



CO L O R A D O

**Department of
Regulatory Agencies**

Colorado Office of Policy, Research &
Regulatory Reform

**2017 Sunset Review:
Offender Re-Entry Grant Program**

October 13, 2017



COLORADO

**Department of
Regulatory Agencies**

Executive Director's Office

October 13, 2017

Members of the Colorado General Assembly
c/o the Office of Legislative Legal Services
State Capitol Building
Denver, Colorado 80203

Dear Members of the General Assembly:

The Colorado General Assembly established the sunset review process in 1976 as a way to analyze and evaluate regulatory programs and determine the least restrictive regulation consistent with the public interest. Since that time, Colorado's sunset process has gained national recognition and is routinely highlighted as a best practice as governments seek to streamline regulation and increase efficiencies.

Section 24-34-104(5)(a), Colorado Revised Statutes (C.R.S.), directs the Department of Regulatory Agencies to:

- Conduct an analysis of the performance of each division, board or agency or each function scheduled for termination; and
- Submit a report and supporting materials to the office of legislative legal services no later than October 15 of the year preceding the date established for termination.

The Colorado Office of Policy, Research and Regulatory Reform (COPRRR), located within my office, is responsible for fulfilling these statutory mandates. Accordingly, COPRRR has completed the evaluation of the offender re-entry grant program administered by the Colorado Department of Corrections. I am pleased to submit this written report, which will be the basis for COPRRR's oral testimony before the 2018 legislative committee of reference.

The report discusses the question of whether there is a need for the program provided under section 17-33-101(7), C.R.S. The report also discusses the effectiveness of the Division of Adult Parole in the Department of Corrections and staff in carrying out the intent of the statutes and makes recommendations for statutory changes in the event this regulatory program is continued by the General Assembly.

Sincerely,

Marguerite Salazar
Executive Director





COLORADO

Department of Regulatory Agencies

Colorado Office of Policy, Research &
Regulatory Reform

2017 Sunset Review Offender Re-Entry Grant Program

SUMMARY

What is the offender re-entry grant program?

Under the program, known as the Work and Gain Education & Employment Skills (WAGEES) program, the Colorado Department of Corrections (Department) provides grant funding to community-based organizations that offer re-entry services to people on parole. The community-based organizations receiving grant funds, called community partners, must offer, at a minimum, employment and educational and training services, mentoring, and case management to parolees.

How does the program work?

The Department contracts with a community-based organization, currently the Latino Coalition for Community Leadership, to serve as an intermediary between the Department and the community partners. The Intermediary oversees the community partners, which involves assuring they update and maintain records; reviewing expenditures to ensure they fall within established parameters; and providing the technical support, financial and budgeting guidance, and administrative resources that allow the community partners to focus on the direct delivery of services.

Whom does the program serve?

The WAGEES program is intended to serve people on parole who have been assessed as medium- to high-risk to recidivate based on the Department's assessment tool. Since its inception in January 2015, through July 24, 2017, the WAGEES program has served 1,737 people on parole.

What does it cost?

The General Assembly makes an annual appropriation to the WAGEES program. In fiscal year 16-17, the Department disbursed \$1.7 million to eight community partners.

KEY RECOMMENDATIONS

Continue the offender re-entry grant program for five years, until 2023.

Since the WAGEES program's inception in January 2015, it has shown remarkable growth and served over 1,700 people. The potential of the program in reducing recidivism over the long-term is clear. Anecdotally, based on interviews a representative of the Colorado Office of Policy, Research and Regulatory Reform (COPRRR) conducted with current WAGEES participants, the program has played a critical role in helping parolees become self-sufficient, productive members of their communities, but parolees themselves are not the only ones who benefit. Their families benefit: parolees who have steady employment can help support their households and provide stable homes for their children. The public benefits: a reduction in the recidivism rate means a reduction in victims of crime in the community. The community partners' collective emphasis on parolees becoming contributing members of society could, over the long term, strengthen communities and enhance public safety. In its current form, the WAGEES program helps to protect the public health, safety, and welfare. To give this nascent program the opportunity to reach its full potential and to evaluate its long-term efficacy over time, the General Assembly should continue the WAGEES program for five years, until 2023.

Authorize the Department to release up to one quarter of grant funds to community partners at the beginning of the fiscal year.

Under the WAGEES program, community partners do not receive grant funds up front: they pay their expenses then electronically submit receipts and documentation to the Intermediary, which facilitates reimbursement by the Department. The delay between making the expenditure and receiving reimbursement poses a challenge for some community partners, especially around the end of one fiscal year and the beginning of the next, when they are sometimes compelled to obtain loans or use personal credit cards to cover expenses. Allowing the Department to release a percentage of the grant funds to community partners at the beginning of the grant period would resolve this issue.

METHODOLOGY

As part of this review, COPRRR interviewed Department staff and representatives of the Intermediary; conducted site visits and interviewed representatives of community partners; interviewed people receiving services from community partners; interviewed representatives of state and national policy organizations; reviewed Colorado statutes and rules, and reviewed the laws of other states.

MAJOR CONTACTS MADE DURING THIS REVIEW

Colorado Criminal Justice Reform Coalition
Colorado Department of Corrections
Latino Coalition for Community Leadership
Public Welfare Foundation
Urban Institute

What is a Sunset Review?

A sunset review is a periodic assessment of state boards, programs, and functions to determine whether they should be continued by the legislature. Sunset reviews focus on creating the least restrictive form of regulation consistent with protecting the public. In formulating recommendations, sunset reviews consider the public's right to consistent, high quality professional or occupational services and the ability of businesses to exist and thrive in a competitive market, free from unnecessary regulation.

