

VERNON STEWART, EXECUTIVE DIRECTOR

COMMUNITY RESOURCES DEPARTMENT | JUSTICE SERVICES DIVISION

Community Corrections Board (CCB)

July 16, 2025, 12:15 p.m. - 1:45 p.m.

Meeting Agenda

Justice Services Building, 1st Floor Conference Room 122, 17 N. Spruce St., Colorado Springs 80905

Or join virtually via TEAMS. [Join the meeting now](#). Email for the invitation: cassidykeltner@elpasoco.com

Or call in (audio only): 1-719-283-1263. Phone Conference ID: 905 924 474#

This meeting will be recorded.

	<u>Item</u>	<u>Presenter</u>	<u>Recommended Action</u>
1.	Call Meeting to Order	Chair	
2.	Attendance a) Introduction of members and guests b) Requests for excused absences	Chair	Roll Call
3.	Case Review a) VRA Statements b) Discussion and Balloting	Tiffany Weaver Chair	Information Balloting
4.	Approval of Minutes & Presentation a) Ratify meeting minutes for June 18 and the Electronic meeting minutes for June 4, 11, & 25, 2025	Chair	Vote
5.	Program Reports a) Embrace (ECC) b) Community Alternatives of El Paso County (CAE)	Mark Wester Evan Burton	Information Information
6.	Monthly Reports a) SFY25 Financial Report b) Provider Termination Reports c) Staff Report	MaCain Hildebrand MaCain Hildebrand MaCain Hildebrand	Information Information Information
7.	Old Business		
8.	New Business		
9.	Case Review - Ballot Results	Chair	Information
10.	Board / Staff Comments	Chair	Comments
11.	Adjournment		

Next meeting date: Wednesday, August 20, 2025, at 12:15 p.m.

Board Members: Chantel Bruce, Colleen Layman, Brent Nelson, Lt. Ryan Tepley, Lt. Derek Mower, LeeAnn Ortega, Ryan Graham, Erin Bents, and Michael Publicker.

Excused absences: Lorena Gray, Deana O’Riley, Judge Evig, Judge McKedy, Manuela Reising, and Jerry Jones.

Unexcused absences: N/A

Staff present: MaCain Hildebrand, Daniel Huddleston, Tiffany Weaver, Cassidy Keltner, Kristin Cronk, Mark Allison, Terry Sample, and Christine Burns.

Guests present: Jenner Behan, Evan Burton, Mark Wester, Susan Kuiper, Leah Haim, Francis Falk, Dan Hugill, and Matt Clovis.

1. **Chantel Bruce called the meeting to order at 12:15 p.m.** The Board meeting was held with members attending virtually or in person.

2. **Attendance:** Chantel Bruce called roll.

3. **Case Review:**

- a. **VRA Statements:** Statements provided by victims or victim representatives for offenders.
- b. **Discussion and Balloting:** No Discussion. Balloting was opened.

4. **Approval of Minutes and Presentation:**

- a. **Michael Publicker moved, and Lt. Derek Mower seconded ratifying the meeting minutes for May 21st and the electronic meeting minutes from 7th, 14th & 28th, 2025; the motion passed unanimously by roll call vote.**

5. **Program Reports:**

- a. **Embrave (ECC):** Mark Wester reported for Embrave; he reported that their residential average daily census in May was 277 with 234 beds allocated by DCJ; that the child support collected was \$6,174.27, and restitution collected was \$7,730.90; he reported that Embrave had 66 admissions with 59 residential terminations during May; that the successful completion rate was 50.0%, totaling 28; that the negative terminations were 50.0%, totaling 28; the negative terminations included 26.8% for escapes, totaling 15; and 23.2% for technical violations, totaling 13.

Mr. Wester reported that Embrave received 49 Diversion and 28 Transition referrals in May; he reported that Embrave accepted 100% of auto Diversion referrals and 75% of criteria Diversion referrals, as well as 100% of auto Transition referrals and 92% of criteria Transition referrals.

