

Department of Corrections
 FY 2008-09
 January 15, 2009

Priority	Yes or No	Enter One	Division	Title	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE	List
	Corresponding FY 2009-10 Impact?	One Time or Base/Ongoing?									Other Department(s) Affected
1	No	One Time		Flexible Spending/Contract Services Refinancing	(\$1,000,000)	(\$1,000,000)	\$0	\$0	\$0	0.0	None
2	No	One Time		Parole Wraparound Services - Balance	(\$999,000)	(\$999,000)	\$0	\$0	\$0	0.0	None
3	No	One Time		Provider Rate Decrease	(\$1,841,616)	(\$1,841,616)	\$0	\$0	\$0	0.0	None
4	No	One Time		Education Refinance	\$0	(\$800,000)	\$800,000	\$0	\$0	0.0	None
NP	No	One Time		Hiring Freeze Reduction	(\$31,736)	(\$31,736)	\$0	\$0	\$0	0.0	None
Total - Reductions					(\$3,872,352)	(\$4,672,352)	\$800,000	\$0	\$0	0.0	

Note: This summary does not include the impact of the common policy for Management and Administration of OIT.

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Flexible Spending/Refinance Contract Services
 Department: Corrections Dept. Approval by: Aristedes W. Zavaras Date: 01/15/09
 Priority Number: 1 OSPB Approval: *[Signature]* Date: 1-11-09

	Fund	1	2	3	4	5	6	November 1 Request FY 2009-10	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10		Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	3,552,631	3,777,380	(1,000,000)	2,777,380	3,777,380	0	3,777,380	0	3,777,380	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	3,552,631	3,777,380	(1,000,000)	2,777,380	3,777,380	0	3,777,380	0	3,777,380	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(5) Community Services	Total	3,552,631	3,777,380	(1,000,000)	2,777,380	3,777,380	0	3,777,380	0	3,777,380	0
(C) Community Intensive Supervision	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subprogram Contract Services	GF	3,552,631	3,777,380	(1,000,000)	2,777,380	3,777,380	0	3,777,380	0	3,777,380	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request: FY 2007-08 flexible spending savings from External Capacity Subprogram of \$2,000,000 was placed in rollforward appropriation Z08 for FY 2008-09. A total of \$1,000,000 of rollforward funds are being expended for a Community Re-entry Pre-Release Program during FY 2008-09, and the remaining \$1,000,000 of rollforward funds are being expended as a one time refinance for Community Intensive Supervision Contract Services during FY 2008-09.

Letternote Revised Text: None
Cash or Federal Fund Name and COFRS Fund Number: N/A
Reappropriated Funds Source, by Department and Line Item Name: N/A
Approval by OIT? Yes: No: N/A:
Schedule 13s from Affected Departments: None



DEPARTMENT OF CORRECTIONS

*Budget Reduction Proposal
January 15, 2009*

*Aristedes W. Zavaras
Executive Director*

Flexible Spending/Refinance Contract Services

Proposal: The Department would refinance Contract Services for Community Intensive Supervision Subprogram (ISP) in Community Services Long Bill Group 5 by \$1,000,000 for FY 2008-09.

Summary of Request:

- External Capacity savings of \$2,000,000 were rolled into FY 2008-09 into the Community Services Long Bill Group per footnote #5 in HB 08-1375.
- Half of the rollforward is currently being used to fund a Community Re-entry Pre-Release program as approved by OSPB and other parole lease improvements. The Department determined that the highest priority of the FY 2008-09 flexible spending would be to start a Pre-Release program to ensure continuum of services into the Re-entry programs. A FY 2009-10 decision item has been submitted to continue the program for succeeding years.
- The Department has determined that the remaining \$1,000,000 will be used as a one time refinancing of General Funds within the Community Intensive Supervision Subprogram (ISP) Contract Services line. This refinancing is a one time reduction of General Fund and will not carry forward in FY 2009-10.
- Impact to Department: New community services contracts or assistance would not be available, since FY 2008-09 is the first year of flexible funding availability.

Assumptions and Tables to Show Calculations:

Pre-Release personal services calculated using actual expenses for the first six payroll periods: \$113,085.47 x 2 = \$226,170.94 for 8.0 existing FTE, plus 5.0 FTE projected to begin January 1, 2009, and 2.0 FTE projected to begin March 1, 2009. Includes benefits and salary (existing salary for FTE already hired, \$3,895 for new hires).