Sunset Reviews are prepared by:
Colorado Department of Regulatory Agencies
Colorado Office of Policy, Research and Regulatory Reform
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Background

Introduction

Enacted in 1976, Colorado's sunset law was the first of its kind in the United States. A sunset provision repeals all or part of a law after a specific date, unless the legislature affirmatively acts to extend it. During the sunset review process, the Colorado Office of Policy, Research and Regulatory Reform (COPRRR) within the Department of Regulatory Agencies (DORA) conducts a thorough evaluation of such programs based upon specific statutory criteria¹ and solicits diverse input from a broad spectrum of stakeholders including consumers, government agencies, public advocacy groups, and professional associations.

Sunset reviews are based on the following statutory criteria:

- Whether regulation by the agency is necessary to protect the public health, safety and welfare; whether the conditions which led to the initial regulation have changed; and whether other conditions have arisen which would warrant more, less or the same degree of regulation;
- If regulation is necessary, whether the existing statutes and regulations establish the least restrictive form of regulation consistent with the public interest, considering other available regulatory mechanisms and whether agency rules enhance the public interest and are within the scope of legislative intent;
- Whether the agency operates in the public interest and whether its operation is impeded or enhanced by existing statutes, rules, procedures and practices and any other circumstances, including budgetary, resource and personnel matters;
- Whether an analysis of agency operations indicates that the agency performs its statutory duties efficiently and effectively;
- Whether the composition of the agency's board or commission adequately represents the public interest and whether the agency encourages public participation in its decisions rather than participation only by the people it regulates;
- The economic impact of regulation and, if national economic information is not available, whether the agency stimulates or restricts competition;
- Whether complaint, investigation and disciplinary procedures adequately protect the public and whether final dispositions of complaints are in the public interest or self-serving to the profession;
- Whether the scope of practice of the regulated occupation contributes to the optimum utilization of personnel and whether entry requirements encourage affirmative action;

¹ Criteria may be found at § 24-34-104, C.R.S.

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- Whether the agency through its licensing or certification process imposes any disqualifications on applicants based on past criminal history and, if so, whether the disqualifications serve public safety or commercial or consumer protection interests. To assist in considering this factor, the analysis prepared pursuant to subparagraph (i) of paragraph (a) of subsection (8) of this section shall include data on the number of licenses or certifications that were denied, revoked, or suspended based on a disqualification and the basis for the disqualification; and
 - Whether administrative and statutory changes are necessary to improve agency operations to enhance the public interest.

Types of Regulation

Consistent, flexible, and fair regulatory oversight assures consumers, professionals and businesses an equitable playing field. All Coloradans share a long-term, common interest in a fair marketplace where consumers are protected. Regulation, if done appropriately, should protect consumers. If consumers are not better protected and competition is hindered, then regulation may not be the answer.

As regulatory programs relate to individual professionals, such programs typically entail the establishment of minimum standards for initial entry and continued participation in a given profession or occupation. This serves to protect the public from incompetent practitioners. Similarly, such programs provide a vehicle for limiting or removing from practice those practitioners deemed to have harmed the public.

From a practitioner perspective, regulation can lead to increased prestige and higher income. Accordingly, regulatory programs are often championed by those who will be the subject of regulation.

On the other hand, by erecting barriers to entry into a given profession or occupation, even when justified, regulation can serve to restrict the supply of practitioners. This not only limits consumer choice, but can also lead to an increase in the cost of services.

There are also several levels of regulation.

Licensure

Licensure is the most restrictive form of regulation, yet it provides the greatest level of public protection. Licensing programs typically involve the completion of a prescribed educational program (usually college level or higher) and the passage of an examination that is designed to measure a minimal level of competency. These types of programs usually entail title protection - only those individuals who are properly licensed may use a particular title(s) - and practice exclusivity - only those individuals who are properly licensed may engage in the particular practice. While these requirements can be viewed as barriers to entry, they also afford the highest level of consumer protection in that they ensure that only those who are deemed competent may practice and the public is alerted to those who may practice by the title(s) used.

Certification

Certification programs offer a level of consumer protection similar to licensing programs, but the barriers to entry are generally lower. The required educational program may be more vocational in nature, but the required examination should still measure a minimal level of competency. Additionally, certification programs typically involve a non-governmental entity that establishes the training requirements and owns and administers the examination. State certification is made conditional upon the individual practitioner obtaining and maintaining the relevant private credential. These types of programs also usually entail title protection and practice exclusivity.

While the aforementioned requirements can still be viewed as barriers to entry, they afford a level of consumer protection that is lower than a licensing program. They ensure that only those who are deemed competent may practice and the public is alerted to those who may practice by the title(s) used.

Registration

Registration programs can serve to protect the public with minimal barriers to entry. A typical registration program involves an individual satisfying certain prescribed requirements - typically non-practice related items, such as insurance or the use of a disclosure form - and the state, in turn, placing that individual on the pertinent registry. These types of programs can entail title protection and practice exclusivity. Since the barriers to entry in registration programs are relatively low, registration programs are generally best suited to those professions and occupations where the risk of public harm is relatively low, but nevertheless present. In short, registration programs serve to notify the state of which individuals are engaging in the relevant practice and to notify the public of those who may practice by the title(s) used.

