in this document focuses on this issue and fiscal year-to-date data showing a projected \$16.5 million shortfall in personal services funding.

### Similar discussions during 2024 legislative session

The JBC contended with this issue during the 2024 legislative session. The Department requested a one-time increase of \$5.5 million General Fund for similar reasons. The JBC approved this request.

The DOC also requested a one-time increase of \$3.5 million General Fund for \$14,000 hiring incentives. The request aimed to recruit and retain hard-to-fill sex offender treatment and clinical positions across the state. The JBC and its staff discussed different approaches to the problem, including higher base pay and larger hiring incentives. It was very difficult to discern what contract agency workers earn after the contract agency takes a cut of the DOC's payment.

The JBC approved funding for \$25,000 hiring incentives in FY 2024-25. This was not intended to be an ongoing solution to the issue of inadequate pay for prison-based labor, especially in certain locations. The \$25,000 incentive helped the DOC hire and retain 129 clinical FTE (at least for a time). When the incentive ended, hiring decreased and separations increased.

### Inadequate pay is a key factor driving a shortage of state clinical staff

Inadequate pay is a key factor driving staffing shortages in clinical and treatment-oriented job classifications. For example, the DOC increased contract staff rates about four years ago to "attract the staff the Department needs", and continues to do so. Contract agencies told the Department that the its contract rates were too low. These agencies reportedly provided market-based justifications to support their argument. The DOC responded with higher rates and was subsequently able to "attract more qualified candidates." This costs the State more money but it allows the DOC to provide necessary services. The DOC also has more control over contract staffing rates. It does not have any control over pay ranges for state employee job classifications. Staff aims to discuss other supporting details during figure setting for FY 2026-27.

# Analysis

This analysis focuses on four key items:

1. The projected shortfall of funding for clinical contract staff
2. The large increase in spending on clinical contract staff since FY 2021-22.
3. How the Department used centralized compensation appropriations to costs.
4. The projected shortfall in total compensation funding for the third consecutive year.

## Clinical contract staffing funding shortfall

The DOC spent about \$10.3 million on clinical contract staff in the first 4 to 4.5 months of the current fiscal year. That suggests that the Department will spend a total of \$30.7 million General Fund by the end of the fiscal year.

The Department is only appropriated \$9.3 million General Fund for contract services in the Medical Services and Mental Health Subprograms. The Department expects that about 89 state clinical positions will be vacant, producing about \$11.4 million in vacancy savings that it can use to pay for contract staff. That leaves the Department about \$10.0 million short.

### Difference between projected expenses and current funding in the Medical and Mental Health Subprograms

Line	Subprogram	Actual expenses [1]	Projected need for full year [2]
A	Medical	7,405,415	\$20,122,737
B	Mental Health	2,918,379	10,583,919
C	Subtotal [ A + B ]	\$10,323,794	\$30,706,656

	Medical Services Subprogram	Available funding
D	Vacancy savings	\$7,606,980
E	Appropriations for contract services	2,745,978
F	Subtotal [ D + E ]	\$10,352,958
G	Funding shortfall [ F - A ]	-\$9,769,779

	Mental Health Subprogram	Available funding
H	Vacancy savings	\$3,806,754
I	Appropriations for contract services	6,530,649
J	Subtotal [ H + I ]	\$10,337,403
K	Funding shortfall [ J - B ]	-\$246,516
L	Total funding shortfall [ G + K ]	-\$10,016,295

[1] Billing through November 6, 2025.

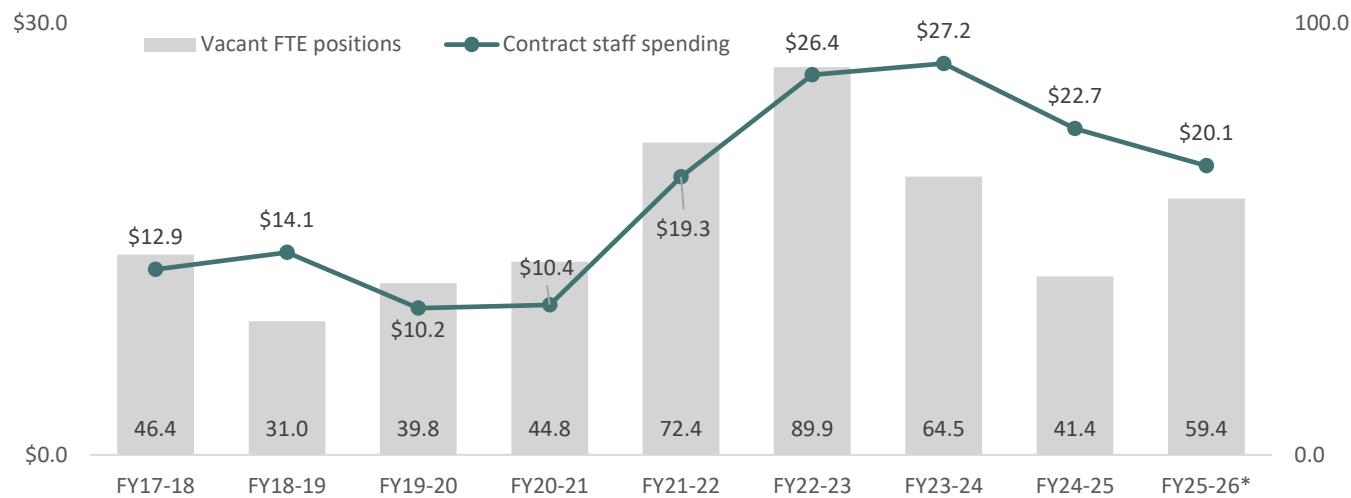
[2] For example, the DOC spent \$7.4 million for contract staffing in the Medical Services Subprogram in the first 4.5 months of the fiscal year. The projected expense is  $\$7.4/(4.5 \text{ months of billing}/12 \text{ months})$ .

[Analysis continues on the next page.]

## Rise in contract staffing expenses in recent years

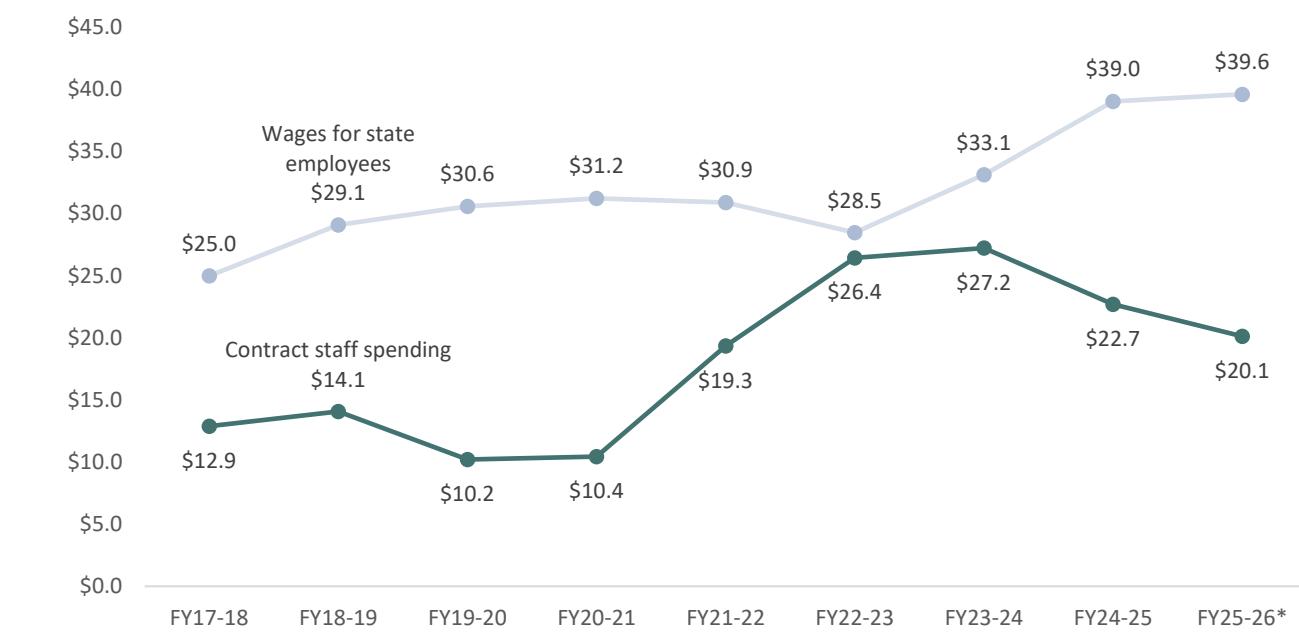
Vacant state employee positions and an increase in contract rates are driving an increase in spending for contract staff. The data for the Medical Services Subprogram show a spike in contract expenses from FY 2020-21 to FY 2023-24 as state FTE vacancies rose. In that same time period, the DOC increased contract staffing rates (see summary on page 16). So, even as the DOC started filling some clinical staff vacancies in FY 2023-24, contract staffing expenses remained elevated. These expenses continued to drop in FY 2024-25 as the DOC hired more state FTE, but they still remained above levels seen before contract rates increased.

