



**Joint Budget Committee**

# **Supplemental Budget Requests**

## **FY 2025-26**

**Department of Public Safety  
Division of Criminal Justice**

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# Contents

Overview of Division .....	1
Summary of Staff Recommendations .....	2
FY 2025-26 Summary.....	2
Department Supplemental Requests.....	3
→ S1/BA1 Community corrections caseload.....	3
Appendix A: Numbers Pages.....	11

# Overview of Division

The mission of the Colorado Division of Criminal Justice (DCJ) is to improve the safety of the community, the quality of services to crime victims, and the effectiveness of services to offenders. The DCJ accomplishes this by analyzing policy, conducting criminal justice research, managing programs, and administering grants.

# Summary of Staff Recommendations

## FY 2025-26 Summary

### Department of Public Safety-Division of Criminal Justice

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
<b>FY 2025-26 Appropriation</b>						
SB 25-206 (Long Bill)	197,025,433	97,535,725	57,052,350	7,576,911	34,860,447	93.9
Other legislation	\$3,645,580	\$3,145,580	0	0	\$500,000	1.0
Current FY 2025-26 Appropriation	\$200,671,013	\$100,681,305	\$57,052,350	\$7,576,911	\$35,360,447	94.9
<b>Recommended Changes</b>						
Current FY 2025-26 Appropriation	\$200,671,013	100,681,305	\$57,052,350	\$7,576,911	\$35,360,447	94.9
S1/BA1 Community corrections caseload	1,881,650	1,881,650	0	0	0	0.0
Recommended FY 2025-26 Appropriation	\$202,552,663	\$102,562,955	\$57,052,350	\$7,576,911	\$35,360,447	94.9
Recommended Increase/-Decrease	\$1,881,650	\$1,881,650	\$0	\$0	\$0	0.0
Percentage Change	0.9%	1.9%	0.0%	0.0%	0.0%	0.0%
FY 2025-26 Executive Request	\$202,552,663	\$102,562,955	\$57,052,350	\$7,576,911	\$35,360,447	94.9
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

**S1/BA1 Community corrections caseload:** The Department requests \$1.9 million General Fund for a slight increase in community corrections caseload and a 3.3% increase in per-diem rates. Staff recommends approval of the request.

# Department Supplemental Requests

## → S1/BA1 Community corrections caseload

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$1,881,650	1,881,650	0	0	0	0.0
Recommendation	1,881,650	1,881,650	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 appropriation was made. Specifically, caseload data and a third-party evaluation of community corrections costs that published after the end of the 2025 legislative session.

## Request

The Department requests funding for a slight increase in community corrections caseload. It also requests funding for a 3.3% increase in per diem rates. These funds aim to ensure "system-wide financial viability, sufficient operational capacity and programming, and the community correction capacity needs of the state".

- Current year
  - Caseload = \$1.0 million General Fund. This money can fund any type of community corrections placement, but it is roughly equal to an increase of 39 standard residential beds at current per-diem rates.<sup>1</sup>
  - Per-diem = \$881,650 General Fund. This supports a 3.3% increase for all community corrections per-diem reimbursement rates. This aligns with the recommendation in the recent third-party evaluation of community corrections costs.
- FY 2026-27
  - Caseload = \$1.5 million General Fund. This money can fund any type of community corrections placement, but it is roughly equal to an increase of 58 standard residential beds.
  - Per-diem = \$2.8 million General Fund. This supports a 3.3% increase for all community corrections per-diem reimbursement rates. This aligns with the recommendation in the recent third-party evaluation of community corrections costs.

<sup>1</sup> Most offenders in community corrections are in standard residential beds.

## Recommendation

Staff recommends that the Committee approve the supplemental request. Staff also asks for permission to adjust the related Long Bill footnote as necessary.

### Reasons for the recommendation

**Billing data from October 2025 suggests that caseload reimbursements will exceed the current appropriation by about \$1.0 million.** Other data show a modest increase in DOC inmates in community corrections relative to the previous fiscal year. The request and recommendation assume that the increase will sustain through the end of the fiscal year. There is no guarantee that it will, but staff concludes it would be prudent to approve this increase given the capacity pressures in DOC prisons.