Title Protection

Finally, title protection programs represent one of the lowest levels of regulation. Only those who satisfy certain prescribed requirements may use the relevant prescribed title(s). Practitioners need not register or otherwise notify the state that they are engaging in the relevant practice, and practice exclusivity does not attach. In other words, anyone may engage in the particular practice, but only those who satisfy the prescribed requirements may use the enumerated title(s). This serves to indirectly ensure a minimal level of competency - depending upon the prescribed preconditions for use of the protected title(s) - and the public is alerted to the qualifications of those who may use the particular title(s).

Licensing, certification and registration programs also typically involve some kind of mechanism for removing individuals from practice when such individuals engage in enumerated proscribed activities. This is generally not the case with title protection programs.

Regulation of Businesses

Regulatory programs involving businesses are typically in place to enhance public safety, as with a salon or pharmacy. These programs also help to ensure financial solvency and reliability of continued service for consumers, such as with a public utility, a bank or an insurance company.

Activities can involve auditing of certain capital, bookkeeping and other recordkeeping requirements, such as filing quarterly financial statements with the regulator. Other programs may require onsite examinations of financial records, safety features or service records.

Although these programs are intended to enhance public protection and reliability of service for consumers, costs of compliance are a factor. These administrative costs, if too burdensome, may be passed on to consumers.

Sunset Process

Regulatory programs scheduled for sunset review receive a comprehensive analysis. The review includes a thorough dialogue with agency officials, representatives of the regulated profession and other stakeholders. Anyone can submit input on any upcoming sunrise or sunset review on COPRRR's website at: www.dora.colorado.gov/opr.

The functions of the Department of Corrections (Department) as enumerated in subsection 101(7) of Article 33 of Title 17, Colorado Revised Statutes (C.R.S.), shall terminate on September 1, 2018, unless continued by the General Assembly. During the year prior to this date, it is the duty of COPRRR to conduct an analysis and evaluation of the program pursuant to section 24-34-104, C.R.S.

The purpose of this review is to determine whether the currently prescribed program to provide grant funding to community-based organizations offering services to parolees that help them successfully re-enter society should be continued and to evaluate the performance of the Department. During this review, the Department must demonstrate that the program serves the public interest. COPRRR's findings and recommendations are submitted via this report to the Office of Legislative Legal Services.

Methodology

As part of this review, COPRRR interviewed Department staff and representatives of the contractually designated intermediary; conducted site visits and interviewed representatives of the community-based organizations, or community partners, receiving grants under the program; interviewed people receiving services from the community partners; interviewed representatives of state and national policy organizations; and reviewed Colorado statutes and rules and the laws of other states.

Parole and Re-Entry in Colorado

In fiscal year 15-16, there was an average daily population of 30,604 people under the jurisdiction of the Department. Of these, 20,401 people were housed in correctional facilities and the remaining 10,203—about 33 percent—were on parole, a conditional release from prison.²

Each person released to the community on parole (parolee) is subject to the terms of an individualized parole agreement developed and issued by the Colorado State Board of Parole.

Under a typical parole agreement, a parolee must go directly to a designated parole office upon release from prison, make regular reports to a parole officer, and obtain housing and employment. Parolees might also have to undergo drug testing, attend counseling, and make child support or restitution payments. Parolees are typically forbidden from possessing or using drugs, owning firearms or other deadly weapons, associating with other people with criminal records, and from changing residence or leaving the parole area without permission.

Complying with the terms of a parole agreement can be difficult, especially if the person lacks family or community support. Most parole requirements—rent, drug testing, therapy, child support or restitution payments—require a steady source of income, but parolees can face significant barriers to employment. Having a criminal history can limit parolees' ability to find employment, and people who have been incarcerated for long periods may lack marketable skills. People who have been convicted of certain felonies can also be barred from receiving certain public benefits, such as public housing and nutrition assistance. Many parolees either lack a driver's license or are not permitted to drive and must rely on public transportation, which can make getting to and from a job and any mandated appointments more challenging, particularly outside of urban areas.

In recent years, the Department has implemented numerous re-entry initiatives intended to increase the likelihood of parolees successfully re-entering their communities. These efforts begin inside correctional facilities, where the Department offers a voluntary pre-release course, focusing on topics including housing, transportation, employment readiness, money management, and victim awareness, for inmates who are scheduled for release; the Colorado Offender Identification Initiative, a program that ensures most inmates have state identification cards prior to their release; designated re-entry living units for inmates who are due to be released in 6 to 12 months; and other programs.

The Department has also expanded its resources outside of correctional facilities. While parole officers remain the most consistent Department contact for parolees, the Department also employs community re-entry specialists and employment and training navigators to help parolees re-establish themselves in the outside world.

² *HB 14-1355 Annual Report: Department Re-entry Initiatives for FY 2016*, Colorado Department of Corrections (2017), p. 2.

The Department has also sought to forge stronger connections with the communities to which parolees return. The Work and Gain Education & Employment Skills (WAGEES) program, which is the subject of this sunset review, is emblematic of this effort. Under the WAGEES program, a portion of the Department budget is allocated to a grant program for faith and community-based organizations that provide re-entry services to parolees in their communities.

The sheer number of people being released back into the community makes the process of re-entry critical to public health and safety.

Interest in re-entry services coincides with a national trend toward justice reinvestment initiatives, which seek to direct monies saved by reducing incarceration rates toward preventative and rehabilitative services, with the long-term goal of improving public safety.

Legal Framework

History of Regulation

The General Assembly created the grant program for community-based organizations providing services to people on parole in 2014, when it passed House Bill 1355 (HB 1355).