Startup expenses include approves expenses for staff computers, offender computers, associated software licensing, computer hardware, projector screens, resources for library, and CD writers.

Operating includes travel to facilities, program supplies, software and computers already purchased, and office supplies. Lease improvements includes parole office improvements in two offices, approved by OSPB.

Community Re-entry Pre-Release Program	
<i>(Actual and Projected FY 2008-09)</i>	
Personal Services	\$376,668
Startup	\$330,000
Operating	\$117,332
Lease Improvements	\$176,000
Total	\$1,000,000

Community ISP Contract Services will refinance \$1,000,000 General Funds with one time Flexible Spending Authority Rollforward funds.

Community ISP Contract Services	
(Actual and Projected FY 2008-09)	
Contract Services	(\$1,000,000)
Total	(\$1,000,000)

Flexible Spending Rollforward	
Starting balance	\$2,000,000
Pre-Release Program & Lease Improvements	(\$1,000,000)
Community ISP Contract Services	(\$1,000,000)
Balance	\$0

Reduction would be realized in Community ISP Contract Services and Community Re-entry Pre-Release Program.

Current Statutory Authority or Needed Statutory Change:

No statutory change is required.

HB 08-1375 Long Bill footnote #3:

Department of Corrections, Management, External Capacity Subprogram; and Community Services -- It is the intent of the General Assembly that the Department of Corrections be authorized to transfer up to \$2,000,000 that would otherwise revert from line items within the external capacity subprogram to any line items within the community services section. It is further the intent of the General Assembly that if the Department does not expend any such transferred funds prior to June 30, 2009, the Department be allowed to roll forward such funds for expenditure in FY 2009-10. If savings do not occur in the external capacity subprogram, it is further the intent of the General Assembly that the Department of Corrections fund the first \$2,000,000 of any unfunded need within the external capacity subprogram with moneys transferred from one or more personal services line items.

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Parole Wrap Around Services Program
 Department: Corrections Dept. Approval by: Aristides W. Zavaras Date: 01/15/09
 Priority Number: 2 OSPB Approval: *RMZ* Date: 1-11-09

		1	2	3	4	5	6	7	8	9	10
Fund		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	0	1,800,000	(999,000)	801,000	2,400,000	0	2,400,000	0	2,400,000	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	1,800,000	(999,000)	801,000	2,400,000	0	2,400,000	0	2,400,000	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
(5) Community Services (A) Parole WrapAround Services Program	Total	0	1,800,000	(999,000)	801,000	2,400,000	0	2,400,000	0	2,400,000	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	1,800,000	(999,000)	801,000	2,400,000	0	2,400,000	0	2,400,000	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
FF	0	0	0	0	0	0	0	0	0	0	

Non-Line Item Request: A combination of this request plus the January 2 supplemental equals total revised request for FY 08-09 of \$0.
 Letternote Revised Text: None
 Cash or Federal Fund Name and COFRS Fund Number: N/A
 Reappropriated Funds Source, by Department and Line Item Name: N/A
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: None



DEPARTMENT OF CORRECTIONS

*Budget Reduction Proposal
January 15, 2009*

*Aristedes W. Zavaras
Executive Director*

Parole Wrap Around Services Program

Proposal: Cancel Parole WrapAround Services Program in FY 2008-09 for savings of \$999,000.

Summary of Request:

- Contracts for this program were scheduled to begin January 1, 2009. The Department has determined that it would be more beneficial to cancel a program that has not yet been implemented rather than cutting current programs or services.
- After a FY 2008-09 supplemental decrease of \$801,000 due to late contract activation (submitted January 2, 2009), the Department has determined the remaining \$999,000 would be available for this decrease. Total reduction for this line would be the entire appropriation of \$1,800,000.
- Impact to Department: Parolee services already in place would not be cut. Anticipated cost benefit savings would not be realized.

Assumptions and Tables to Show Calculations:

Supplemental calculations reductions result from a January 1, 2009 start date for contract services, resulting in reduction of 89 parolees for services in FY 2008-09 (89 x \$9,000 cost per parolee = \$801,000).

Parole WrapAround Services Program FY 2008-09	
FY 2008-09 Appropriation	\$1,800,000
Less January 2, 2009 Supplemental	(\$801,000)
Less January 15, 2009 Budget Supplemental	(\$999,000)
Balance applied to savings	\$0

Reductions would be realized the (5) Community Services (A) Parole Wraparound Services Program line item.

Current Statutory Authority or Needed Statutory Change:

No Statutory Change Required.