**The per-diem rate increase aligns with the recommendation provided in a third-party evaluation of community corrections costs.** Financial tracking and reporting difficulties hindered the evaluator's ability to determine true costs for every program, so the evaluator used a weighted inflationary factor to calculate the 3.3% increase. Staff agrees that an increase is likely warranted even if it cannot be tied to a more direct measure of financial health. The data clearly show that the per-diem rate has not kept pace with inflation. Staff also thinks the method used to calculate the increase was a reasonable stopgap until the DCJ is able to collect more consistent financial data.

### Alternative to consider: Offender payments

**The JBC may consider allowing offender subsistence payments in lieu of a General Fund per-diem rate increase.** For about two decades, the Long Bill included an assumption that offenders would pay a daily subsistence fee of \$17.00. Total subsistence payments were a little over \$10.0 million per year. The practice ended in FY 2022-23 when the JBC voted to replace the subsistence fee with a General Fund appropriation.

The JBC could reinstitute a lower subsistence fee to offset the requested rate increase. A 3.3% increase for standard residential placements is about \$2.32. However, if the JBC chooses this path, staff recommends setting it a little bit higher at about \$4.00-5.00 because providers will not be able to collect 100% of these payments. Anecdotally, providers used to collect about 80% of subsistence payments. The JBC could also set subsistence at any amount it thinks is appropriate and allow individual providers to decide/whether how much to collect.

Previous subsistence payments were not a statutory issue. Rather, it was an assumption in a Long Bill footnote. The Long Bill footnote currently says, "The appropriation [for community corrections placements] assumes that offenders will not be charged a daily subsistence fee." Prior to FY 2022-23, it said, "The appropriation assumes that providers will collect client fees up to \$17 per day for residential placements...."

Staff does not recommend that the JBC make this change for supplementals. Rather, it should make the change for FY 2026-27 if it chooses to proceed with it. That would give stakeholders a chance to adapt and clearly communicate it to current and prospective offenders in community corrections. JBC staff plans to provide more analysis during figure setting for FY 2026-27.

## Analysis

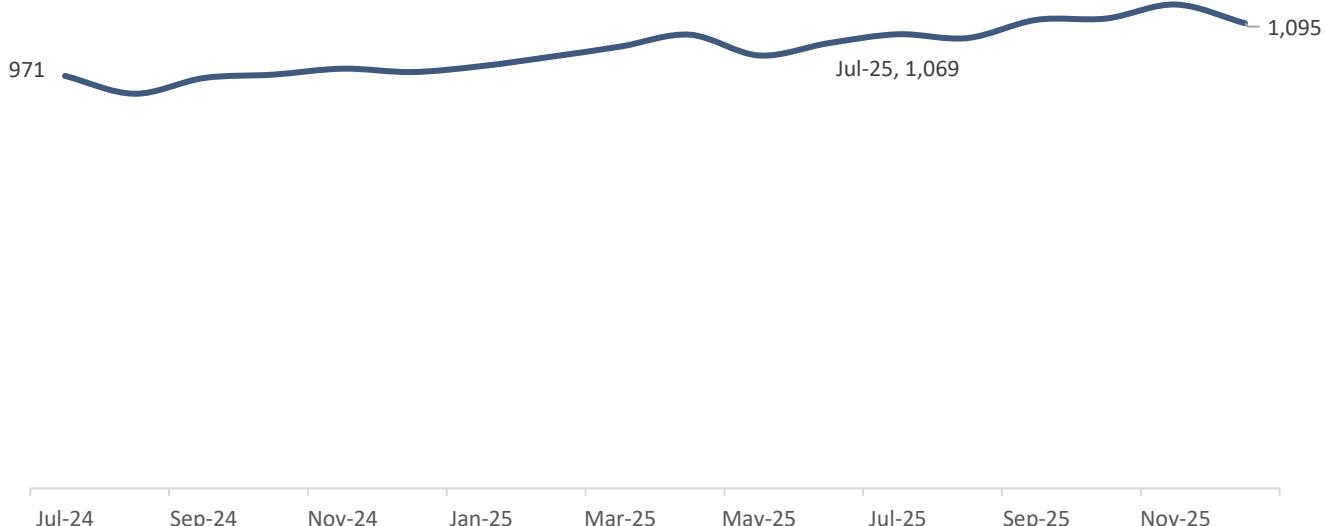
### Community corrections caseload

The \$1.0 million request for caseload expenditures is based on actual billing data from October 2025.

