



COLORADO
Division of Criminal Justice
Department of Public Safety
Office of Community Corrections
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TO: All Community Corrections Boards and Providers

FROM: Glenn A. Tapia, Director
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Division of Criminal Justice

SUBJ: Statewide Policy and General Procedures: Facility Payments Funding for FY17

DATE: July 13, 2016

General Policy and Intent

In FY 2014-15 (FY15), the General Assembly developed a multi-faceted (two-part) plan to increase funding levels for community corrections providers with the intention of mitigating staff turnover and distributing workloads more efficiently among case management staff. These objectives were established with the expressed interest of the advancement, implementation and sustainability of evidence-based approaches to improve outcomes in community corrections and to better facilitate compliance with the Prison Rape Elimination Act (PREA). The two-part plan included an increase for the base bed per diem as well as an additional *Facility Payments* structure. The combination of these two funding streams was designed to increase staff salaries and to reduce case management caseloads in residential community corrections.

In FY 2015-16 (FY16), the General Assembly continued this two-part funding method with an additional 1.8% per diem increase in addition to the *Facility Payments* appropriation that was established in FY15. The two-part funding structure was intended to be invested in modest pay increases for staff and retention of the caseload maximums for case managers that were established in FY15. Footnote 73 in the FY16 Long Bill read as follows:

These payments may be withheld in whole or in part from facilities that: (1) fail to maintain an average ratio of at least one case manager for every 20 residents; (2) fail to raise average pay and benefits of security staff members by at least 1 percent; or (3) fail to raise the average pay and benefits of case managers by 1 percent. A facility is exempt from requirement (2) if the sum of average pay and benefits for security staff members exceeds \$33,000 annually. A facility is exempt from requirement (3) if the sum of average salary and benefits for case managers exceeds \$38,500 annually. For purposes of this footnote, payroll taxes are not benefits. Community corrections providers are encouraged to exceed these goals. It is the intent of the General Assembly that community corrections facilities with an average of 32 or more security FTE receive a second facility payment.

In FY 2016-17 (FY17), the General Assembly again continued this two-part funding method but with no additional increase to the base per diem or the *Facility Payments* appropriations. The intention for this was stated in a revised footnote (Footnote 89) in the FY17 Long Bill which reads as follows:

The amount of the appropriation assumes that the Department will make lower facility payments to programs that have lower costs due to case management staffing shortfalls or security and case management salary shortfalls relative to the staffing and salary model upon which the appropriation is based. Because provider rates are unchanged for FY 2016-17, these appropriations further assume that salary and staffing levels deemed adequate for FY 2015-16 will be deemed adequate for FY 2016-17 and that community corrections facilities with an average of 32 or more security FTE receive a second facility payment.

Simply put, this footnote means that without a funding increase, community corrections programs are only expected to maintain the compensation levels and caseload levels that were reached pursuant to the FY16 Facility Payments policy. Thus, the salary levels and caseload maximums that were reached in FY16 pursuant to and in compliance with the FY16 statewide policy shall be sustained throughout FY17.

It is established by this policy that the intent of the funds in community corrections for FY17 is for providers to sustain their investment in specific methods to facilitate effective implementation of evidence-based approaches to offender management and behavior change. This is to be accomplished, in part, through limiting offender-to-staff ratios for case management positions as well as through lower staff turnover which can be achieved, in part, by increased staff salaries for security and case management positions.

It is the intent of the General Assembly and Colorado Department of Public Safety (Division of Criminal Justice) that providers use the FY17 funding to maintain case manager and security staff member compensation and to limit the number of residents assigned to each case manager. The Facility Payments appropriations may be withheld in whole or in part from facilities that:

- 1) fail to maintain a ratio of at least one case manager for every 20 residents (or equivalent ratio for part time case management staff),
- 2) fail to maintain FY16 levels of pay and benefits of security staff members, or
- 3) fail to maintain FY16 pay and benefits of case managers.

Data Collection and Reporting

The General Assembly has issued a formal Request for Information (RFI) of the Department that requires the Division to report the following information about the funding increases:

- 1) the average number of total staff
- 2) the average number of security staff
- 3) the average number of case managers
- 4) the average wage and salary of security staff and case managers
- 5) the average cost of benefits, excluding payroll taxes, for security staff and for case managers
- 6) the average turnover rate and length of employment for security staff and the average length of employment for case managers
- 7) average case manager caseloads for residential and non-residential offenders.

The Department is also requested by the General Assembly to continue collecting periodic financial statements and starting salary information from community corrections providers. Finally, the Department is requested to retain the data received from each facility.

Accordingly, Community corrections providers shall submit updated staffing, salary, benefits, caseload, and turnover data to their local community corrections board and to the Division of Criminal Justice no later than September 30, 2016. The providers shall use only the format prescribed by the Division to submit the data. Providers shall receive the required data collection forms by August 20, 2016 and shall submit updated data that is reliable and verifiable by an outside entity. At a minimum, providers shall submit, by September 30, 2016, the following data elements:

- 1) A current roster of all full time, part time, and contract staff including the title and type of position
- 2) The percent of full time equivalent (FTE) for each position
- 3) Actual hourly wage and monthly salary figures for each individual security and case management staff including related supervisory positions
- 4) Actual cost figures for monthly employer-paid benefits for each individual staff member. Figures for individual staff members shall include only the actual cost of medical, dental, vision, retirement, disability, and life insurance benefit premiums paid by the employer. Employer-paid benefits shall not include costs for payroll taxes, sick time, vacation time, unemployment insurance, workers compensation insurance, or other costs that are required but not listed above. Variations of this definition must be approved, in advance, by the local community corrections board (or its designee) and the Division.
- 5) Employee-paid contributions premiums to provider benefits package
- 6) A benefits-to-salary percentage for the provider for security and case management staff
- 7) Actual current caseloads for all case management positions including part-time and full-time positions as well as for case manager supervision positions. Other positions in the organization that carry an active caseload must be included in caseload data. Reporting data should include all categories of clients i.e. diversion, transition, CRCF, non-residential, etc
- 8) Date of employment for each staff member
- 9) The actual number of security and case management positions hired, as a result of turnover, in the last year
- 10) Direct contact information (phone number and/or email address) for each staff person

Providers shall also be required to submit reliable and verifiable salary, benefit, and caseload data to the Division of Criminal Justice in the aggregate. For FY17, this will be accomplished through a survey that will be administered to all providers in the month of September 2016. Providers shall complete and return the survey and related information requests no later than September 30, 2016. This information will be analyzed so that the Division can track data for reporting to the General Assembly regarding the use of the funds in the FY18 Budget Hearings.

Letters of Intent

Full funding of the *Facility Payments* appropriations are contingent upon receipt, approval and full execution of a formal *Letter of Intent* to maintain FY16 staff salary increases, retention of caseload maximums, and any other additional means to meet the intent and goals of the General Assembly and the Department previously outlined in this policy. On or before August 15, 2016, providers shall submit to the local community corrections board and the Division a formal *Letter of Intent* that provides clear and convincing information that the funds will be used as intended by the General Assembly, the Department, and the local community corrections board. The *Letter of Intent* shall be reviewed and approved by the Division of Criminal Justice and the local community corrections board, or its designee, prior to disbursement of the full *Facility Payments* funds to providers.

The *Letter of Intent* shall be signed by the executive management of the community corrections provider, or its designee. If both the board and the provider are the same entity, the annual plan shall be submitted directly to the Division of Criminal Justice for approval and monitoring.

Disbursement of *Facility Payments* Funds

The community corrections board may pay fifty percent (50%) of the annual *Facility Payment* allocation for each provider upon receipt of the initial disbursement of funds from the Division of Criminal Justice. The final disbursement of the *Facility Payments* appropriations to community corrections boards will be made at the beginning of the third quarter of FY17, pursuant to State Fiscal Rule. The final 50% of *Facility Payments* to providers shall not be made unless and until the *Letter of Intent* satisfies the aforementioned intent for the funds paid to providers.

The *Facility Payments* funding may be withheld in whole or in part from facilities that:

- 1) fail to maintain a ratio of at least one case manager for every 20 residents (or equivalent ratio for part time case management staff),
- 2) fail to maintain FY16 levels of pay and benefits of security staff members, or
- 3) fail to maintain FY16 levels of pay and benefits of case managers.

The community corrections boards and/or the Division of Criminal Justice retain the right to recover up to 100% of the *Facility Payments* appropriations from any provider that fails to meet the requirements of the funds, as stated in this policy.

Objective Verification of Funding

The Division and the local community corrections board are responsible for and reserve the right to verify staff salary increases, caseload sizes, and any other aspect of the provider's plan for the funds. Verification of funding includes, but is not limited to examination of official payroll records, staff interview data, or any other reliable source of verification.

Exemptions from Statewide Policy

Providers requesting an exemption from one or more elements within the statewide policy must do so, in writing, no later than August 15, 2016. A formal *Request for Exemption* shall be submitted to the local community corrections board and the Division. A *Request for Exemption* shall include at a minimum, the following information:

- 1) Clear and convincing rationale describing why the provider believes that they already meet or exceed the expectations of the statewide policy and therefore need not maintain FY16 levels of security salaries and benefits; and/or
- 2) Clear and convincing rationale describing why the provider believes that they already meet or exceed the expectations of the statewide policy and therefore need not maintain FY16 levels of case management salaries and benefits; and/or
- 3) Clear and convincing rationale describing why the provider believes that they need not maintain the expectations of the statewide policy and therefore need not limit caseloads to a maximum of 20 offenders to each full time case manager

The Division and the local community corrections board, or its designee, shall approve *Requests for Exemption* on a case-by-case basis. *Requests for Exemption* shall not be approved unless and until they meet the expressed and aforementioned intent of the General Assembly, the Department, and the local community corrections board.

In cases of an approved *Request for Exemption*, disbursements of *Facility Payments* funds shall be made consistently with the aforementioned disbursement policy where 50% is paid initially and the remainder is paid upon state and board approval of the *Request for Exemption*. In all cases, providers shall submit all aforementioned data in the Data Collection and Reporting section in this policy. Providers should also provide any reliable, objective, and verifiable data to support or justify approval of the *Request for Exemption*.

The Division extends our sincere gratitude to all boards and providers for your cooperation and adherence to this policy. It is our belief that adherence to this policy will strengthen our collective ability to use the *Facility Payments* funds as intended by the General Assembly. Should you have any questions of me, please contact me at 303.239.4448 or via email at glenn.tapia@state.co.us.

Respectfully

A handwritten signature in black ink that reads "Glenn A. Tapia". The signature is written in a cursive, flowing style.

Glenn A. Tapia
Director, Office of Community Corrections