An increase in contract staffing costs coincided with an increase in state clinical staffing vacancies (Medical Services Subprogram, \$ millions)



\*Projected

Spending on state FTE salaries as compared to contract staffing (Medical Services Subprogram, \$ millions)

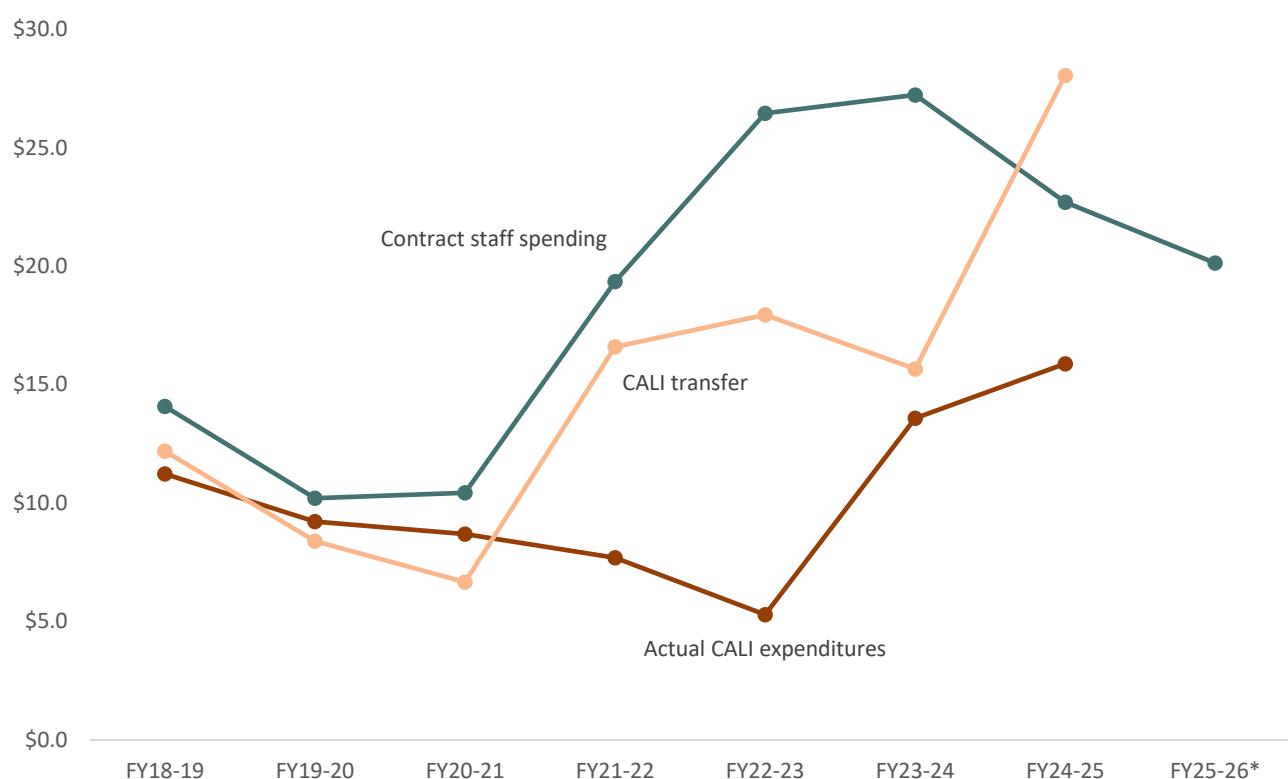


\*Projected

## Using centralized compensation appropriations to cover clinical contract staffing costs

Starting in FY 2021-22, the Department started transferring more money from centrally appropriated compensation line items (CALI) to the *Personal Services* line item in the Medical Services Subprogram. Actual spending those items did not match the transfer because the Department spent those funds on contract services. The dip in CALI transfers in FY 2023-24 stems from a supplemental appropriation of \$5.5 million for contract services and a transfer from unused contract funds in the Drug and Alcohol Treatment Subprogram. In other words, other sources of funding reduced the DOC's need to transfer money from centralized compensation line items to pay for clinical contract staff.

Comparing centrally appropriated (CALI) transfers to actual CALI expenses and contract staff spending (Medical Services Subprogram, \$ millions)



The Department was able to transfer increasing CALI amounts to Medical Services due to job vacancies in other job classifications and subdivisions, such as correctional officers. The total compensation process also plays a role. For example, if the Department employs fewer people than assumed by the total compensation process, it may underspend *Health, Life, and Dental* and other centralized compensation line items. Agencies can use excess appropriations for other compensation-related purposes, with some limitations.<sup>11</sup> These purposes include spending on contract staff.

<sup>11</sup> For example, the state agencies can use *Health, Life, and Dental* appropriations to pay for overtime, incentives and bonuses, and overruns in other centralized compensation line items, such as shift differential or ULAEDP. They cannot create new ongoing positions or provide permanent pay raises.

JBC staff is unable to tell which centralized compensation line items provided which amounts of money to the Medical Subprogram. However, staff can tell how actual expenditures for centralized appropriations compare to the appropriation on a department-wide basis. For example, staff found that the *Health, Life, and Dental* line item was over-appropriated for three consecutive years.<sup>12</sup> It is possible that the DOC used these excess appropriations to cover contract staffing costs.

#### Comparing the DOC's *Health, Life, and Dental* (HLD) appropriations to HLD expenditures

Health, life, and dental	FY 21-22	FY 22-23	FY 23-24	FY 24-25
General Fund appropriation	\$65,734,361	\$67,405,949	\$73,061,188	\$79,867,805
General Fund actual expenditure	63,217,974	61,410,142	70,688,406	80,237,449
Actual expenditure over/-under appropriation (\$)	-\$2,516,387	-\$5,995,807	-\$2,372,782	\$369,644
Actual expenditure over/-under appropriation (%)	-3.8%	-8.9%	-3.2%	0.5%

#### Total compensation shortfall projected for third consecutive year

The request explains that the DOC cannot use vacancy savings to pay for clinical contract services due to a projected shortfall in total funding for employee compensation. The following table shows how the DOC arrived at the projected \$16.5 million shortfall. The supplemental requests for clinical contract staff and the unfunded PERA liability (ULAEDP) would address about \$13.9 million of the shortfall. Staff also notes that Department is projecting an increase in overtime expenses. Last year the Department spent \$31.9 million General Fund on overtime and expects to spend about \$36.3 million in the current fiscal year.

#### DOC projected funding surplus/-shortfall in compensation-related line items in FY 2025-26

	FY 25-26 Appropriation	FY25-26 Projected Expenditure	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
Family and medical leave insurance	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
Clinical contract services (above appropriations)	\$0	\$21,918,088	-21,918,088
Total	\$693,652,728	\$710,129,235	-\$16,476,507

This is the third consecutive year that the Department would experience a shortfall in personal services funding. In FY 2023-24, it transferred \$7.2 million General Fund from various line items to cover the gap. In FY 2024-25, the JBC approved a June interim supplemental request for \$7.4 million related to shift differential and unfunded PERA liability payments. In the current fiscal year, the Department is seeking \$13.9 million for contract clinical staff funding and unfunded PERA liability payments.

<sup>12</sup> Staff's preliminary calculations suggest that the issue was not limited to the DOC. Staff found that the State over-appropriated *Health, Life, and Dental* by about \$18.0 million and \$24.4 million General Fund in FY 2022-23 and FY 2023-24.

## Summary

The data clearly show a projected shortfall in funding for clinical contract staff and total personal services funding. Staff recommends approval of the supplemental request on those grounds. However, there is a larger policy issue here with respect to base salaries for state clinical workers. This issue was not addressed in this analysis.

### Additional information: Difference between contract and state FTE costs

Classification	Average Regular Agency Contract Hourly Cost [1]	Midpoint FTE Hourly Cost for FTE Equivalent	State cost as % of contract cost
Certified Medication Assistant (QMAP)	\$41.10	\$26.54	64.6%
Certified Nursing Assistant (CN/A)	\$41.11	\$25.28	61.5%
Dental Assistant	\$41.38	\$25.28	61.1%
Dental Hygienist	\$81.34	\$37.35	45.9%
Dentist	\$185.83	\$88.21	47.5%
Emergency Medical Technician (EMT)	\$46.36	\$25.28	54.5%
Licensed Practical Nurse (LPN)	\$68.75	\$27.87	40.5%
Medical Assistant	\$39.60	\$24.08	60.8%
Nurse Practitioner (NP)	\$140.50	\$60.84	43.3%
Paramedic	\$53.41	\$27.87	52.2%
Pharmacist	\$108.46	\$70.43	64.9%
Pharmacy Technician	\$40.56	\$24.08	59.4%
Phlebotomist	\$43.38	\$30.73	70.8%
Physician Assistant (PA)	\$141.34	\$60.84	43.0%
Physician	\$146.91	\$75.54	51.4%
Registered Nurse (RN)	\$89.44	\$52.55	58.8%
Ward Clerk	\$35.12	\$25.28	72.0%
X-Ray Technician	\$65.72	\$33.88	51.6%
Licensed Professional Counselor	\$87.98	\$47.67	54.2%
Licensed Professional Counselor Candidate	\$80.40	\$43.23	53.8%
Licensed Clinical Social Worker	\$87.98	\$47.67	54.2%
Licensed Social Worker	\$81.73	\$43.23	52.9%
Licensed Marriage and Family Therapist	\$81.65	\$43.23	52.9%
Licensed Marriage and Family Therapist Candidate	\$81.73	\$43.23	52.9%
Licensed Psychologist (Will attempt to fill)	\$115.15	\$50.05	43.5%
Psychologist Candidate (Will attempt to fill)	\$105.95	\$45.40	42.9%
Licensed Addiction Counselor	\$86.70	\$47.67	55.0%
Certified Addiction Counselor II or III	\$85.45	\$39.22	45.9%
Full Operating Level Sex Offender Treatment Provider	\$91.78	\$47.67	51.9%
SOMB Evaluator	\$103.80	\$47.67	45.9%
SOMB Supervisor	\$107.20	\$50.25	46.9%
Total List Average	\$84.12	\$43.17	53.4%

[1] Per the DOC, these are the rates paid to the contract agency vendor, not the amount necessarily paid to the contracted employee. Agency vendors typically will not disclose this information.

## → S5/BA4 Unfunded PERA liability shortfall

Item	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$3,857,995	\$3,857,995	\$0	\$0	\$0	0.0
Recommendation	0	0	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	-\$3,857,995	-\$3,857,995	\$0	\$0	\$0	0.0

### 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 funding to address a projected shortfall in the *Unfunded Liability Amortization Equalization Disbursement Payment* (ULAEDP) line item. This line item supports payments to the Public Employees Retirement Association (PERA) to address PERA's unfunded liability.

This problem is in its fourth year, possibly driven by overtime and periodic incentive payments. The total compensation process calculates the ULAEDP appropriation at 10.0% of total compensation for state employees. The total compensation figure includes base salaries, salary increases, step pay, and shift differential. It does not include overtime or unbudgeted incentive payments.<sup>13</sup> It is also possible that the Department continually hires more people than were included in the total compensation templates. These templates show a snapshot of employees on payroll at the end of July, plus unfilled positions that the Department assumes it will hire.