Community corrections placements	FY 25-26
Projected expenditure based on Oct. 2025 billing	\$80,365,605
Current appropriation	79,364,508
Difference	\$1,001,097

One month of billing data does not fully justify more funding on its own, but other data appear to support it. For example, DOC data show a modest increase in the number of inmates in community corrections over the last year and a half. The increase is not enough to change the trajectory of prison population growth, but it supports the notion that the community corrections appropriation may need a modest increase. Staff notes that the JBC can make other mid-year adjustments during the figure setting process in March. The Division will have a few more months of billing data by that time, so JBC staff will work with the Division to determine whether more recent data require further changes.

DOC data show a modest increase in then number of inmates in residential community corrections



The Division noted that recent changes in practice related to Medicaid have reduced the cost of this request. Specifically, community corrections providers who are also Medicaid providers may now bill Medicaid for Intensive Residential Treatment services before billing the Office of Community Corrections. This reduced billing for community corrections services by about \$500,000. In other words, the Department would be asking for \$500,000 more General Fund if this change had not been implemented.

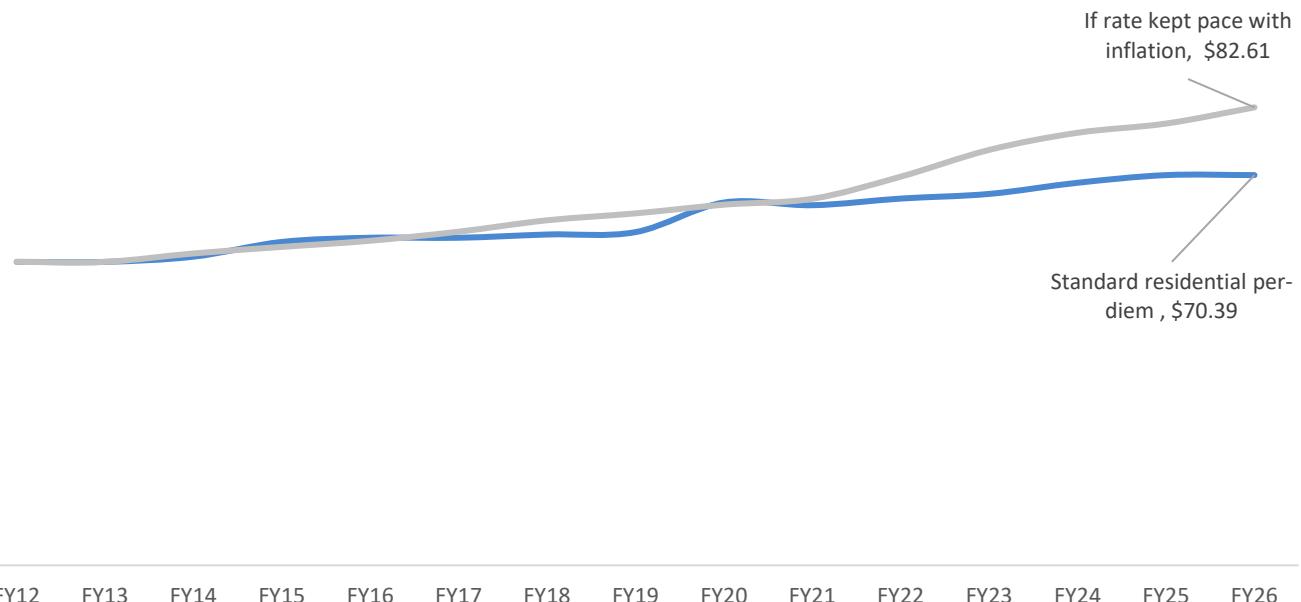
## Per-diem rate increase

During the 2023 legislative session, the General Assembly passed Senate Bill 23-242 (Community Corrections Financial Audit). The bill required the Division of Criminal Justice (DCJ) to contract with a third-party vendor to complete a financial audit of community corrections programs and produce a report by July 1, 2025 at a cost \$500,000 General Fund. The DCJ submitted this report in June 2025.