17-2-102. (2008) Division of adult parole - general powers, duties, and functions.

(1) The division of adult parole in the department shall administer the adult parole program. The division shall keep a complete record in respect to all domestic as well as interstate parolees. The director of the division of adult parole shall exercise the power of suspension of paroles in the interim of the meetings of the state board of parole, referred to in this part 1 as the "board", and in connection therewith the director may arrest such suspended parolee without warrant and return such suspended parolee to an appropriately secure facility to await the further action of the board. In case of such suspension of parole, the director shall send to the board, at its first session thereafter, a transcript of all proceedings taken in connection with such suspension and the reasons for his or her action.

(8) The division of adult parole shall establish and administer appropriate programs of education and treatment and other productive activities, which programs and activities are designed to assist in the rehabilitation of an offender.

(8.5) (a) Any parolee, on parole as a result of a conviction of any felony, who is under the supervision of the division of adult parole pursuant to this part 1 and who is initially tested for the illegal or unauthorized use of a controlled substance and the result of such test is positive shall be subject to any or all of the following actions:

(III) Random screenings for the detection of the illegal or unauthorized use of a controlled substance, which use may serve as the basis for any other community placement;

(IV) Referral to a substance abuse treatment program.

(b) If any parolee described in paragraph (a) of this subsection (8.5) is subjected to a second or subsequent test for the illegal or unauthorized use of a controlled substance and the result of such test is positive, the parole officer shall take one or more of the following actions:

(IV) Increase the number of drug screenings for the illegal or unauthorized use of controlled substances;

(V) Refer the parolee to a substance abuse treatment program.

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Provider Rate Decrease
 Department: Corrections Dept. Approval by: Aristoteles W. Zavaras Date: 01/15/09
 Priority Number: 3 OSPB Approval: *fnuz* Date: 1-14-09

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	88,388,521	111,740,013	(1,841,616)	109,898,397	111,740,013	0	111,740,013	0	111,740,013	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	85,183,977	109,381,306	(1,841,616)	107,539,690	109,381,306	0	109,381,306	0	109,381,306	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	2,358,707	0	2,358,707	2,358,707	0	2,358,707	0	2,358,707	0
	CFE/RF	3,204,544	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(1) Management (B) External Capacity Subprogram	Total	77,452,558	97,304,409	(1,607,088)	95,697,321	97,304,409	0	97,304,409	0	97,304,409	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments to In-State Private Prisons	GF	74,248,014	94,945,702	(1,607,088)	93,338,614	94,945,702	0	94,945,702	0	94,945,702	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	2,358,707	0	2,358,707	2,358,707	0	2,358,707	0	2,358,707	0
	CFE/RF	3,204,544	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(1) Management (B) External Capacity Subprogram	Total	10,935,963	14,435,604	(234,528)	14,201,076	14,435,604	0	14,435,604	0	14,435,604	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments to Pre-Release Revocation Facilities	GF	10,935,963	14,435,604	(234,528)	14,201,076	14,435,604	0	14,435,604	0	14,435,604	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request: None
 Letternote Revised Text: None
 Cash or Federal Fund Name and COFRS Fund Number: State Criminal Alien Assistance Program (SCAAP) #01410
 Reappropriated Funds Source, by Department and Line Item Name: N/A
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: None



PROVIDER RATE DECREASE - STATEWIDE

*Budget Reduction Proposal
January 15, 2009*

*Todd Saliman
Budget Director*

Statewide Provider Rate Adjustment

Proposal: The Departments of Corrections (DOC), Human Services (DHS), and Health Care Policy and Financing (HCPF) propose to reduce provider rates during the second half of FY 2008-09.

Summary of Request:

- In the FY 2008-09 Long Bill, the above mentioned departments received appropriations to support various rate increases to community providers.
- Effective February 1, DOC is proposing to return provider rates appropriated in its "Payments to In-State Private Prisons at a rate of \$54.93 per day" line item and its "Payments to Pre-Release Parole Revocation Facilities at a rate of \$54.93 per day" line item to FY 2007-08 appropriated levels.
- Effective February 1, DHS is proposing a targeted reduction to County Administration, Youth Corrections Institutional Programs, and Developmental Disabilities Community Programs.
- Effective February 1, HCPF is proposing various, targeted provider rate reductions for the remaining five months of FY 2008-09.
- The estimated savings from the above rate reductions is \$21.7 million total funds, and \$10.2 million General Fund.