The Department cannot cover the projected shortfall with vacancy savings. The Department absorbed the over-expenditure in FY 2021-22 and FY 2022-23 when vacancies were very high. Starting in FY 2023-24, vacancy savings were unable to cover the shortfall due to fewer vacancies and cost overruns in other areas such as contract clinical staff and overtime.

Shortfalls in ULAEDP coincide with shortfalls in total funding for personal services. In other words, total spending for all employee compensation exceeded appropriations, even when accounting for vacancy savings. These shortfalls exceeded \$7.0 million General Fund in FY 2023-24 and FY 2024-25. The Department projects a shortfall of \$16.5 million in the current fiscal year. This request, along with the request for contract clinical staff funding, aim to address most of this projected shortfall (see table on the next page).

Per the request, "The Department will work with the Office of State Planning and Budgeting (OSPB) and Department of Personnel and Administration (DPA) to implement a long-term fix that ensures that the Total Compensation methodology fully covers the ULAEDP need going forward beginning in FY 2027-28."

<sup>13</sup> Incentive payments approved through the budget process usually include appropriations for ULAEDP.

## Shortfalls in the DOC's funding for ULAEDP and total compensation, FY 2021-22 to present (General Fund only)

ULAEDP	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
General Fund appropriation	\$37,683,402	\$37,290,226	\$37,849,554	\$42,607,724	\$43,808,406
General Fund actual expenditure [1]	37,759,008	40,133,677	43,238,200	46,958,662	47,666,401
Actual expenditure over/-under approp.	\$75,606	\$2,843,451	\$5,388,646	\$4,350,938	\$3,857,995
	0.2%	7.6%	14.2%	10.2%	8.8%
Total personal services shortfall, including ULAEDP	n/a	n/a	\$7,163,571	\$7,375,408	\$16,476,507
Source of coverage for total personal services shortfall, including ULAEDP	Vacancy savings	Vacancy savings	Transfers from line items for local jails, utilities, and drug and alcohol treatment.	Interim supplemental	Regular supplemental

[1] Source: For FY 2021-22 through FY 2024-25, the Office of the State Controller, expenditure object codes 1524 and 1525. For FY 2025-26, S5/BA4 Unfunded PERA liability shortfall.

## Recommendation

Staff recommends that the Committee delay action on this request until figure setting. At the time of this writing, the Executive Branch has not thoroughly explained why this keeps happening.

### Reasons for the recommendation

The ULAEDP shortfall clearly exists but it is not very clear why. There are a few questions that lack sufficient answers at this time. The first set of questions relate to spending. How exactly is ULAEDP calculated and paid out? It is 10.0% of what, exactly? What is the statutory basis for how ULAEDP is paid out?

The second set of questions relate to the process for setting appropriations and the factors driving the gap between appropriations and spending. Why is the total compensation process continually off by 8-14 percent on an annual basis for the DOC? To that point, staff found that some state agencies constantly underspend the General Fund appropriation for ULAEDP, while a few agencies constantly overspend. It is not clear why these issues persist in some agencies and not in others.

What happens when agencies underspend the General Fund appropriation for ULAEDP? Staff's working hypothesis is that unspent General Fund does not revert to the General Fund. Rather, agencies presumably spend it on other compensation-related things. There are limits to that spending. For example, agencies cannot use it to hire a new FTE. However, many different expenses are allowed, such as incentives and overtime. If the General Assembly appropriates funding for PERA's unfunded liability, should it expect that state agencies spend it for that purpose?

## Analysis

### The DOC's description of the issue

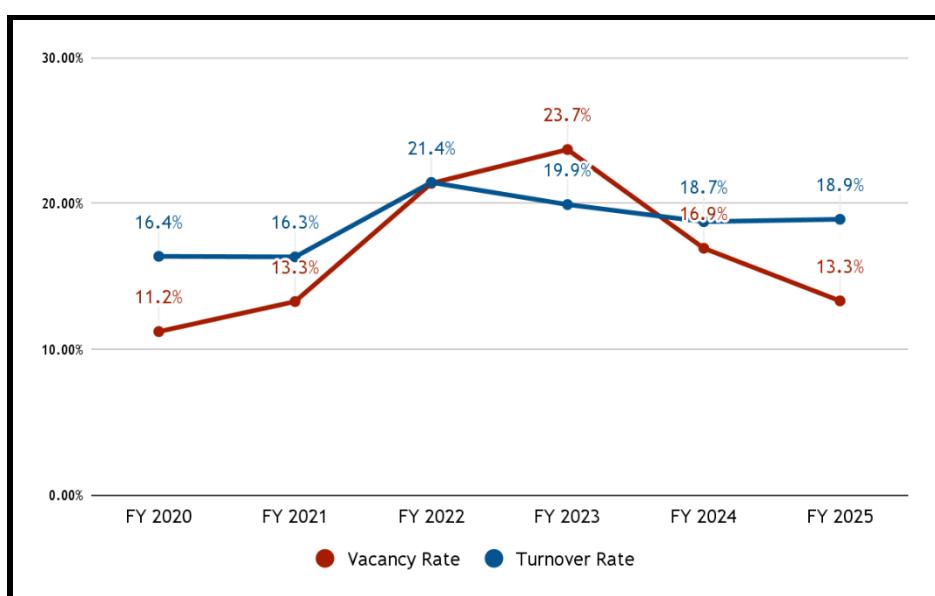
The DOC provided the following information in the request.

"[ULAEDP] has been underfunded, and in previous years, the Department covered the gap using vacancy savings. The Total Compensation process determines the annual request for ULAEDP by applying a 10% calculation to a subset of personnel-related costs (primarily, base salaries for employees, with adjustment for certain factors such as Shift Differential, Salary Survey, and Step Pay. However, this calculation does not take into account overtime costs, among others. As the state agency employing the largest number of classified staff, with consistently high overtime costs and periodic incentive bonuses, the ULAEDP allocation has been inadequate over the past five fiscal years..."

... These funding gaps were traditionally covered through vacancy savings (salary savings from unfilled positions) within the Department. In previous years, DOC had relatively high vacancy rates, which generated enough savings to offset ULAEDP overruns. However, the Department's success in recruiting and retaining staff has significantly reduced vacancies (see Figure 1). With fewer vacancy savings available and ULAEDP being underfunded in the base, the Department can no longer cover the shortfall internally."

The Department first brought these issues to the attention of OSPB and the JBC at the end of FY 2023-24, when the Department faced a budget shortfall in Personal Services. At that time, the Department was directed to continue to use the current Total Compensation process to remain consistent with the rest of the State. During the FY 2024-25 supplemental hearing at the JBC, the JBC Staff Analyst highlighted these concerns in the JBC Supplemental Budget Requests FY 2024-25 for DOC."

**Figure 1: DOC Vacancy and Turnover Rates<sup>14</sup>**



<sup>14</sup> Per data received from DOC Human Resources. Note that turnover rates shown include: retirements, deaths, and military / temporary appointments. As of 07/16/2025, there are 391 employees eligible for full retirement.

## JBC staff preliminary research on ULAEDP appropriations and expenditures

JBC staff wondered if this issue was limited to the Department of Corrections. Staff's preliminary research suggests it is common for agencies to constantly over- or under-spend the General Fund appropriation for the ULAEDP line item. The total dollars pale in comparison to the DOC's issue, but the percentages sometimes exceed those seen in the DOC. JBC staff cannot currently explain why this is happening, how much reverts to the General Fund, and what happens with the money if it does not revert. The figures below assume that actual expenditures reported by the Controller's Office, by object code and fund source, are accurate.

### Department of Public Safety: ULAEDP spending compared to appropriations (General Fund only)

Unfunded liability amortization equalization disbursement	FY 21-22	FY 22-23	FY 23-24	FY 24-25
General Fund appropriation	\$3,843,254	\$5,168,362	\$	6,878,408
General Fund actual expenditure	3,236,877	4,402,347	5,286,473	6,288,330
Actual expenditure over/-under appropriation (\$)	-\$606,377	-\$766,015	-\$536,315	-\$590,078
Actual expenditure over/-under appropriation (%)	-15.8%	-14.8%	-9.2%	-8.6%

### Department of Revenue: ULAEDP spending compared to appropriations (General Fund only)

Unfunded liability amortization equalization disbursement	FY 21-22	FY 22-23	FY 23-24	FY 24-25
General Fund appropriation	\$3,994,154	\$4,689,374	\$4,792,814	\$5,784,562
General Fund actual expenditure	3,407,825	4,044,794	4,430,638	4,767,919
Actual expenditure over/-under appropriation (\$)	-\$586,329	-\$644,580	-\$362,176	-\$1,016,643
Actual expenditure over/-under appropriation (%)	-14.7%	-13.7%	-7.6%	-17.6%

### Department of Law: ULAEDP spending compared to appropriations (General Fund only)

Unfunded liability amortization equalization disbursement	FY 21-22	FY 22-23	FY 23-24	FY 24-25
General Fund appropriation	1,077,082	1,334,998	1,597,904	1,849,860
General Fund actual expenditure	684,567	1,021,613	1,212,552	1,397,295
Actual expenditure over/-under appropriation (\$)	-\$392,515	-\$313,385	-\$385,352	-\$452,565
Actual expenditure over/-under appropriation (%)	-36.4%	-23.5%	-24.1%	-24.5%

### Department of Agriculture: ULAEDP spending compared to appropriations (General Fund only)

Unfunded liability amortization equalization disbursement	FY 21-22	FY 22-23	FY 23-24	FY 24-25
General Fund appropriation	591,724	647,934	879,206	944,247
General Fund actual expenditure	568,097	534,507	615,685	739,729
Actual expenditure over/-under appropriation (\$)	-\$23,627	-\$113,427	-\$263,521	-\$204,518
Actual expenditure over/-under appropriation (%)	-4.0%	-17.5%	-30.0%	-21.7%

### Governor's Office: ULAEDP spending compared to appropriations (General Fund only)

Unfunded liability amortization equalization disbursement	FY 21-22	FY 22-23	FY 23-24	FY 24-25
General Fund appropriation	1,014,308	1,225,562	1,380,084	1,662,282
General Fund actual expenditure	1,184,670	1,299,267	1,566,651	1,828,673
Actual expenditure over/-under appropriation (\$)	\$170,362	\$73,705	\$186,567	\$166,391
Actual expenditure over/-under appropriation (%)	16.8%	6.0%	13.5%	10.0%

### Department of Natural Resources: ULAEDP spending compared to appropriations (General Fund only)

Unfunded liability amortization equalization disbursement	FY 21-22	FY 22-23	FY 23-24	FY 24-25
General Fund appropriation	1,977,394	2,018,346	2,035,210	2,236,382
General Fund actual expenditure	1,872,877	2,064,452	2,216,732	2,428,897
Actual expenditure over/-under appropriation (\$)	-\$104,517	\$46,106	\$181,522	\$192,515
Actual expenditure over/-under appropriation (%)	-5.3%	2.3%	8.9%	8.6%

## Additional information: What are Unfunded Liability Amortization Equalization Disbursement Payments?

The State appropriates money to assist with the amortization of PERA's unfunded liability. Appropriations are 10.0% of total payroll. Statute says that total payroll is calculated by applying the statutory definition of "salary." Statute defines "salary" as follows.