Data reporting and tracking inconsistencies made it difficult to determine true costs. The vendor was therefore unable to isolate the costs of individual community corrections programs with great certainty. The range of costs for residential programs was between \$77 and \$117 per day, as compared to current rate of \$70.39.

The report also found that most providers received sufficient state revenue between 2019 and 2023, but that may not be sustainable. A handful of providers in rural areas relied heavily on one-time external sources of funding like federal grants to cover costs, while a few other local government programs used local funds to supplement state funds. The study concluded that a divergence between the State's per-diem rates and increasing costs "cast doubt on the future viability of community corrections programs". The graph below, calculated by JBC staff, corroborates the notion that per-diem rates have not kept pace with inflation since FY 2020-21.

The standard residential base rate kept pace with inflation for many years after the Great Recession. This changed in FY 2021-22 and FY 2022-23 when inflation significantly increased.



[Analysis continues on the next page]

## How the 3.3% rate increase was calculated

The evaluator used a weighted inflationary index to calculate the recommended 3.3% increase. For example, personnel costs account for the majority of overall costs. The change in the employment cost index for the Mountain Region consequently account for 2.5% of the 3.3% recommended increase. JBC staff thinks that this is a reasonable way to account for cost increases in the absence of more reliable information about true provider costs.

Cost Category	% of Costs <sup>1</sup>	Inflationary Index Used <sup>2</sup>	Annual Rate	Weighted Inflationary Adjustment <sup>3</sup>
Personnel (Wages and Benefits)	69%	Employment Cost Index - Mountain Region	3.6%	2.5%
Food Services/Supplies	6%	CPI Food - Denver	3.3%	0.2%
Indirect Cost Allocation	4%	Employment Cost Index - Mountain Region	3.6%	0.1%
Rent and Occupancy	4%	CPI Shelter - Denver	1.6%	0.1%
Professional Services	3%	CPI Services - Denver	2.3%	0.1%
Maintenance	3%	CPI Services - Denver	2.3%	0.1%
Client Services	2%	CPI Services - Denver	2.3%	0.1%
Utilities	2%	CPI Energy Services - National	4.2%	0.1%
Insurance	2%	CPI Services - Denver	2.3%	0.0%
Other (such as Urinalysis, Administrative Costs, Supplies)	9%	Various Specific to Each Category	N/A	0.13%
<b>Weighted Inflationary Adjustment (Sum of Weighted Figures)</b>				<b>3.3%</b>

Source: Auditor generated data from each provider and March 2025 CPI reports for Denver-Aurora-Lakewood Region and National from Bureau of Labor Statistics (BLS), and December 2024 ECI Mountain-Plains Region data from BLS.

Note <sup>1</sup>: Cost data submitted by all programs for their 2023 fiscal year.

Note <sup>2</sup>: Inflationary CPI index from March 2025; ECI index from December 2024.

Note <sup>3</sup>: Weighted rate calculation multiplies "percent of costs" by "annual rate."

[Analysis continues on the next page]

## Impact on individual providers and rate types

There are 26 community corrections facilities in the State. These are made up of:

- 3 non-profit providers operating 7 programs
- 4 private for-profit providers operating 13 programs
- 4 public (local government) providers operating 6 programs.

The base per-diem rate is \$70.39. Some providers are earning a higher base-per diem rate because they are meeting certain performance measures. A few are earning a lower base-per diem because they are meeting zero performance targets. And a few others are right at the standard base rate of \$70.39.

An across-the-board per-diem rate increase of 3.3% raises rates for all providers, including the three for-profit providers who are under-performing and earning a lower per-diem rate as a result.