Generally, HB 1355 directed the Department of Corrections (Department) to develop and implement initiatives to decrease recidivism, enhance public safety, and increase offenders' chances of successful re-entry into their communities. The bill directed the Department to develop pre-release services within correctional facilities and initiatives to ease the transition from such facilities into the community, and provide training for Department employees to assure the appropriate supervision of people on parole.

Finally, HB 1355 created a grant program that would provide funds to community-based organizations that provide re-entry services to people on parole. The program, which ultimately became known as the Work and Gain Education & Employment Skills (WAGEES) program, was contingent upon appropriations. The original appropriation for the WAGEES program was \$500,000 for fiscal year 14-15 and \$1 million for fiscal year 15-16.

In 2015, the General Assembly passed Senate Bill 124, which increased the money appropriated to the WAGEES program for fiscal year 15-16 by \$710,000, to \$1.7 million.

Legal Summary

The law establishing the WAGEES program is located in section 17-33-101(7), Colorado Revised Statutes (C.R.S.). The statute directs the Department to develop and implement a grant program that funds eligible community-based organizations that provide re-entry services to people on parole.³

The statute establishes an administrative model for the grant program wherein the Department selects a community-based organization to serve as an intermediary between the Department and the grant recipients—called community partners—which provide services to parolees.

³ § 17-33-101(7)(a), C.R.S.

The Executive Director of the Department (Executive Director) must establish:

- Eligibility criteria for the intermediary and for the community-based organizations seeking grant funds;⁴
- A timeline for the grant application process;⁵
- A means for determining the amount of each grant,⁶ including the maximum amount an organization may receive per fiscal year;⁷ and
- Data-reporting requirements for programs receiving grant funding.⁸

As the designated intermediary, the Latino Coalition for Community Leadership (Intermediary), pursuant to its contract with the Department, developed the request for proposals (RFP) for community-based organizations seeking grant funding. The RFP addresses all of the topics in the bulleted list above.

The stated goal of the WAGEES program is to:

provide re-entry services and opportunities for medium- to high-risk parolees through a variety of effective and comprehensive services. These services shall prepare them to successfully compete in the labor market, to continue in their education and receive training for future employment, and to offer opportunities to acquire skills that are characteristic of productive workers and good citizens. Overall, the goal is to increase the success of people on parole and enhance public safety.⁹

To be eligible for a WAGEES grant, an organization must meet certain qualifications, including:¹⁰

- Having 501(c)(3) nonprofit status with the Internal Revenue Service (I.R.S.), or being a Native American entity.
- Being in good standing with the Colorado Secretary of State or similar government body in the state where the applicant organization is incorporated.
- Complying with all I.R.S. rules, regulations, and reporting requirements.

The initial RFP sought a total of four community partners, with at least one serving each parole region (please see Appendix A). Subsequent RFPs have sought community partners for whichever region is in need of services. The initial RFP offered funding for an 18-month period. The grant period for subsequent RFPs was 12 months.

⁴ § 17-33-101(7)(b)(I), C.R.S.

⁵ § 17-33-101(7)(b)(II), C.R.S.

⁶ § 17-33-101(7)(b)(III), C.R.S.

⁷ § 17-33-101(7)(b)(V), C.R.S.

⁸ § 17-33-101(7)(b)(IV), C.R.S.

⁹ *Work and Gain Education and Employment Skills Project Sub-Grant Request for Proposal Formal Guidance, Program Year 2015-2016*, Latino Coalition for Community Leadership (2015), p. 4.

¹⁰ *Work and Gain Education and Employment Skills Project Sub-Grant Request for Proposal Formal Guidance, Program Year 2015-2016*, Latino Coalition for Community Leadership (2015), p. 2.

A core responsibility of the applying organization is to provide adequate case management services to participants. Case managers are responsible for working with the Division of Adult Parole to facilitate participants' return to the community. Case managers help participants overcome obstacles to successful re-entry by helping them obtain transportation, housing, and employment, and providing referrals to mental health providers and substance abuse counseling. Case managers are responsible for managing and documenting participants' progress. There must be one case manager on staff for every 40 participants.¹¹

Applying organizations must also either directly provide the following services or have established contacts that can provide the following services to participants:¹²

- Employment strategies, including permanent and transitional job placement, job training, and training in leadership and financial literacy;
- Training and educational strategies, including vocational training that culminates in an industry-recognized credential; remediation to improve math, reading, writing, and English-language skills; high-school equivalency test preparation, and on-ramps to adult education or community college programs; and
- Mentoring, including one-on-one, group, and service-based mentoring.

Community partners may also use grant funds to underwrite a range of additional services, including family reunification, cognitive behavior programs, gang disengagement, anger management counseling, basic life skills development, and others. A community partner seeking to provide additional services that are not outlined in the RFP may request approval of such services in writing.¹³

The Executive Director can require the staff of organizations applying for grant funds to undergo a criminal background check. If a staff member has a criminal record, before deciding whether to award a grant to the applying organization, the Executive Director must consider:¹⁴

- The nature of the conviction;
- Whether there is a direct relationship between the staff member's conviction and the job duties he or she must perform and the bearing, if any, the conviction may have on the applicant's fitness or ability to perform such duties, including whether the duties of employment would place a co-worker or the public in a vulnerable position;
- Any information produced by the staff member regarding his or her rehabilitation and good conduct; and
- The time that has elapsed since the conviction.

¹¹ *Work and Gain Education and Employment Skills Project Sub-Grant Request for Proposal Formal Guidance, Program Year 2015-2016*, Latino Coalition for Community Leadership (2015), p. 7.