### For those who were PERA members on June 30, 2019

Salary is compensation for services rendered to an employer and includes:

- Regular salary or pay;
- Any pay for administrative, sabbatical, annual, sick, vacation, or personal leave and compensation for unused leave converted to cash payments;
- Pay for compensatory time or holidays;
- Payments by an employer from grants;
- Amounts deducted from pay pursuant to tax-sheltered savings or retirement programs;
- Amounts deducted from pay for a health savings account any other type of retirement health savings account program;
- Performance or merit payments, if approved by the board;
- Special pay for work-related injuries paid by the employer prior to termination of membership; and
- Retroactive salary payments pursuant to court orders, arbitration awards, or litigation and grievance settlements.

Salary is not:

- Commissions;
- Compensation for unused sick, annual, vacation, administrative, or other accumulated paid leave contributed to a health savings account or a retirement health savings program;
- Housing allowances;
- Uniform allowances;
- Automobile usage;
- Insurance premiums;
- **Dependent care assistance;**
- Reimbursement for expenses incurred;
- Tuition or any other fringe benefits, regardless of federal taxation;
- Bonuses for services not actually rendered, including, but not limited to, early retirement inducements, Christmas bonuses, cash awards, honorariums and severance pay, damages, except for retroactive salary payments paid pursuant to court orders or arbitration awards or litigation and grievance settlements, or payments beyond the date of a member's death.

### For those who were not PERA members on June 30, 2019

Salary is compensation for services rendered to an employer and includes:

- Regular salary or pay;
- Any pay for administrative, sabbatical, annual, sick, vacation, or personal leave and compensation for unused leave converted to cash payments;

- Pay for compensatory time or holidays;
- Payments by an employer from grants;
- Amounts deducted from pay pursuant to tax-sheltered savings or retirement programs;
- Amounts deducted from pay for a health savings account or any other type of retirement health savings account program;
- **Amounts deducted from pay pursuant to a cafeteria plan;**
- **A qualified transportation fringe benefit plan;**
- Performance or merit payments, if approved by the board;
- Special pay for work-related injuries paid by the employer prior to termination of membership; and
- Retroactive salary payments pursuant to court orders, arbitration awards, or litigation and grievance settlements.

Salary is not:

- Commissions;
- Compensation for unused sick, annual, vacation, administrative, or other accumulated paid leave contributed to a health savings account or a retirement health savings program;
- Housing allowances;
- Uniform allowances;
- Automobile usage;
- Insurance premiums **paid by employers;**
- Reimbursement for expenses incurred;
- Tuition or any other fringe benefits, regardless of federal taxation;
- Bonuses for services not actually rendered, including, but not limited to, early retirement inducements, Christmas bonuses, cash awards, honorariums and severance pay, damages, except for retroactive salary payments paid pursuant to court orders or arbitration awards or litigation and grievance settlements, or payments beyond the date of a member's death.

## → S6 Food service inflation

Item	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$620,471	\$620,471	\$0	\$0	\$0	0.0
Recommendation	620,471	\$620,471	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	0.0

### 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 funding for adequate food service operations. The current food service operating budget<sup>15</sup> serves all state prisons except for those located on the Pueblo campus.<sup>16</sup> This line item has always supported many different types of expenditures, with food and food-related supplies consuming most of the budget. The next biggest expenses are for the repair, maintenance, and purchase of the equipment that allows the DOC to prepare the food.

Per the request, raw food supplies are consuming a larger portion of the existing budget. This reduces the budget available for equipment and related maintenance. In the Department's words, "This significant increase in food expenditures has forced the Department to allocate a disproportionate amount of funding toward food procurement, at the direct expense of critical maintenance and replacement of food service equipment. This dynamic creates a vicious cycle where cost-saving measures in food are undermined by increased operational inefficiencies and emergency expenses caused by equipment failures."

## Recommendation

Staff recommends approval of the request.

### Reasons for the recommendation

- JBC staff and the Department arrived at similar figures through different means. The Department's calculations are solid and probably more accurate than JBC staff's because they rely on more recent data. The point is that JBC staff independently corroborated the Department's projected shortfall.
- The request is clear about what the Department needs and the challenges it faces. It provides specific examples of things the Department does to contain costs. For example, incorporating leftover beans into soups or chilis and taking advantage of opportunities to buy key foods (e.g. diced chicken) in bulk, resulting in two months of savings. It also provides examples of the consequences when equipment fails.

<sup>15</sup> *Operating Expenses* in the Food Service Subprogram.

<sup>16</sup> Pueblo campus includes San Carlos, La Vista, and the Youthful Offender System.

## Analysis

### Corroborating the factors driving the request

The Department's calculations are solid and probably more accurate than JBC staff's because they rely on more recent data. The Department calculated an average cost daily meal cost based on September 2025 data. This average cost includes related equipment maintenance and supplies. It then applied these figures across the full fiscal year to show a projected shortfall.

#### DOC Request: Total regular meal cost per day

Average cost per individual meal	Repair/Maintenance of Equipment	Supplies	Total average cost per meal	Total average daily meal cost per inmate	Total cost per day [1]
\$1.42	\$0.09	\$0.12	\$1.63	\$4.89	\$57,257

[1] Average daily mean cost per inmate multiplied by 11,709, which was the population of select state prisons in September 2025. The population is calculated by subtracting La Vista, San Carlos, Youthful Offender System, and the two private prisons, (these facilities are funded through their own appropriations) the number of inmates on a Kosher diet (344), and the number of inmates on a Halal diet (173) from the total population to identify inmates served by the Food Service Subprogram Operating Expenses line.

#### DOC request: Projected annual meal cost (Regular + kosher + halal)

Line	Category	Cost
A	Regular meal cost per day	57,257
B	FY 2025-26 Total Projected Annual Meal Cost (A*365)	20,898,809
C	FY 2025-26 LB Appropriation	21,703,298
D	FY 2025-26 Estimated Remaining (C-B)	\$804,489
E	Raw food % of Appropriation (regular meals) (B / C)	96.3%
F	Add kosher meal costs (raw food and supplies)	\$1,107,410
G	Add halal meal costs (raw food and supplies)	317,550
H	Remaining appropriation/-shortfall ( D – F – G)	-\$620,471

JBC staff independently calculated a similar figure using actual expenditures from prior fiscal years and actual expenditures from July through November 2025. Staff looked at raw food and food supplies costs, along with major expenses for equipment and the repair and maintenance of that equipment. Staff based total raw food costs in the current year on the DOC's actual expenditures from July through November 2025. Current year costs for equipment, repair, and maintenance reflect the average from the prior four fiscal years. JBC staff's calculations suggest that the increase in raw food costs will crowd out funding for the equipment that the Department uses to prepare that food.

#### JBC staff calculations: Projected shortfall in Food Service *Operating Expenses*

Object Code	Object name	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Estimated
3118	Food and Food Service Supplies	14,566,850	19,224,211	18,763,619	19,048,687	19,936,157
3128	Noncapitalizable Equipment	400,081	205,643	226,964	295,993	\$282,170
3126	Repair and Maintenance	438,591	340,508	408,649	402,624	397,593
3110	Supplies and materials	553,366	596,736	696,911	1,010,579	714,398
6280	Other Capital Equipment - Direct Purchase	983,607	634,216	1,092,346	700,236	852,601
	Subtotal	\$2,375,645	\$1,777,104	\$2,424,870	\$2,409,432	\$2,246,763
	Total	\$16,942,495	\$21,001,315	\$21,188,489	\$21,458,119	\$22,182,919
	Current appropriation					21,703,298
	Projected shortfall					-\$479,621

## Addition information from the request

### Cost saving measures

The Department provided the following information in the request.

"The Department is proactively working to mitigate food costs by purchasing in bulk, implementing systems to more accurately track meals served, and producing menu items that promote the reduction of waste. The menu rotates on a four-week cycle, allowing more accuracy for facilities to plan meals based on current bed counts. The Department staff routinely works to identify ways to reduce food costs, improve safety and security in the kitchens, and update training on food safety, including regulatory changes. The Department is committed to making improvements and being responsible fiscal stewards. The Food Service Administration Office has created standardized production sheets to include: recipes, utensils used, safety requirements, and space to note if there was enough food made. This allows staff to adjust quantities where production was deficient or exceeded the need, creating excessive waste. Should the prepared amount fall short of feeding the population, the staff will prepare additional food to complete the meal service and document the shortfall. The Department makes every effort to utilize remaining food for another meal. An example of this is incorporating leftover beans into a soup or chili meal for an upcoming recipe.

The Food Service Administration Office, Warehouse Manager, and the Department's Procurement office meet regularly to discuss anticipated commodity availability, pricing, and secure buying power to receive the best pricing possible for products used in meal preparation. The Department also participates in "buying opportunities" such as purchasing poultry at a vastly reduced price. For example, the Department purchased a semi-trailer of diced chicken at a price much lower than what the Department typically pays per pound for chicken thigh meat. This was a sensible substitution for the menu DOC employs, resulting in approximately two months of cost savings.