### Change in FY 2025-26 base per-diem rates, by judicial district and provider

Judicial District	Provider name	Provider type	Performance targets met out of 3 [1]	Base per-diem including performance payments	Base per-diem plus 3.3%
Intervention Community Corrections Services (ICCS)					
1	Jefferson	Private non-profit	2	\$71.80	\$74.17
2	Independence House	Private for-profit	0	\$70.39	\$72.71
2	Denver-Impact Center	Local government	n/a	\$70.39	\$72.71
2	Denver-Project Elevate	Local government	2	\$71.80	\$74.17
2	Denver-Moore Center	Local government	n/a	\$70.39	\$72.71
4	Embrace	Private for-profit	1	\$70.39	\$72.71
GEO-Community Alternatives of El Paso County					
4		Private for-profit	1	\$70.39	\$72.71
6	Hilltop House	Private non-profit	2	\$71.80	\$74.17
Advantage Treatment Center					
7	(ATC) Montrose	Private for-profit	3	\$72.50	\$74.89
8	Larimer County	Local government	3	\$72.50	\$74.89
9	Garfield County	Local government	3	\$72.50	\$74.89
10	ICCS Pueblo	Private non-profit	2	\$71.80	\$74.17
12	ATC-Alamosa	Private for-profit	3	\$72.50	\$74.89
13	ATC-Sterling	Private for-profit	3	\$72.50	\$74.89
15	ATC-Lamar	Private for-profit	1	\$71.09	\$73.44
17	CoreCivic-Commerce City	Private for-profit	0	\$69.69	\$71.99
17	CoreCivic-Adams	Private for-profit	1	\$71.09	\$73.44
17	ICCS Adams	Private non-profit	1	\$70.39	\$72.71
18	CoreCivic Arapahoe	Private for-profit	0	\$69.69	\$71.99
18	GEO Arapahoe	Private for-profit	2	\$71.80	\$74.17
18	CoreCivic Centennial	Private for-profit	3	\$72.50	\$74.89
19	ICCS Weld	Private non-profit	2	\$71.80	\$74.17
20	ICCS Boulder	Private non-profit	3	\$72.50	\$74.89
20	CoreCivic Longmont	Private for-profit	0	\$69.69	\$71.99
21	Mesa County	Local government	3	\$72.50	\$74.89

[1] There are five total performance targets. Providers are assessed on three of these targets on a rotating annual cycle. The first is recidivism, defined as a new felony conviction within two years from start date in the program. The second is successful program completion, or the number of offenders that successfully complete the program in a fiscal year. The third is security audits, which assess core security functions and related standards. The fourth is the Program Assessment for Correctional Excellence (PACE). This assesses the National Institute of Corrections (NIC) Eight Guiding Principles for Effective Interventions in Community Corrections by reviewing the level of program expertise when using evidence-based and evidence-informed practices. The fifth and last is key performance indicators (KPIs) related to staff retention and training. These KPIs are developed by community corrections boards and providers.

The next table shows how much revenue each provider may receive from the 3.3% rate increase. These are estimates based on the new base per-diem rate and the average daily number (ADP) of offenders in residential facilities.

**Estimated additional revenue resulting from rate increase, by provider and judicial district**

Judicial District	Provider name	Provider type	ADP from Jul.-Dec. 2025	Estimated additional revenue (4 months)	Estimated additional revenue (full-year)
Intervention Community Corrections Services (ICCS)					
1	Jefferson	Private non-profit	156	\$49,947	\$149,842
1	ICCS West	Private non-profit	25	10,256	30,767
2	Independence House	Private for-profit	73	20,623	61,868
2	Impact Center	Local government	47	13,374	40,122
2	Project Elevate	Local government	53	15,418	46,254
2	Moore Center	Local government	85	24,077	72,232
4	Embrace	Private for-profit	281	89,251	267,752
GEO-Community Alternatives of El Paso County					
4		Private for-profit	247	75,333	225,998
6	Hilltop House	Private non-profit	37	10,658	31,973
Advantage Treatment Center (ATC) Montrose					
7		Private for-profit	69	20,711	62,134
8	Larimer County	Local government	321	107,536	322,607
9	Garfield County	Local government	36	10,407	31,220
10	ICCS Pueblo	Private non-profit	94	27,127	81,382
12	ATC-Alamosa	Private for-profit	83	32,435	97,306
13	ATC-Sterling	Private for-profit	87	35,659	106,977
15	ATC-Lamar	Private for-profit	33	11,555	34,665
17	CoreCivic-Commerce City	Private for-profit	117	32,759	98,277
17	CoreCivic-Adams	Private for-profit	82	23,609	70,827
17	ICCS Adams	Private non-profit	129	39,326	117,979
18	CoreCivic Arapahoe	Private for-profit	88	24,563	73,689
18	GEO Arapahoe	Private for-profit	137	39,735	119,205
18	CoreCivic Centennial	Private for-profit	78	22,713	68,138
19	ICCS Weld	Private non-profit	169	52,868	158,605
20	ICCS Boulder	Private non-profit	48	14,895	44,684
20	CoreCivic Longmont	Private for-profit	31	9,049	27,147
21	Mesa County	Local government	150	52,076	156,228
Total			2,757	\$865,959	\$2,597,878