¹² *Work and Gain Education and Employment Skills Project Sub-Grant Request for Proposal Formal Guidance, Program Year 2015-2016*, Latino Coalition for Community Leadership (2015), p. 7.

¹³ *Work and Gain Education and Employment Skills Project Sub-Grant Request for Proposal Formal Guidance, Program Year 2015-2016*, Latino Coalition for Community Leadership (2015), p. 8.

¹⁴ § 24-5-101(4), C.R.S.

In accordance with these requirements, the Intermediary developed a policy that requires all community partner employees, contractors, and volunteers who will be in direct contact with Program participants to undergo a criminal background check. Employees, contractors and volunteers who have a criminal record but who are no longer on any form of criminal justice supervision are eligible to provide services and assistance to people on parole consistent with their job duties. An employee, contractor or volunteer who is currently under criminal justice supervision may be approved on a case-by-case basis by the Executive Director or his or her designee.

The Executive Director cannot decline an applicant grant funds solely because a staff member has a criminal record.¹⁵

The Executive Director, or his or her designee, makes the final decision whether to award or deny a grant from the grant program.

The Department cannot award any grant funding that exceeds the amount appropriated to the Department for the program.

Funding is dependent on grantee performance. Consistent poor performance can result in the termination of a grantee's Memorandum of Understanding.¹⁶

¹⁵ § 17-33-101(7)(c), C.R.S.

¹⁶ *Work and Gain Education and Employment Skills Project Sub-Grant Request for Proposal Formal Guidance, Program Year 2015-2016*, Latino Coalition for Community Leadership (2015), p. 3.

Program Description and Administration

Section 17-33-101(7)(a), Colorado Revised Statutes (C.R.S.), directs the Colorado Department of Corrections (Department) to develop and implement a grant program for community-based organizations that offer re-entry services to people on parole. The program, known as the Work and Gain Education & Employment Skills (WAGEES) program, is intended to serve people on parole under the supervision of the Department's Division of Adult Parole (Division) and who score as medium- to high-risk to recidivate based on the Department's risk/needs assessment tool.

The WAGEES program is not intended to replace the oversight, services and programs the Division provides. Rather, the grant recipients, or community partners, are intended to complement the Division's efforts. Because the Division must authorize parolees to participate in a WAGEES program, the success of WAGEES depends on an intensely collaborative relationship between the Division and community partners.

The Latino Coalition for Community Leadership (Intermediary) serves as the intermediary between the Department and the community partners. Under this administrative structure, the Department executes a contract with the Intermediary, which in turn enters into a Memorandum of Understanding with each community partner.

The Intermediary is responsible for overseeing the community partners, which includes assuring they update and maintain records; reviewing expenditures to ensure they fall within established parameters; and providing the technical support, financial and budgeting guidance, and administrative resources that allow the community partners to focus on the direct delivery of services. The Intermediary is responsible for establishing goals and performance measures and helping community partners meet them.

Table 1 shows, for the four fiscal years since the WAGEES program was implemented, the amount of money the General Assembly appropriated for grants.

Table 1
Appropriations for the WAGEES Program

Fiscal Year	Amount Appropriated
14-15	\$500,000
15-16	\$1,710,000
16-17	\$1,710,000
17-18	\$1,733,971

The program launched on January 1, 2015, so the fiscal year 14-15 figures reflect a six-month period. The Intermediary receives 15 percent of the appropriated funds to fulfill the administrative and oversight responsibilities outlined in the contract. The remaining 85 percent of the appropriated funds goes to the community partners.

In January 2015, the Department granted four community partners \$300,000 each for an 18-month grant period. In June 2015, the Department granted \$250,000 each to three additional community partners. For subsequent fiscal years, grants may be from \$114,000 to \$300,000, depending on the number of projected participants.

Community partners do not receive grant funds up front: they pay their expenses then electronically submit receipts and documentation to the Intermediary's Financial Manager. The Financial Manager reviews the documentation, authorizes expenses to be reimbursed, and invoices the Department once weekly for the total aggregate expenses of the community partners. In addition to the actual expenses of the community partners, the invoice includes the Intermediary's 15 percent management fee. Within five days of receiving the invoice, the Department electronically credits funds to the Intermediary, which transfers the appropriate funds to each community partner.

Intermediary staff continually monitor community partners' budgets over the course of the year. If, at the end of the fiscal year, a community partner has not spent down the balance of its grant—usually due to lower than expected enrollment—fiscal and management staff at the Intermediary may determine to transfer these funds to another community partner with unexpectedly high enrollment.

Program Participants

In order to qualify for WAGEES, a parolee must be assessed as medium- to high-risk to recidivate, based on the Department's assessment tool. The most commonly used classification tool for adults is the Level of Service Inventory (LSI). The LSI is conducted during a structured interview that lasts about 30 to 45 minutes and measures 10 areas:

- Criminal history
- Education and employment
- Financial
- Family and marital relationships
- Housing
- Leisure and recreation
- Companions
- Alcohol and drug problems
- Emotional and personal issues
- Attitudes and orientations

The LSI assessment results in a score that determines the level of risk for the subject to return to prison. People determined to be at medium- to high-risk for recidivism—whether due to mental health or substance abuse issues, an unstable family environment, lack of consistent employment, or the parolee’s attitude about his or her crime—are eligible to enroll in WAGEES.