Despite proactive menu adjustments to combat continuous food cost increases, the Department cannot overcome the issue with its current appropriation. The Department has incorporated measures to utilize substitution items; for example, replacing canned plums with more affordable options, such as mandarin oranges or pineapple, to further mitigate rising costs. However, the average cost per meal (raw food only) has increased from \$1.34 in March 2024 to \$1.42 in September 2025, a 6% increase. "

### Challenges facing the Food Service Subprogram

The Department provided the following information in the request.

"A critical challenge facing the Food Service subprogram is the inability to adequately maintain and replace aging food service equipment due to escalating food costs consuming a larger portion of the budget. This underfunding has led to:

- Increased Overtime and Staff Burden: Equipment breakdowns during meal preparation frequently necessitate staff working extended hours, incurring significant overtime costs. Staff often attempt self-repairs, which are not sustainable solutions.

- Higher Operational Costs: Inoperable bakery equipment, such as proofers, forces the Department to purchase staple items like bread from outside vendors. This significantly increases meal costs; for example, vendor-procured bread rolls cost \$0.23/roll compared to \$0.07/roll produced in-house. For a population of 1,000 inmates requiring one roll per week, this equates to an annual expenditure increase of \$8,320 for a single facility.
- Emergency Expenses: Equipment failures lead to operational downtime, including sourcing replacement parts/equipment, menu changes, and repair delays. Emergency expenses, such as overnight delivery costs for parts, are frequently incurred and charged to the Operating Expenses line.
- Compromised Food Quality and Increased Waste: Malfunctioning equipment directly impacts food quality. For instance, a failing proofer in bakeries leads to irregularly shaped, overly airy, or dense bread products, resulting in waste and potentially compromising the palatability of meals.
- Heightened Security Risks: Equipment failures can create security vulnerabilities. When the bakery proofer is inoperable, staff must move the dough into the main cooking areas, increasing the risk of inmates accessing yeast for illicit alcohol production.

This significant increase in food expenditures has forced the Department to allocate a disproportionate amount of funding toward food procurement, at the direct expense of critical maintenance and replacement of food service equipment. This dynamic creates a vicious cycle where cost-saving measures in food are undermined by increased operational inefficiencies and emergency expenses caused by equipment failures."

The Department is currently working on a new methodology for calculating food and related equipment costs pursuant to the recommendations in the recent audit of the Department's budget practices.

## → S7/BA6 Reduce Correctional Industries spending authority

Item	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	-\$15,898,286	\$0	-\$3,758,540	-\$12,139,746	\$0	0.0
Recommendation	-15,898,286	\$0	-\$3,758,540	-\$12,139,746	0	0.0
Staff Recommendation Higher/-Lower than Request		\$0	\$0	\$0	\$0	0.0

### 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 aims to align cash and reappropriated fund spending authority with actual expenses. It is calculated to provide a 20% margin to allow growth of the existing programs and future programmatic expansion. The request tracks with Recommendation 6 of the Evaluation of Colorado Department of Corrections Budgeting Practices audit.

### CI line items affected by the request, FY 2025-26 and FY 2026-27

Line Item	Total Funds	Cash Funds	Reappropriated Funds
Personal Services	-4,670,305	-1,832,581	-2,837,724
Operating Expenses	1,349,537	357,063	992,474
Raw Materials	-13,593,749	-2,694,906	-10,898,843
Inmate Pay	1,016,231	411,884	604,347
Total	-\$15,898,286	-\$3,758,540	-\$12,139,746

## Recommendation

Staff recommends that the Committee approve the request.

## Analysis

Colorado Correctional Industries (CCI) is a state enterprise. It provides inmates with training in various job skills while generating revenues through the sale of products and services provided to other government agencies and to the general public.

Per the request, CCI currently operates 19 shops across the state. The major businesses operated by CCI include the manufacturing and shipping of automobile license plates, a metal fabrication shop, a garment production operation, a dog training program, a leather and saddle shop, and a State Wildland Inmate Fire Team (SWIFT) that provides fire suppression and mitigation services throughout the state. Its customers primarily consist of local, state, and federal government entities.

## Budget audit findings

The budget audit explained that CI has generally not been profitable over the past decade or more. That changed in the last couple of fiscal years, along with statutory changing CI's purpose from profit to rehabilitation.

"While CCI has generally not been profitable over the past decade – expenses exceeded revenues for nine consecutive years – it achieved positive net cash flow in the two most recent fiscal years (Fiscal Years 2022-2023 and 2023-2024). Additionally, the CCI account had a negative ending fund balance for most of the past decade. However, current statutes and Department policies do not mandate that CCI operate profitably. Specifically, recent legislative changes [SB 25-050 amending Section 17-24-106, C.R.S.] removed previous language emphasizing profitability to offset incarceration costs. Instead, the primary purpose of CCI is now stated in statute to be "developing programs that promote successful rehabilitation, reentry, and reintegration into the community."<sup>17</sup>

Table 23: CCI Account Cash Flow, Fiscal Year 2013-2014 to Fiscal Year 2023-2024\*

Fiscal Year	Revenue	Expenses	Revenue (-) Expenses (Net Cash Flow)	Ending Fund Balance**
FY 2013-2014	\$47,052,371	\$47,070,778	\$(18,407)	\$23,473,986
FY 2014-2015	\$48,876,690	\$50,336,798	\$(1,460,108)	\$(4,532,268)
FY 2015-2016	\$50,846,535	\$55,128,616	\$(4,282,081)	\$(9,268,088)
FY 2016-2017	\$47,766,986	\$56,414,890	\$(8,647,904)	\$(17,915,993)
FY 2017-2018	\$56,399,445	\$71,417,355	\$(15,017,910)	\$(34,320,637)
FY 2018-2019	\$48,711,367	\$50,874,166	\$(2,162,799)	\$(4,745,402)
FY 2019-2020	\$37,180,345	\$43,882,844	\$(6,702,499)	\$(39,125,469)
FY 2020-2021	\$34,965,885	\$37,838,897	\$(2,873,012)	\$(22,194,586)
FY 2021-2022	\$33,246,847	\$36,247,923	\$(3,001,076)	\$(21,005,104)
FY 2022-2023	\$26,256,055	\$26,049,153	\$206,902	\$(15,307,475)
FY 2023-2024	\$26,064,507	\$24,450,477	\$1,614,030	\$(7,722,197)

Source: Department of Corrections Schedule 9 Reports

\* Schedule 9 reports provide two prior years of actuals. Values in this table are the most recently reported actual for each fiscal year as reported in Schedule 9 reports.

\*\* Fund balance includes all assets and liabilities for the cash fund; change in fund balance is not expected to equal net cash flow in year.

Improved financial health stems from restructuring in 2022, which lead to the closure of several underperforming shops. These closures reduced expenditures. However, the Long Bill was not consistently updated to reflect major changes in revenue and spending. This led to appropriations that were much higher than necessary and large related reversions. The evaluators recommended, among other things, that the DOC adjust appropriations to more accurately represent actual revenues and expenditures.

<sup>17</sup> PFM, "Evaluation of Colorado Department of Corrections Budgeting Practices." Office of the State Auditor. May 30, 2025. [https://content.leg.colorado.gov/sites/default/files/documents/audits/2455p\\_evaluation\\_of\\_colorado\\_department\\_of\\_corrections\\_budgeting\\_practices.pdf](https://content.leg.colorado.gov/sites/default/files/documents/audits/2455p_evaluation_of_colorado_department_of_corrections_budgeting_practices.pdf). Pages 76-77.

## Line-by-line spending history

### ***Personal Services appropriation and spending history (Cash and reappropriated funds)***

	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Appropriated	14,536,785	14,305,728	14,630,116	14,165,645	14,401,606
Expended	11,509,155	9,306,104	6,093,668	5,615,695	5,916,031
Over/-under expenditure	-\$3,027,630	-\$4,999,624	-\$8,536,448	-\$8,549,950	-\$8,485,575
Percent spent	79.2%	65.1%	41.7%	39.6%	41.1%

### ***Operating Expenses appropriation and spending history (Cash and reappropriated funds)***

	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Appropriated	6,689,926	5,694,639	6,916,298	5,846,798	5,846,798
Expended	4,560,923	5,219,054	4,796,065	5,607,687	5,628,317
Over/-under expenditure	-\$2,129,003	-\$475,585	-\$2,120,233	-\$239,111	-\$218,481
Percent spent	68.2%	91.6%	69.3%	95.9%	96.3%

### ***Raw Materials appropriation and spending history (Cash and reappropriated funds)***

	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Appropriated	30,137,730	24,060,986	24,491,347	24,491,347	24,491,347
Expended	10,822,999	11,136,531	10,873,536	9,501,417	9,235,195
Over/-under expenditure	-\$19,314,731	-\$12,924,455	-\$13,617,811	-\$14,989,930	-\$15,256,152
Percent spent	35.9%	46.3%	44.4%	38.8%	37.7%

### ***Inmate Pay appropriation and spending history (Cash and reappropriated funds)***

	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Appropriated	2,752,239	2,750,000	2,750,000	2,750,000	2,750,000
Expended	1,523,792	2,558,623	2,128,928	1,804,108	2,142,717
Over/-under expenditure	-\$1,228,447	-\$191,377	-\$621,072	-\$945,892	-\$607,283
Percent spent	55.4%	93.0%	77.4%	65.6%	77.9%

## → S8/BA7 Offset - Dress out

Item	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	-\$400,000	-\$400,000	\$0	\$0	\$0	0.0
Recommendation	-400,000	-\$400,000	\$0	\$0	0	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	0.0

### 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 General Fund budget balancing.

## Request

The request aims to align the appropriation with actual expenditures and assist with the overall budget shortfall. The *Dress Out* line item provides alternate clothing, transportation out of the facility, and release funds of up to \$100 for inmates discharging their sentence or otherwise releasing from a DOC facility. Funds are only provided to inmates on their first release only. They are not provided for parole revocations or other subsequent re-confinements. This is all required by statute.<sup>18</sup>

The Department consistently underspends the appropriation. The request explains that clothing costs have gone down but transportation costs have gone up.