Assumptions and Tables to Show Calculations:

- The table below shows the total funds and General Fund impacts of this proposal by department.

Department	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Department of Corrections	-\$1,841,616	-\$1,841,616	\$0	\$0	\$0
Department of Human Services	-\$3,672,941	-\$1,248,773	-\$403,483	-\$1,642,004	-\$378,681
Department of Health Care Policy and Financing	-\$16,173,331	-\$7,140,170	-\$147,935	-\$950,000	-\$7,935,226
Total	-\$21,687,888	-\$10,230,559	-\$551,418	-\$2,592,004	-\$8,313,907

- The Department of Corrections used the Division of Criminal Justice's (DCJ) December 2008 prison population projections to anticipate the Average Daily Population (ADP) between February 1, 2009 and June 30, 2009.
- The Department is using the updated population projections to determine a new number of bed days needed at the FY 2007-08 rates.
- This adjustment may result in out-of-state inmates being housed in private prisons in Colorado and could potentially jeopardize Colorado's first-right-of-refusal over the use of in-state private beds.
- The table on the following page illustrates the impact of returning provider rates to FY 2007-08 levels given the projected ADP.

		Rates	Per offender	ADP	Savings
			x150 bed days	Assuming December 2008 DCJ Projections	
Private Prisons	07/08	\$52.69	\$7,903.50		
	08/09	\$54.93	\$8,239.50		
		Difference:	\$336	4783	\$1,607,088
Pre-Release	07/08	\$52.69	\$7,903.50		
	08/09	\$54.93	\$8,239.50		
		Difference:	\$336	698	\$234,528
				FY 2008-09 SAVINGS	\$1,841,616

- The Department of Human Services is requesting a targeted reduction equivalent to 1.0% of the total funding for all DHS community provider payments for the period of February 1, 2009 through June 30, 2009. The Department is targeting these reductions to the following areas: County Administration; Youth Corrections Institutional Program, and; Developmental Disabilities Community Programs. This targeted reduction results in a rate decrease of 1.19 percent for these provider groups.
- This reduction will make less funding available to these specific programs and to providers for inflationary and cost of living adjustments. The reduction in County Administration may drive additional expenditures of county-only funds or possible reductions in services. The reduction in the Youth Corrections area will result in lower payments to providers serving youth in the DYC system placed in community settings. The reduction in the Developmental Disabilities Community Programs will lower the total funding available for providers in the DD system.

FY 2008-09	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Medicaid Cash Funds	Medicaid General Fund	Net General Fund
Total Reduction	(\$3,672,941)	(\$1,248,773)	(\$403,483)	(\$1,642,004)	(\$378,681)	(\$1,566,723)	(\$783,362)	(\$2,032,135)
(5) Division of Child Welfare	(\$1,915,721)	(\$994,789)	(\$365,554)	(\$176,697)	(\$378,681)	(\$141,717)	(\$70,859)	(\$1,065,648)
Reduce Child Welfare Services	(\$1,697,491)	(\$802,770)	(\$339,498)	(\$176,697)	(\$378,526)	(\$141,717)	(\$70,859)	(\$873,629)
Reduce Family and Children's Programs	(\$218,230)	(\$192,019)	(\$26,056)	\$0	(\$155)	\$0	\$0	(\$192,019)
(9) Services for People with Disabilities	(\$1,489,040)	\$0	(\$37,929)	(\$1,451,111)	\$0	(\$1,410,810)	(\$705,405)	(\$705,405)
Reduce (A) Community Services for People with Developmental Disabilities (2) Program Costs, Adult Comprehensive Services for 66 General Fund and 3,806-3,916 Medicaid resources	(\$1,489,040)	\$0	(\$37,929)	(\$1,451,111)	\$0	(\$1,410,810)	(\$705,405)	(\$705,405)
(11) Division of Youth Corrections	(\$268,180)	(\$253,984)	\$0	(\$14,196)	\$0	(\$14,196)	(\$7,098)	(\$261,082)
Reduce (B) Institutional Programs, Purchase of Contract Placements	(\$268,180)	(\$253,984)	\$0	(\$14,196)	\$0	(\$14,196)	(\$7,098)	(\$261,082)

- The Department of Health Care Policy and Financing is requesting the following rate cuts for the remainder of FY 2008-09: a reduction of county administration funding; a reduction of selected physical codes below 100 percent of the Medicare rate; the cessation of disease management programs; the revision of Medicare costs due to lower than anticipated Medicare premiums; the reduction of pharmacy reimbursement to the average wholesale price (14.5 percent for brand name, and 45.0 percent for generic medication); a rate reduction of 1.5 percent for skilled home health, private duty nursing and hospices; a rate reduction of 1.0 percent for nursing facilities; a rate reduction of 0.25 percent for physician services, emergency transportation, non-emergency medical transportation, dental services, inpatient hospitals, outpatient hospitals, laboratory and x-ray services, and single entry points, and; a rate reduction for Behavioral Health Organizations (BHOs) to the median of the sound actuarial range.