There are two ways that people on parole can enroll. A Division community re-entry specialist or parole officer, or an employee of First Alliance (the entity authorized by Colorado’s Office of Behavioral Health to provide therapy services to parolees), can refer a parolee to a community partner. Alternatively, in what is called a “reverse referral,” a person can walk in to the office of a WAGEES community partner, and community partner staff completes the referral form and sends it to the Division.

In the first quarter of 2017, there were a total of 205 enrollments in WAGEES. Of these, 134 (about 65 percent) were reverse referrals; 66 (about 32 percent) were referred by Division community re-entry specialists; and 4 (about 2.5 percent) were referred by parole officers. The high number of reverse referrals is largely due to positive word of mouth about the community partners among parolees.

Table 2 shows, for the three fiscal years since WAGEES was implemented, the total number of WAGEES participants. The number of participants is cumulative: people who enrolled in fiscal year 14-15 and completed in fiscal year 16-17 are included in the number for all three fiscal years.

Table 2
Total Cumulative Number of Program Participants by Fiscal Year

Fiscal Year	Number of Participants
14-15*	213
15-16	962
16-17	1,699

*The Program was implemented on January 1, 2015.

The Department rolled out initial implementation of the WAGEES program in January 2015, when it provided grant funding to four community partners, and completed implementation in June of that year, when it funded three additional community partners. This expansion explains the dramatic increase in participants from fiscal year 14-15 to 15-16. The program continued to demonstrate robust growth in fiscal year 16-17 due to increased outreach to parolees and a continuing collaborative effort between the Division and community partners to increase referrals.

In its quarterly reports to the Department, the Intermediary gives a summary of the demographic data for WAGEES participants. In the first quarter of 2017, the Intermediary found that at intake:

- 77 percent of participants did not have an active driver’s license.
- 64 percent were unemployed, and 11 percent had temporary or part-time employment.
- 39 percent lacked stable housing, meaning they were either living in shelters or temporary housing or were “couch surfing,” and 29 percent were homeless.

These figures illustrate the significant obstacles many parolees face upon their release and underscore the need for the services community partners provide.

Community Partners

Table 3 shows the community partners currently funded under the WAGEES grant, the geographic areas they serve, and the total number of participants—including those who have completed the program—in July 2017.

**Table 3
Community Partners Snapshot
July 24, 2017**

Organization Name	Parole Region	City	Funded since	Number of Participants
Bridge House	I	Boulder	January 2015	37
Christlife Ministries	III	Pueblo	January 2015	185
Christlife Ministries	III	Colorado Springs	July 2017	1
Community Re-Entry Place Inside/Out	II I	Aurora Fort Collins	June 2015	325
Junction Community Church	III	Grand Junction	March 2016	7
Positive Impact	III	Colorado Springs	June 2015 through June 2017	138
Second Chance Center	II	Aurora	January 2015	747
Servicios de la Raza	II	Denver	January 2015	211
The Rock Foundation	I	Greeley	June 2015	86
TOTAL				1,737

Positive Impact did not pursue the WAGEES grant for fiscal year 17-18, but will continue to provide re-entry services. Its 138 enrolled participants will have the option of remaining with Positive Impact or transferring to Christlife Ministries' new location in Colorado Springs.

Community Re-Entry Place Inside/Out (CRPIO) operates a program in two different locations. The Aurora office, which represents the larger of the two programs, provides centralized leadership and administration for the Fort Collins location—which has its own local manager. CRPIO also serves as the fiscal agent for the Junction Community Church location.

According to Department records, in June 2017, there were 2,692 people on parole in Parole Region I; 2,971 in Region II; and 3,261 in Region III. Table 3 demonstrates that most WAGEES participants are in Region II, which includes the Denver metropolitan area, and that Region III has the least, even though that region has the highest number of parolees. Region III encompasses a large geographical area that covers many of Colorado's rural and remote counties (please see Appendix A). The Intermediary and the Department recognize the need for additional services in these areas.

The Request for Proposals (RFP) prepared by the Intermediary specifies which services community partners must offer directly (case management); services that they must offer either directly or via a partnership with another organization (employment strategies, training and education strategies, and mentoring); and services that they may offer (family reunification, life skills development, or anger management courses, among others).

All community partners use a common database called Apricot—which is administered by the Intermediary—to track the progress of participants and document the hours spent providing specific services to each participant. In the first quarter of 2017, community partners reported a total of 3,289 hours of active engagement with WAGEES participants. Most of those hours were employment preparation strategies (1,042 hours), case management (684 hours) and group mentoring (563 hours).

Although the RFP dictates the services community partners must and may provide, community partners have wide latitude in how they provide services and the atmosphere they cultivate within their organizations.

Collateral Consequences - Criminal Convictions

Section 24-34-104(6)(b)(IX), C.R.S., requires the Colorado Office of Policy, Research and Regulatory Reform to determine whether the agency under review, through its licensing processes, imposes any disqualifications on applicants or registrants based on past criminal history, and if so, whether the disqualifications serve public safety or commercial or consumer protection interests.

The state does not issue any licenses or credentials under the section of statute under review. However, section 17-33-101(7)(c), C.R.S., allows the Executive Director to require the staff of organizations applying for WAGEES grant funds to undergo a criminal background check.

Accordingly, all community partner employees, contractors, and volunteers who will be in direct contact with WAGEES program participants must undergo a criminal background check.

It is commonplace for people who have criminal records but who are no longer under criminal justice supervision to work for or with the community partners.

The Intermediary cited one case where an applicant for employment at a community partner was denied employment. The denial was not due to her criminal record in itself, but for her failure to disclose such record on her application.