### ***Dress Out* appropriation and spending history (General Fund is only fund source)**

	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Appropriated	1,002,310	1,006,280	1,006,280	1,006,280	1,002,310
Expended	706,546	491,179	621,213	604,130	595,457
Over/-under expenditure	-\$295,764	-\$515,101	-\$385,067	-\$402,150	-\$406,853
Percent spent	70.5%	48.8%	61.7%	60.0%	59.4%

## Recommendation

Staff recommends that the Committee approve the request. The DOC is not spending the full appropriation under current statutory requirements. Approving the request helps balance the budget, but the consistent reversion history suggests that some amount of money will return to the General Fund at the end of the year if the request is denied.

## Additional information

When an inmate is released or discharged from prison, statute requires the DOC Executive Director to "furnish such inmate with suitable clothing and may furnish transportation, at the expense of the state, from the place at

<sup>18</sup> Section 17-22.5-202, C.R.S.

which said correctional facility is located to the place of the inmate's residence in Colorado, or any other place in Colorado."<sup>19</sup> It also requires that the Executive Director "shall also furnish to any inmate being discharged, other than a parolee, one hundred dollar...[and] any inmate being released on parole a reasonable sum of money not to exceed one hundred dollars". Statute also prohibits the Executive Director from providing money to an inmate who has been returned to custody after being paroled.

## Summary of costs

Fiscal Year	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 2025-26 to-date
Clothing Amt (Avg Cost)	\$49.87	\$52.29	\$41.60	\$40.96	\$40.96	\$42.20
Transportation Amt (Avg Cost)	\$7.14	\$12.96	\$17.60	\$12.59	\$10.43	\$5.31
Departure Allowance	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Cost per Release (equals clothing+transport+allowance)	\$157.01	\$165.25	\$159.20	\$153.55	\$151.39	\$147.51
Eligible Discharges / Releases	3,692	2,900	3,287	3,521	3,191	1,521
Total (equals cost per release * count of releases)	\$579,690	\$479,214	\$523,300	\$540,641	\$483,083	\$224,365

## Clothing costs

The DOC provided the following information in the request.

"The DOC provides inmates who leave correctional facilities through discharge, parole, and community supervision with Dress Out clothing. This clothing consists of khaki pants, a jacket, black shoes, and a blue polo shirt. Because DOC does not warehouse personal effects upon intake, these clothing items provide reasonable attire for release into the community because the clothing differs significantly from state-issued green correctional facility attire, thereby keeping the public perception of the releasing individual in mind. All clothing, other than the shoes, is manufactured by the Correctional Industries Garment Factory, and is normally inventoried and obtained through the various DOC warehouses.

However, in FY 2022-23, the Central Warehouse began purchasing these clothing items from an outside vendor at a sometimes lower cost. The Central Warehouse purchases clothing from either source, focusing on quality at a lower price. The shoes have always been purchased through a state-wide pricing agreement vendor, and are also inventoried at the warehouses. Pricing for the various Dress Out clothing items has fluctuated somewhat over the past five years, particularly for shirts, the cost of which has dropped substantially. Shoes have increased in price in that same time period, but overall, the Department has experienced a decrease in Dress Out clothing costs of nearly 18% in the past five years, and an overall decrease in the clothing expenses component of the Dress Out line of nearly 25% since FY 2020-21."

## Transportation costs

The DOC provided the following information in the request.

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<sup>19</sup> Section 17-22.5-202 (1), C.R.S.

"The transportation expenses component of the Dress Out line has increased 26.2% since FY 2020-21. This increase is due to a combination of increased transportation costs as well as bulk ticket purchases. The Department frequently purchases ticket vouchers in bulk ahead of time to have them ready and on hand when needed. Due to this pre-purchase practice, the ticket expense may appear higher in a given year than if tickets were purchased on an as-needed basis; however, DOC does not want to run the risk of not being able to obtain ticket vouchers in a timely fashion. Even with this increase in ticket expenses, the overall appropriation is sufficient to continue providing all mandated components of the Dress Out process."

## Appendix A: Numbers Pages

Appendix A details the supplemental changes recommended by staff, including the actual expenditures for the previous state fiscal year, the appropriation for the current fiscal year, and the requested and recommended appropriation changes for the current fiscal year. Appendix A organizes this information by line item and fund source.

**JBC Staff Supplemental Recommendations - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

**Appendix A: Numbers Pages**

	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
<b>Department of Corrections</b>					
<b>Moses 'Andre' Stancil, Executive Director</b>					
<b>S1/BA1 Prison caseload</b>					
<b>(1) Management</b>					
<b>(A) Executive Director's Office Subprogram</b>					
Health, Life, and Dental	<u>81,151,256</u>	<u>86,488,753</u>	<u>238,242</u>	<u>238,242</u>	<u>86,726,995</u>
General Fund	79,867,805	85,276,960	238,242	238,242	85,515,202
Cash Funds	1,283,451	1,211,793	0	0	1,211,793
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Short-term Disability	<u>553,665</u>	<u>305,745</u>	<u>629</u>	<u>629</u>	<u>306,374</u>
General Fund	544,141	301,791	629	629	302,420
Cash Funds	9,524	3,954	0	0	3,954
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Paid Family and Medical Leave Insurance	<u>1,917,033</u>	<u>2,022,137</u>	<u>4,044</u>	<u>4,044</u>	<u>2,026,181</u>
General Fund	1,916,767	1,996,453	4,044	4,044	2,000,497
Cash Funds	266	25,684	0	0	25,684
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
<b>Unfunded Liability Amortization Equalization</b>					
Disbursement Payments	<u>47,294,600</u>	<u>44,373,237</u>	<u>89,868</u>	<u>89,868</u>	<u>44,463,105</u>
General Fund	46,660,090	43,808,406	89,868	89,868	43,898,274
Cash Funds	634,510	564,831	0	0	564,831
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
<b>(1) Management</b>					
<b>(B) External Capacity Subprogram</b>					
<b>(2) Payments to House State Prisoners</b>					
Payments to in-state private prisons	<u>70,298,104</u>	<u>71,722,529</u>	<u>0</u>	<u>0</u>	<u>71,722,529</u>
General Fund	67,404,718	68,829,143	0	0	68,829,143
Cash Funds	2,893,386	2,893,386	0	0	2,893,386
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
<b>(1) Management</b>					
<b>(C) Inspector General Subprogram</b>					
Operating Expenses	<u>390,718</u>	<u>473,922</u>	<u>368</u>	<u>368</u>	<u>474,290</u>
General Fund	390,718	390,735	368	368	391,103
Cash Funds	0	83,187	0	0	83,187
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
<b>(2) Institutions</b>					

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	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
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**(B) Maintenance Subprogram**

Personal Services	<u>23,625,951</u>	<u>25,274,817</u>	<u>17,413</u>	<u>17,413</u>	<u>25,292,230</u>
FTE	275.0	293.2	0.0	0.3	293.5
General Fund	23,625,951	25,274,817	17,413	17,413	25,292,230
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Operating Expenses	<u>13,538,111</u>	<u>11,138,111</u>	<u>125</u>	<u>125</u>	<u>11,138,236</u>
General Fund	13,538,111	11,138,111	125	125	11,138,236
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**(2) Institutions**

**(C) Housing and Security Subprogram**

Personal Services	<u>197,800,699</u>	<u>211,487,305</u>	<u>803,918</u>	<u>803,918</u>	<u>212,291,223</u>
FTE	2,867.1	3,038.8	11.9	11.9	3,050.7
General Fund	197,800,699	211,487,305	803,918	803,918	212,291,223
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	<b>FY 2024-25 Actual</b>	<b>FY 2025-26 Appropriation</b>	<b>FY 2025-26 Requested Change</b>	<b>FY 2025-26 Rec'd Change</b>	<b>FY 2025-26 Total w/Rec'd Change</b>
Operating Expenses	<u>2,160,874</u>	<u>2,128,842</u>	<u>23,753</u>	<u>23,753</u>	<u>2,152,595</u>
General Fund	2,160,874	2,128,842	23,753	23,753	2,152,595
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
<b>(2) Institutions</b>					
<b>(D) Food Service Subprogram</b>					
Personal Services	<u>20,958,786</u>	<u>22,409,896</u>	<u>17,413</u>	<u>17,413</u>	<u>22,427,309</u>
FTE	0.0	318.8	0.3	0.3	319.1
General Fund	20,958,786	22,409,896	17,413	17,413	22,427,309
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Operating Expenses	<u>22,454,101</u>	<u>21,703,298</u>	<u>318,638</u>	<u>318,638</u>	<u>22,021,936</u>
General Fund	22,454,101	21,703,298	318,638	318,638	22,021,936
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**(2) Institutions**

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	<b>FY 2024-25 Actual</b>	<b>FY 2025-26 Appropriation</b>	<b>FY 2025-26 Requested Change</b>	<b>FY 2025-26 Rec'd Change</b>	<b>FY 2025-26 Total w/Rec'd Change</b>
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**(E) Medical Services Subprogram**

Operating Expenses	<u>2,669,190</u>	<u>2,671,600</u>	<u>10,436</u>	<u>10,436</u>	<u>2,682,036</u>
General Fund	2,669,190	2,650,854	10,436	10,436	2,661,290
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	20,746	0	0	20,746
Federal Funds	0	0	0	0	0

**(2) Institutions**

**(F) Laundry Subprogram**

Operating Expenses	<u>2,476,832</u>	<u>2,442,923</u>	<u>16,572</u>	<u>16,572</u>	<u>2,459,495</u>
General Fund	2,476,832	2,442,923	16,572	16,572	2,459,495
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**(2) Institutions**