- These cuts may curtail the significant progress that the state has made so far as part of the Governor's Building Blocks to Health Care Reform initiative.
- The table below shows the proposed reductions by Long Bill line item.

FY 2008-09	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Total Reduction	(\$16,173,331)	(\$7,140,170)	(\$147,935)	(\$950,000)	(\$7,935,226)
(1) Executive Director's Office; (D) Eligibility Determinations and Client Services, County Administration	(\$833,333)	(\$416,667)	\$0	\$0	(\$416,666)
Reduce County Administration	(\$833,333)	(\$416,667)	\$0	\$0	(\$416,666)
(2) Medical Services Premiums	(\$13,219,374)	(\$5,734,384)	(\$76,742)	(\$950,000)	(\$6,458,248)
Reduce Selected Physician Codes Below 100% of Medicare Rate	(\$1,697,782)	(\$817,239)	(\$12,456)	\$0	(\$868,087)
Cease Disease Management Programs	(\$1,900,000)	\$0	\$0	(\$950,000)	(\$950,000)
Revised Cost for Medicare Premiums	(\$2,038,900)	(\$1,223,340)	\$0	\$0	(\$815,560)
Reduce Pharmacy Reimbursement	(\$3,192,897)	(\$1,536,924)	(\$48,664)	\$0	(\$1,607,309)
1.5% Skilled Home Health Rate Cut	(\$1,161,593)	(\$563,258)	(\$7,563)	\$0	(\$590,773)
1.0% Nursing Facility Rate Cut	(\$2,104,845)	(\$1,052,423)	\$0	\$0	(\$1,052,423)
0.25% Provider Rate Cuts	(\$1,123,356)	(\$541,200)	(\$8,059)	\$0	(\$574,097)
(3) Medicaid Mental Health Community Programs; (A) Mental Health Capitation Payments	(\$2,120,624)	(\$989,119)	(\$71,193)	\$0	(\$1,060,312)
Reduce BHO Rates to Median of Actuarial Sound Rate Range	(\$2,120,624)	(\$989,119)	(\$71,193)	\$0	(\$1,060,312)

Current Statutory Authority or Needed Statutory Change:

- The Department of Corrections will require a supplemental change to H.B. 08-1375 (the Long Bill) as well as Section 17-1-105.5, C.R.S. (2008) which specifies contract rates for FY 2008-09.
- The Department of Human Services will not require a statutory change to implement rate adjustments.
- The Department of Health Care Policy and Financing will require a change to Section 25.5-6-202, C.R.S. (2008) pertaining to Nursing Facilities, and to Section 24-22-117 (2) (d) (IV.5), C.R.S (2008) pertaining to Disease Management. No change is required to Section 25.5-4-401 (1)(a) which states that "the department shall establish rules for the payment of providers. . ."

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Education Program Refinancing
 Department: Corrections Dept. Approval by: Aristoteles W. Zavaras Date: 01/15/09
 Priority Number: Unprioritized OSPB Approval: *SM 1/26* Date: *1-11-09*

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	9,405,233	14,049,940	0	14,049,940	15,001,972	0	15,001,972	0	15,001,972	0
	FTE	144.8	245.6	0.0	245.6	254.8	0.0	254.8	0.0	254.8	0.0
	GF	0	13,138,418	(800,000)	12,338,418	14,102,027	0	14,102,027	0	14,102,027	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	911,522	800,000	1,711,522	899,945	0	899,945	0	899,945	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(4) Inmate Programs	Total	9,405,233	14,049,940	0	14,049,940	15,001,972	0	15,001,972	0	15,001,972	0
(B) Education	FTE	144.8	245.6	0.0	245.6	254.8	0.0	254.8	0.0	254.8	0.0
Personal Services	GF	9,405,233	13,138,418	(800,000)	12,338,418	14,102,027	0	14,102,027	0	14,102,027	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	911,522	800,000	1,711,522	899,945	0	899,945	0	899,945	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request: Cash Fund will be appropriated from 506 CFC fund balance
Letternote Revised Text: e. This amount shall be from the fund balance in Canteen
Cash or Federal Fund Name and COFRS Fund Number: CF - Canteen
Reappropriated Funds Source, by Department and Line Item Name: None
Approval by OIT? Yes: No: N/A:
Schedule 13s from Affected Departments: N/A