Analysis and Recommendations

Recommendation 1 - Continue the offender re-entry grant program for five years, until 2023.

Section 17-33-101(7)(a), Colorado Revised Statutes (C.R.S.), directs the Colorado Department of Corrections (Department) to develop and implement a grant program for community-based organizations that offer re-entry services to people on parole. The program, known as the Work and Gain Education & Employment Skills (WAGEES) program, is intended to serve people on parole under the supervision of the Department's Division of Adult Parole (Division) and who score as medium- to high-risk to recidivate based on the Department's risk/needs assessment tool.

The central question of this sunset review is whether the WAGEES program is necessary to protect the public health, safety, and welfare.

The overarching goal of the re-entry initiatives created under section 17-33-101, C.R.S., is to:

decrease recidivism, enhance public safety, and increase each offender's chances of achieving success in the community.

The WAGEES program is just one of the many programs the General Assembly created when it passed House Bill 14-1355 (HB 1355). The Division, which is charged with implementing HB 1355's other re-entry initiatives, has 419 employees and an annual budget of over \$52 million. Compared with this, the WAGEES program, with its \$1.7 million annual allocation, seems quite small indeed. What can WAGEES do that the Department's other re-entry initiatives cannot?

Government agencies are necessarily formal, and citizens rightly expect them to be neutral, fair, and objective. Community partners are freer to be responsive to the communities they serve. As part of this sunset review, a representative of the Colorado Office of Policy, Research and Regulatory Reform (COPRRR) visited all but one of the community partners. All were deeply rooted in their respective communities and drew upon a complex network of personal and professional associations—with landlords, employers, and other community and social service organizations—to help meet the needs of the participants.

Another contrast between the Department and the community partners lies in the fact that numerous community partners employ, or are led by, people who have served time in prison themselves. Mentors and case managers who have served time in prison and subsequently built productive lives in their communities provide a positive example for, and have a unique understanding of, parolees seeking to get back on their feet.

Community partners also have license to be creative in assembling resources for participants. For example, housing is a continual problem for WAGEES participants. In the first quarter of 2017, 39 percent of participants lacked stable housing at intake, meaning they were either living in shelters or temporary housing or were “couch surfing,” and 29 percent were homeless. Bridge House in Boulder owns a 44-bed community living center and offers housing to up to 14 WAGEES participants who enroll in its unique yearlong Ready to Work program. Community Re-Entry Place Inside/Out (CRPIO)-Aurora, Junction Community Church, Christlife Ministries, and The Rock provide housing for a certain number of WAGEES participants at below-market rates. CRPIO-Fort Collins works with individual landlords in the area to secure housing for participants.

Community partners also have varying ways of helping participants find employment. The Rock provides employment for some WAGEES participants by operating a popular food truck and a carpentry business that makes furniture out of reclaimed wood; Bridge House operates a landscaping and a catering business that employs WAGEES participants. Community partners provide participants with the boots, tools, and work clothes that are critical to obtaining construction employment and work with local companies to find participants employment in the construction, asbestos removal, and solar energy industries.

Community partners also offer an array of features that fall outside the WAGEES grant but offer value to their participants. Positive Impact offers intensive financial awareness workshops. Servicios de la Raza functions as a “one-stop shop” for social services and support groups many participants need. Several community partners conduct religious study sessions; Christlife Ministries offers Acudetox; Second Chance Center holds regular communal meals intended to foster a sense of community and build positive social relationships. Community partners, rather than the government, are uniquely poised to supply such a breadth of services to parolees.

In directing a portion of the Department’s budget to community organizations that provide re-entry services, WAGEES is unique. National policy groups that monitor criminal justice matters nationwide single out Colorado as a pioneer in its creation of the WAGEES program.

The way HB 1355 structured the program has been key to its success. The General Assembly could have set up the program so that the Department developed the request for proposals (RFP), fielded and reviewed RFP responses, and selected community partners. Under this regime, the Department would have been responsible for overseeing community partners, approving and reimbursing expenses, and establishing performance measures and assuring community partners met them. Community partners would have been unilaterally responsible for developing an intake and monitoring process for participants, assessing training needs, and tracking and reporting data directly to the Department.

Instead, HB 1355 set up the WAGEES program so that the Department would contract with an intermediary to serve as liaison between the Department and the community partners, in exchange for a 15 percent administrative fee. The current intermediary is the Latino Coalition for Community Leadership (Intermediary).

By all accounts, this structure has been a success. Freed from many routine administrative responsibilities, Division staff and community partners alike can focus on their core objectives. Division staff and community partners commended the Intermediary’s technical guidance, administrative expertise, and responsiveness.

But does the WAGEES program work? Like all the re-entry initiatives HB 1355 created, the overall goal of the WAGEES program is to decrease recidivism, enhance public safety, and increase parolees’ chances of achieving success in the community.

The Intermediary has established core standards to measure the performances of community partners. Table 4 shows the performance standards, their corresponding target goals, and the actual, cumulative measures through June 2017.

Table 4
Performance of WAGEES Community Partners as of June 2017

Performance Standard	Target	Actual
Enrollment rate: The number of enrollment participants should meet or exceed the number stated in the community partner’s enrollment plan.	1,250 participants	1,699
Placement rate: Participants placed in employment, short- or long-term occupational training, or post-secondary education.	60% of participants	63 %
Employment retention rate: Participants receiving an employment-related placement as described above should remain in such placement for at least 90 days.	50% of participants	57%
Credential attainment rate: Participants receiving a high school equivalency diploma, occupational training credential, or certificate.	50% of participants	72%
Recidivism rate: Participants who are arrested for a new crime or have their parole revoked for technical violations while enrolled in the program.	No more than 20 %	9%

The WAGEES program exceeds the target goals for each of its performance standards.