**(G) Superintendents Subprogram**

Operating Expenses	<u>9,011,502</u>	<u>6,054,207</u>	<u>309,585</u>	<u>309,585</u>	<u>6,363,792</u>
General Fund	9,011,502	6,054,207	309,585	309,585	6,363,792
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	<b>FY 2024-25 Actual</b>	<b>FY 2025-26 Appropriation</b>	<b>FY 2025-26 Requested Change</b>	<b>FY 2025-26 Rec'd Change</b>	<b>FY 2025-26 Total w/Rec'd Change</b>
Inmate Telephone Calls	<u>1,284,906</u>	<u>2,870,799</u>	<u>32,515</u>	<u>32,515</u>	<u>2,903,314</u>
General Fund	1,284,906	2,870,799	32,515	32,515	2,903,314
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
<b>(2) Institutions</b>					
<b>(I) Case Management Subprogram</b>					
Personal Services	<u>19,271,938</u>	<u>20,526,974</u>	<u>134,340</u>	<u>134,340</u>	<u>20,661,314</u>
FTE	238.3	244.7	1.8	1.8	246.5
General Fund	19,271,938	20,526,974	134,340	134,340	20,661,314
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Operating Expenses	<u>183,318</u>	<u>178,791</u>	<u>2,723</u>	<u>2,723</u>	<u>181,514</u>
General Fund	183,318	178,791	2,723	2,723	181,514
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Start-up Costs	<u>1,230</u>	<u>0</u>	<u>49,000</u>	<u>49,000</u>	<u>49,000</u>
General Fund	1,230	0	49,000	49,000	49,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**(2) Institutions**

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	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
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**(K) Inmate Pay Subprogram**

Inmate Pay	<u>4,614,666</u>	<u>5,099,947</u>	<u>100,325</u>	<u>100,325</u>	<u>5,200,272</u>
General Fund	4,614,666	5,099,947	100,325	100,325	5,200,272
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**(3) Support Services**

**(D) Communications Subprogram**

Operating Expenses	<u>1,685,707</u>	<u>1,688,024</u>	<u>3,466</u>	<u>3,466</u>	<u>1,691,490</u>
General Fund	1,685,707	1,688,024	3,466	3,466	1,691,490
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**(3) Support Services**

**(F) Training Subprogram**

Operating Expenses	<u>435,962</u>	<u>2,841,284</u>	<u>131,423</u>	<u>131,423</u>	<u>2,972,707</u>
General Fund	435,962	2,841,284	131,423	131,423	2,972,707
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**(3) Support Services**

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	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
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**(G) Information Systems Subprogram**

Operating Expenses	<u>1,404,569</u>	<u>1,403,409</u>	<u>4,868</u>	<u>4,868</u>	<u>1,408,277</u>
General Fund	1,404,369	1,403,409	4,868	4,868	1,408,277
Cash Funds	200	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**(4) Inmate Programs**

**(B) Education Subprogram**

Personal Services	<u>6,615,741</u>	<u>16,530,768</u>	<u>61,896</u>	<u>61,896</u>	<u>16,592,664</u>
FTE	182.0	193.5	0.8	0.8	194.3
General Fund	6,615,741	16,530,768	61,896	61,896	16,592,664
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Operating Expenses	<u>3,167,559</u>	<u>4,396,924</u>	<u>375</u>	<u>375</u>	<u>4,397,299</u>
General Fund	2,834,677	2,850,944	375	375	2,851,319
Cash Funds	251,029	1,257,065	0	0	1,257,065
Reappropriated Funds	81,853	288,915	0	0	288,915
Federal Funds	0	0	0	0	0
Start-up Costs	<u>4,703</u>	<u>0</u>	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>
General Fund	4,703	0	21,000	21,000	21,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
<b>Total for S1/BA1 Prison caseload</b>	534,971,721	566,234,242	2,392,935	2,392,935	568,627,177
FTE	<u>3,562.4</u>	<u>4,089 .0</u>	<u>14.8</u>	<u>15.1</u>	<u>4,104.1</u>
General Fund	529,817,502	559,884,681	2,392,935	2,392,935	562,277,616
Cash Funds	5,072,366	6,039,900	0	0	6,039,900
Reappropriated Funds	81,853	309,661	0	0	309,661
Federal Funds	0	0	0	0	0

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	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
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**S2/BA2 Medical caseload**

**(2) Institutions**

**(E) Medical Services Subprogram**

Purchase of Medical Services from Other Medical

Facilities	<u>64,891,828</u>	<u>65,374,875</u>	<u>11,455,651</u>	<u>9,041,623</u>	<u>74,416,498</u>
General Fund	64,891,828	65,374,875	11,455,651	9,041,623	74,416,498
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Purchase of Pharmaceuticals

General Fund	<u>18,070,193</u>	<u>17,897,763</u>	<u>4,358,917</u>	<u>3,476,015</u>	<u>21,373,778</u>
General Fund	18,070,193	16,152,744	4,358,917	3,476,015	19,628,759
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	1,745,019	0	0	1,745,019
Federal Funds	0	0	0	0	0

**Total for S2/BA2 Medical caseload**

FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	82,962,021	81,527,619	15,814,568	12,517,638	94,045,257
General Fund	82,962,021	81,527,619	15,814,568	12,517,638	94,045,257
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	1,745,019	0	0	1,745,019
Federal Funds	0	0	0	0	0

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	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
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**S3/R10 Offset-Transgender healthcare**

**(2) Institutions**

**(E) Medical Services Subprogram**

Transgender Healthcare	<u>374,592</u>	5,317,500	<u>-3,681,100</u>	<u>-3,681,100</u>	<u>1,636,400</u>
General Fund	374,592	5,317,500	(3,681,100)	(3,681,100)	1,636,400
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

<b>Total for S3/R10 Offset-Transgender healthcare</b>	374,592	5,317,500	(3,681,100)	(3,681,100)	1,636,400
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	374,592	5,317,500	(3,681,100)	(3,681,100)	1,636,400
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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**S4/BA3 Medical and mental health contract services**

**(2) Institutions**

**(E) Medical Services Subprogram**

Service Contracts	<u>2,402,731</u>	<u>2,745,978</u>	<u>9,769,779</u>	<u>9,769,779</u>	<u>12,515,757</u>
General Fund	2,402,731	2,745,978	9,769,779	9,769,779	12,515,757
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**(2) Institutions**

**(J) Mental Health Subprogram**

Medical Contract Services	<u>5,782,084</u>	<u>6,530,649</u>	<u>246,517</u>	<u>246,517</u>	<u>6,777,166</u>
General Fund	5,782,084	6,530,649	246,517	246,517	6,777,166
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

<b>Total for S4/BA3 Medical and mental health contract services</b>	<b>8,184,815</b>	<b>9,276,627</b>	<b>10,016,296</b>	<b>10,016,296</b>	<b>19,292,923</b>
<i>FTE</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
General Fund	8,184,815	9,276,627	10,016,296	10,016,296	19,292,923
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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**S5/BA4 Unfunded PERA liability shortfall**

**(1) Management**

**(A) Executive Director's Office Subprogram**

Unfunded Liability Amortization Equalization

Disbursement Payments	<u>47,294,600</u>	<u>44,373,237</u>	<u>3,857,995</u>	<u>0</u>	<u>44,373,237</u>
General Fund	46,660,090	43,808,406	3,857,995	0	43,808,406
Cash Funds	634,510	564,831	0	0	564,831
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

<b>Total for S5/BA4 Unfunded PERA liability shortfall</b>	<b>47,294,600</b>	<b>44,373,237</b>	<b>3,857,995</b>	<b>0</b>	<b>44,373,237</b>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	46,660,090	43,808,406	3,857,995	0	43,808,406
Cash Funds	634,510	564,831	0	0	564,831
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
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**S6 Food service inflation**

**(2) Institutions**

**(D) Food Service Subprogram**

Operating Expenses	<u>22,454,101</u>	<u>21,703,298</u>	<u>620,471</u>	<u>620,471</u>	<u>22,323,769</u>
General Fund	22,454,101	21,703,298	620,471	620,471	22,323,769
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
<b>Total for S6 Food service inflation</b>	<b>22,454,101</b>	<b>21,703,298</b>	<b>620,471</b>	<b>620,471</b>	<b>22,323,769</b>
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	22,454,101	21,703,298	620,471	620,471	22,323,769
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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**S7/BA6 Reduce correctional industries spending authority**

**(7) Correctional Industries**

Personal Services	<u>4,153,847</u>	<u>12,879,733</u>	<u>-4,670,305</u>	<u>-4,670,305</u>	<u>8,209,428</u>
FTE	55.7	107.0	0.0	0.0	107.0
General Fund	0	0	0	0	0
Cash Funds	(1,709,324)	5,053,878	(1,832,581)	(1,832,581)	3,221,297
Reappropriated Funds	5,863,171	7,825,855	(2,837,724)	(2,837,724)	4,988,131
Federal Funds	0	0	0	0	0
Operating Expenses	<u>5,117,004</u>	<u>5,846,798</u>	<u>1,349,537</u>	<u>1,349,537</u>	<u>7,196,335</u>
General Fund	0	0	0	0	0
Cash Funds	1,504,872	1,546,956	357,063	357,063	1,904,019
Reappropriated Funds	3,612,132	4,299,842	992,474	992,474	5,292,316
Federal Funds	0	0	0	0	0
Raw Materials	<u>9,235,195</u>	<u>30,547,207</u>	<u>-13,593,749</u>	<u>-13,593,749</u>	<u>16,953,458</u>
General Fund	0	0	0	0	0
Cash Funds	0	6,055,860	(2,694,906)	(2,694,906)	3,360,954
Reappropriated Funds	9,235,195	24,491,347	(10,898,843)	(10,898,843)	13,592,504
Federal Funds	0	0	0	0	0
Inmate Pay	<u>2,142,717</u>	<u>2,750,000</u>	<u>1,016,231</u>	<u>1,016,231</u>	<u>3,766,231</u>
General Fund	0	0	0	0	0
Cash Funds	642,981	1,114,590	411,884	411,884	1,526,474
Reappropriated Funds	1,499,736	1,635,410	604,347	604,347	2,239,757
Federal Funds	0	0	0	0	0

***JBC Staff Supplemental Recommendations - FY 2025-26***  
***Staff Working Document - Does Not Represent Committee Decision***