[Analysis continues on next page]

## Comparing year-to-date caseload, funded capacity, and staffed capacity

The following table shows three key data points.

1. Caseload: The average daily residential population (ADP) from July through December 2025. This includes both standard and specialized residential beds.
2. Funded capacity: The number of residential beds allocated to each judicial district at the start of the fiscal year within the current appropriation.
3. Staffed capacity: The number of beds that are open and staffed, which includes beds that are currently unfunded.

It shows that year-to-date caseload is higher than funded capacity. It also shows that there are hundreds of open and staffed beds that could be filled if funded by the General Assembly and approved by local boards and programs.

There are two caveats to these conclusions. First, some districts that appear to be over their funded capacity may be supporting placements from districts that do not have programs, which would reduce the amount that they are over capacity. Second, it can be challenging to discern how many beds are actually open and staffed. JBC staff is confident that there are many open and staffed beds in the system, but is less confident in the 517-bed figure shown in the bottom right-hand corner of the table.

### Comparing year-to-date caseload, funded capacity, and staffed capacity

Judicial District	Provider name	Caseload ADP from Jul.- Dec. 2025	FY 25-26 Funded Capacity	Under/-over funded capacity	Staffed capacity	Difference year-to- date ADP
1	ICCS - Jefferson	156			196	40
1	ICCS - West	25	165	-17	37	12
2	IMPACT Center	47			48	1
2	Independence House - Pecos	73			75	2
2	Moore Center	85	260	1	90	5
2	Project Elevate	53			57	4
4	Embrace	285			331	46
4	GEO-Community Alt. of El Paso County	251	484	-52	300	49
6	Hilltop House	37	43	6	54	17
7	Advantage Treatment Center - Montrose	69	70	1	68	-1
8	Larimer County Community Corrections	321	310	-11	362	41
9	Garfield County Community Corrections	36	39	3	60	24
10	ICCS - Pueblo	94	100	6	130	36
12	Advantage Treatment Center - Alamosa	83	80	-3	84	1
13	Advantage Treatment Center - Sterling	87	93	6	100	13
15	Advantage Treatment Center - Lamar	33	32	-1	40	7
17	CoreCivic - Adams	82			85	3
17	CoreCivic - Commerce		317	-11	136	19
17	ICCS - Adams	129			140	11
18	CoreCivic - Arapahoe	88			100	12
18	CoreCivic - Centennial	78	260	-43	90	12
18	GEO - Arapahoe County Residential Center	137			206	69
19	ICCS - Weld	169	148	-21	180	11
20	CoreCivic - Longmont	32			60	28
20	ICCS - Boulder	48	59	-21	72	24
21	Mesa County Community Corrections	150	146	-4	182	32
n/a	Allocations to JDs without programs		78	78	0	0
	Totals	2,766	2,684	-82	3,283	517

# 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.

## Funding history for *Community Corrections Placements* line item

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Current	FY 2025-26 Request and Rec.
Appropriation	\$74,926,952	\$76,841,807	\$76,932,660	\$79,364,508	81,246,158
Expenditure	64,670,265	70,946,860	75,746,801		
Reversion	\$10,256,687	\$5,894,947	\$1,185,859		