Arguably, the most critical performance measure is the last one: the recidivism rate. The WAGEES program reports an overall recidivism rate of 10 percent, stating that since the program was implemented, 7.5 percent of participants returned to prison for technical violations and 2.5 percent returned for new crimes. By comparison, the Department reports an overall recidivism rate¹⁷ of 29.9 percent: 22.3 percent of parolees returned to prison for technical violations and 7.6 percent returned for new crimes.¹⁸

¹⁷ This reflects the rate at which people released from prison in 2015 returned to prison in the one-year period following their release. Source: *Statistical Report FY 2016*, Colorado Department of Corrections (2016), p. 44.

¹⁸ *Statistical Report FY 2016*, Colorado Department of Corrections (2016), p. 45.

Although these figures seem to suggest that WAGEES participants recidivate at a lower rate, the comparison is imperfect: community partners can only track rearrests and parole revocations for participants who are actively enrolled in their programs. Once a participant completes WAGEES, he or she can no longer be tracked through the community partners' database. It would be worthwhile for the WAGEES program to develop a method of tracking recidivism that aligns more precisely with the Department's.

Recognizing this, in the spring of 2017, the Intermediary provided a list of all WAGEES "graduates" to the Division, so it could cross-check the names against the Department database. This project, which was not yet complete at the time of this writing, would likely shed some light on the actual long-term effect of the WAGEES program on the recidivism rate and could make an even stronger argument for the value of the program.

In July 2017, the WAGEES program had been in existence for just two and one-half years. During that time, it has shown remarkable growth and served over 1,700 people, representing about 17 percent of Colorado's average daily population of parolees. For a young, relatively small, relatively inexpensive program, this progress is striking. While the recidivism rate as reported is problematic as described above, the potential of the program in reducing recidivism over the long-term is clear.

Anecdotally, based on interviews a COPRRR representative conducted with current WAGEES participants, the program has played a critical role in helping parolees become self-sufficient, productive members of their communities, and parolees themselves are not the only ones who benefit. Their families benefit: parolees who have steady employment can help support their households and provide stable homes for their children. The public benefits: a reduction in the recidivism rate means a reduction in victims of crime in the community. The community partners' collective emphasis on parolees becoming contributing members of society could, over the long term, strengthen communities and enhance public safety.

In its current form, the WAGEES program helps to protect the public health, safety, and welfare.

To give this nascent program the opportunity to reach its full potential, and to evaluate its long-term efficacy over time, the General Assembly should continue the WAGEES program for five years, until 2023.

Recommendation 2 - Authorize the Department to release up to one quarter of the grant funds to community partners at the beginning of the fiscal year.

Under a typical grant program, a funding entity releases funds to a grantee at the beginning of the grant cycle, and the grantee accounts for the spending of those funds retroactively. Under the WAGEES program, however, community partners do not receive grant funds up front: they pay their expenses then electronically submit receipts and documentation to the Intermediary, which facilitates reimbursement by the Department.

Initially, there was significant lag time between a community partner paying an expense and the Department reimbursing it because Department fiscal rules required a 45-day wait period for reimbursement of invoiced expenditures. This lag time put considerable pressure on the community partners, particularly the smaller operations with fewer funding sources, which were sometimes compelled to obtain loans or use personal credit cards to cover expenses.

The Department responded to the problem by allowing weekly billing, but the delay in reimbursement continues to be a challenge for some community partners, especially around the end of one fiscal year and the beginning of the next. New community partners might need to make some of their most significant expenditures—such as setting up a computer laboratory—at the very beginning of the grant period, which can cause considerable hardship.

Allowing the Department to release a percentage of the grant funds to the community partners at the beginning of the grant period would resolve this issue.

Making this change would require the Intermediary to revise its process for overseeing community partners' finances: it would need to monitor allowable and appropriate expenses closely at the end of each fiscal year to account for the upfront grant money provided. However, it would relieve the pressure on community partners to rely on their personal funds and also provide a financial cushion in the event of an unexpected expense (e.g., a major plumbing repair).

Therefore, the General Assembly should permit the Department to release up to one-quarter of grant funding to community partners at the beginning of the fiscal year.

Appendix A - Colorado Parole Regions

The Department of Corrections divides Colorado's 64 counties into three parole regions:

- **Parole Region I** includes Adams, Boulder, Broomfield, Clear Creek, Gilpin, Grand, Jackson, Larimer, Logan, Morgan, Phillips, Sedgwick, Summit, Washington, Weld, Yuma, and northern Jefferson counties.
- **Parole Region II** includes Arapahoe, Denver, Douglas, Elbert, and southern Jefferson counties.
- **Parole Region III** includes Alamosa, Archuleta, Baca, Bent, Chafee, Cheyenne, Conejos, Costilla, Crowley, Custer, Delta, Delores, Eagle, El Paso, Fremont, Garfield, Gunnison, Hinsdale, Huerfano, Kiowa, Kit Carson, La Plata, Lake, Las Animas, Lincoln, Mesa, Mineral, Moffat, Montezuma, Montrose, Otero, Ouray, Park, Pitkin, Prowers, Pueblo, Rio Blanco, Rio Grande, Routt, Saguache, San Juan, San Miguel, and Teller counties.