DEPARTMENT OF CORRECTIONS

*Budget Reduction Proposal
January 15, 2009*

*Aristedes W. Zavaras
Executive Director*

Education Program Refinancing

Proposal: The Department proposes refinancing \$800,000 within the Education subprogram personal services line item. This refinancing results in a reduction of \$800,000 General Fund and an increase of \$800,000 cash funds.

Summary of Request:

- The Department collects revenue in the Canteen Fund that may be used for the benefit of inmates.
- The Department anticipates that it will have more than \$800,000 available in unused fund balance within the Canteen Fund in FY 2008-09, and is proposing to transfer this unused balance to the personal services line within the Education subprogram.
- By increasing the cash funds in the personal services line, the Department is able to reduce the General Fund commensurately.

Assumptions and Tables to Show Calculations:

	FY 08-09	FY 09-10	FY 10-11
Projected End of Year Balance with No Action	\$6,716,022	\$6,764,022	\$8,061,522
Current Balance YTD FY 2008-09 July 1 Projected Balance Out Years	\$9,180,776	\$6,716,022	\$6,764,022
Less Projected Mandatory Expenditures	(\$8,307,732)	(\$0)	(\$0)
Equals Proposed Projected End of Year Balance	\$873,044	\$0	\$0

- The Canteen Fund balance is generated by offender canteen purchase revenues. The projected balances assume past canteen sales activity; if canteen sales activity decreases, the fund balance will be lower than projected.
- With a significantly lower starting balance in FY 2009-10, the Canteen will have to generate sufficient revenue to support its activities and personal services costs in the Volunteers, Education, and Recreation subprograms.

Current Statutory Authority or Needed Statutory Change:

There is no statutory change required to implement this proposal.

Section 17-24-126 C.R.S., 2008 creates the Canteen Fund as a revolving enterprise account operated by Correctional Industries and directs that any profits from the Canteen Fund shall be expended for the educational, recreational and social benefit of inmates and to supplement direct inmate needs.

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Hiring Freeze
 Department: Corrections
 Priority Number: Unprioritized
 Dept. Approval by: Aristides W. Zavaras
 OSPB Approval: *[Signature]*
 Date: 01/15/09
 Date: 1-13-09

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	18,002,357	16,213,596	(31,736)	16,181,860	16,936,140	0	16,936,140	0	16,936,140	0
	FTE	279.9	283.7	0.0	283.7	285.9	0.0	285.9	0.0	285.9	0.0
	GF	17,530,987	15,608,226	(31,736)	15,576,490	16,351,768	0	16,351,768	0	16,351,768	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	471,370	604,671	0	604,671	583,474	0	583,474	0	583,474	0
	CFE/RF	0	699	0	699	898	0	898	0	898	0
	FF	0	0	0	0	0	0	0	0	0	0
(2) Institutions	Total	11,466,602	10,276,508	(14,537)	10,261,971	10,626,090	0	10,626,090	0	10,626,090	0
(G) Superintendents	FTE	171.2	173.0	0.0	173.0	173.2	0.0	173.2	0.0	173.2	0.0
Personal Services	GF	11,466,602	10,276,508	(14,537)	10,261,971	10,626,090	0	10,626,090	0	10,626,090	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(3) Support Services	Total	6,535,755	5,937,088	(17,199)	5,919,889	6,310,050	0	6,310,050	0	6,310,050	0
(A) Business Operations	FTE	108.7	110.7	0.0	110.7	112.7	0.0	112.7	0.0	112.7	0.0
Personal Services	GF	6,064,385	5,331,718	(17,199)	5,314,519	5,725,678	0	5,725,678	0	5,725,678	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	471,370	604,671	0	604,671	583,474	0	583,474	0	583,474	0
	CFE/RF	0	699	0	699	898	0	898	0	898	0
	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request: None
 Letternote Revised Text: None
 Cash or Federal Fund Name and COFRS Fund Number: None
 Reappropriated Funds Source, by Department and Line Item Name: None
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: N/A