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	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
<b>Total for S7/BA6 Reduce correctional industries spending authority</b>	20,648,763	52,023,738	(15,898,286)	(15,898,286)	36,125,452
<i>FTE</i>	<u>55.7</u>	<u>107.0</u>	<u>0.0</u>	<u>0.0</u>	<u>107.0</u>
General Fund	0	0	0	0	0
Cash Funds	438,529	13,771,284	(3,758,540)	(3,758,540)	10,012,744
Reappropriated Funds	20,210,234	38,252,454	(12,139,746)	(12,139,746)	26,112,708
Federal Funds	0	0	0	0	0

***JBC Staff Supplemental Recommendations - FY 2025-26***  
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	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
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**S8/BA7 Offset - Dress out**

**(2) Institutions**

**(G) Superintendents Subprogram**

Dress-Out	<u>595,457</u>	<u>1,006,280</u>	<u>-400,000</u>	<u>-400,000</u>	<u>606,280</u>
General Fund	595,457	1,006,280	(400,000)	(400,000)	606,280
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

<b>Total for S8/BA7 Offset - Dress out</b>	<b>595,457</b>	<b>1,006,280</b>	<b>(400,000)</b>	<b>(400,000)</b>	<b>606,280</b>
<i>FTE</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
General Fund	595,457	1,006,280	(400,000)	(400,000)	606,280
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**JBC Staff Supplemental Recommendations - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

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	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
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**S1.5/BA1.5 Payments to local jails**

**(1) Management**

**(B) External Capacity Subprogram**

**(2) Payments to House State Prisoners**

Payments to local jails	<u>9,030,023</u>	<u>7,406,975</u>	<u>3,331,810</u>	<u>3,331,810</u>	<u>10,738,785</u>
General Fund	9,030,023	7,406,975	3,331,810	3,331,810	10,738,785
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
<b>Total for S1.5/BA1.5 Payments to local jails</b>	<b>9,030,023</b>	<b>7,406,975</b>	<b>3,331,810</b>	<b>3,331,810</b>	<b>10,738,785</b>
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	9,030,023	7,406,975	3,331,810	3,331,810	10,738,785
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**Totals Excluding Pending Items**

**CORRECTIONS**

<b>TOTALS for ALL Departmental line items</b>	<b>1,095,346,596</b>	<b>1,190,256,447</b>	<b>16,054,689</b>	<b>8,899,764</b>	<b>1,199,156,211</b>
FTE	<u>5,587.4</u>	<u>6,391.0</u>	<u>14.8</u>	<u>15.1</u>	<u>6,406.1</u>
General Fund	735,348,071	1,086,028,946	31,952,975	24,798,050	1,110,826,996
Cash Funds	10,686,385	51,416,903	(3,758,540)	(3,758,540)	47,658,363
Reappropriated Funds	24,741,475	49,469,595	(12,139,746)	(12,139,746)	37,329,849
Federal Funds	324,570,665	3,341,003	0	0	3,341,003

# Appendix B: Inflation-adjusted change in the DOC's General Fund budget (FY 18-19 to present)

The following table compares inflation-adjusted appropriations in FY 2018-19 to current appropriations for FY 2025-26. It is organized by line item and category and only applies to General Fund appropriation. Positive change mean that the appropriation grew faster than inflation. Negative change mean that it grew slower than inflation or was reduced over time.

**Inflation-adjusted changed in the DOC budget, FY 2018-19 to FY 2025-26 (General Fund only)**

Category	Line item(s)	FY 18-19 Inflation- adjusted	FY 25-26 Current	Change (\$)	Change (%)
	<b>Totals</b>	<b>\$1,078,088,355</b>	<b>\$1,085,554,357</b>	<b>\$7,629,213</b>	<b>0.7%</b>
Compensation	Health Life Dental	\$70,394,205	\$85,276,960	\$14,882,755	21.1%
	Short-term Disability	705,006	301,791	-403,215	-57.2%
	Unfunded Liability Amortization Equalization	42,463,279	43,808,406	1,345,127	3.2%
	Paid Family and Medical Leave Insurance	0	1,996,453	1,996,453	n/a
	Shift Differential	10,430,900	22,243,777	11,812,877	113.2%
	Salary Survey	13,685,664	12,289,437	-1,396,227	-10.2%
	Step Plan	0	2,940,413	2,940,413	n/a
	PERA Direct Distribution	0	9,546,194	9,546,194	n/a
	Personal Services (includes Overtime and	508,391,945	521,880,380	13,488,435	2.7%
<b>Subtotal Compensation</b>		<b>\$646,070,999</b>	<b>\$700,283,811</b>	<b>\$54,212,812</b>	<b>8.4%</b>
Medical Care	External Medical Services	\$44,475,571	\$65,374,875	\$20,899,304	47.0%
	Purchase of Pharmaceuticals	19,642,156	16,152,744	-3,489,412	-17.8%
	Hepatitis C	26,696,462	10,992,267	-15,704,195	-58.8%
	Transgender Healthcare	0	5,317,500	5,317,500	n/a
	Medical Contract Services	5,377,822	6,530,649	1,152,827	21.4%
	Service Contracts (Medical Services	3,318,790	2,745,978	-572,812	-17.3%
<b>Subtotal Medical Care</b>		<b>\$99,510,801</b>	<b>\$107,114,013</b>	<b>\$7,603,212</b>	<b>7.6%</b>
General Operations	Food Service Operating Expenses	\$23,170,291	\$21,703,298	-\$1,466,993	-6.3%
	Maintenance Operating Expenses	9,258,615	11,138,111	1,879,496	20.3%
	Utilities	26,884,805	24,227,975	-2,656,830	-9.9%
	Laundry Operating Expenses	2,859,816	2,442,923	-416,893	-14.6%
	Operating Expenses	29,164,228	27,985,218	-1,179,010	-4.0%
	Youthful Offender Maintenance and Food	1,339,432	1,330,967	-8,465	-0.6%
	Maintenance Pueblo	2,679,753	3,023,427	343,674	12.8%
	Food Service Pueblo	2,603,217	3,210,975	607,758	23.3%
	Leased Space	6,177,476	6,621,708	444,232	7.2%
	Dispatch Services	292,127	328,510	36,383	12.5%
<b>Subtotal General Operations</b>		<b>\$104,429,760</b>	<b>\$102,013,112</b>	<b>-\$2,416,648</b>	<b>-2.3%</b>
Line items affected by Operating and Other Common Policies	Payments to OIT	\$30,009,608	\$34,918,724	\$4,909,116	16.4%
	CORE Accounting	533,033	65,447	-467,586	-87.7%
	Risk Management and Property Funds	6,472,673	11,403,258	4,930,585	76.2%
	Worker's Compensation	9,347,227	7,813,873	-1,533,354	-16.4%
	Vehicle Lease Payments	3,807,122	3,897,297	90,175	2.4%
	Legal Services	2,554,183	3,651,444	1,097,261	43.0%
	Capitol Complex Leased Space	52,452	0	-52,452	-100.0%
	Digital Trunk Radio Payments	0	2,535,420	2,535,420	n/a
	General Contract Services (multiple divisions)	5,137,325	4,963,425	-173,900	-3.4%
<b>Subtotal Operating and Legal Common</b>		<b>\$57,913,623</b>	<b>\$69,248,888</b>	<b>\$11,335,265</b>	<b>19.6%</b>

Category	Line item(s)	FY 18-19 Inflation- adjusted	FY 25-26 Current	Change (\$)	Change (%)
Community Supervision and Parolee Support	Community Supervision Support Services	\$5,076,799	\$2,353,744	-\$2,723,055	-53.6%
	Community-based Organization Housing	0	500,000	500,000	n/a
	Insurance Payments	0	25,000	25,000	n/a
	Offender ID Program	443,942	367,884	-76,058	-17.1%
	Wrap Around Services Program	2,444,756	1,822,869	-621,887	-25.4%
	Psychotropic Medication	171,000	31,400	-139,600	-81.6%
	Dress out	957,069	1,006,280	49,211	5.1%
	Grants to Community-based Orgs Parolee	2,735,439	7,176,734	4,441,295	162.4%
	Offender Re-employment Center	473,698	100,000	-373,698	-78.9%
	Parolee Housing Support	0	500,000	500,000	n/a
	Parolee Supervision and Support Services	8,988,272	4,847,969	-4,140,303	-46.1%
<b>Subtotal Community Supervision</b>		<b>\$21,290,975</b>	<b>\$18,731,880</b>	<b>-\$2,559,095</b>	<b>-12.0%</b>
Inmate Pay and Phone Calls	Inmate pay	\$3,055,464	\$5,099,947	\$2,044,483	66.9%
	Inmate Telephone Calls	0	2,870,799	2,870,799	n/a
	<b>Subtotal Inmate Pay and Phone Calls</b>	<b>\$3,055,464</b>	<b>\$7,970,746</b>	<b>\$4,915,282</b>	<b>160.9%</b>
External Capacity	Inmate Programs at Pre-release Parole	\$157,662	\$0	-\$157,662	-100.0%
	Payments to In-state Private Prisons	83,462,549	68,829,143	-14,633,406	-17.5%
	Payments to Local Jails	17,455,561	7,406,975	-10,048,586	-57.6%
	Payments to Pre-release parole revocation	16,462,826	0	-16,462,826	-100.0%
	Inmate Education and Benefit Programs at In-	704,777	541,566	-163,211	-23.2%
<b>Subtotal External Capacity</b>		<b>\$118,243,375</b>	<b>\$76,777,684</b>	<b>-\$41,302,480</b>	<b>-34.9%</b>
Other	Lease purchase of Colorado State	\$26,360,089	\$0	-\$26,360,089	-100.0%
	Lease Depreciation Equivalent Payments	0	659,571	659,571	n/a
	Payments to DAs	886,365	681,102	-205,263	-23.2%
	Polygraph testing	315,582	242,500	-73,082	-23.2%
	Superintendent's start-up	11,322	1,831,050	1,819,728	16072.5%
<b>Subtotal Other</b>		<b>\$27,573,358</b>	<b>\$3,414,223</b>	<b>-\$24,159,135</b>	<b>-87.6%</b>