Mr. Wester reported that current staff vacancies include one security position, four case manager positions, one Admin position, and five support staff positions; Mr. Wester reported that the current client employment rate is 68.48%, and that the positive UA rate for the month is 2.0%; he reported that Embrace imposed 150 client sanctions in May; that there were four medical emergencies during May; he reported that there were three grievances.

Mr. Wester also reported one PREA allegation involving a staff member and discussed with the board their questions regarding this allegation; Board members questioned Mr. Wester about the increase in escapes/absconds from the program, and potential data trends and law enforcement response; there was a discussion of the availability of the DOC's Absconder/Fugitive Unit's data for Embrace's use in the future.

Board members requested a data report on the number of clients who are arrested after absconding from the programs; Board staff reported that this data is currently being tracked, and that a presentation will be provided at a future board meeting; Mr. Wester reported the tragic death of the client who was struck by a vehicle while out on pass.

Mark Wester reported on Embrace's prior six-month IRT data, which shows a 65% successful program completion rate, with termination rates including 18% for Technical Violations and 12% for Unauthorized Absences.

Mr. Wester reported that Embrace conducted Emotional Intelligence training for staff in positions of leadership/management in May.

- b. **Community Alternatives of El Paso (CAE):** Evan Burton reported for CAE; he reported that their current bed count is 245, with 235 allocated by the Division of Criminal Justice (DCJ); that the total child support collected was \$4,585.00 and restitution was \$16,272.00; that there were 39 admissions and 30 terminations in May; that the successful program completion rate was 73.3%; and that the negative termination rate was 26.7%, which included three escapes and two technical/house violations; he reported that there were four medical emergency incidents and 52 client sanctions being imposed; he reported that the current staff vacancies include five security positions and one case management position.

Mr. Burton reported 55 Diversion and 51 Transition referrals in May; he reported that CAE accepted 100% of Diversion auto referrals, and 84% of Diversion criteria referrals; that CAE accepted 100% of both Transition auto referrals and Transition criteria referrals in May; that in May, CAE's client employment rate was 75.8% and their UA positivity rate was 3.9%.

Evan Burton reported that in May, all staff took part in SOMB 100 training provided by SOMB at CAE; that six Case Managers and the Assistant Director of Programs attended Behavioral Intervention training provided by the DCJ; that the Assistant Director of Security, the Case Manager Supervisor, and six case managers attended Community Supervision of Adult Sex Offenders provided by DCJ and SOMB; that the non-residential

case manager took part in a Crisis Intervention Therapy seminar through the DCJ; Mr. Burton report that management changes were discussed during the May All Staff meeting and that staff participated in property procedure training.

Per the request from las month's in-person board meeting, Mr. Burton presented data regarding CAE's IRT program, as well as spotlighting CAE's work with The Bridge program, run by Dan Hugel and Matt Clovis; Mr. Burton reported that in May, three clients graduated from the IRT program; that the IRT program was started in May of 2024, with 32 total graduates since inception.

6. Monthly Reports:

- a. **SFY24 Financial Report:** MaCain Hildebrand reported that the May 2025 expenditures were expected to be at 91.67%; that Embrace was at \$6,366,249.05 expended, representing 3.32% overspent; and that CAE was at \$5,908,982.56 expended, representing 2.15% underspent.
- b. **Provider Termination Report:** MaCain Hildebrand reported that for May 2025, Community Alternatives of El Paso County had a 73.33% positive/successful termination rate, a 10% unauthorized absence termination rate, and a 10% technical violation termination rate; he reported that Embrace had a 49.09% positive/successful termination rate, a 27.27% unauthorized absence termination rate, and a 23.64% technical violation termination rate.
- c. **Staff Report:** MaCain Hildebrand reported that board staff and board member Chantel Bruce attended the CDOC Case Manager III meeting at the CTCF on June 6th, 2025; that Justice Services hosted the Colorado Association of Community Corrections Board (CACCB) summer meeting on June 13th, 2025; Mr. Hildebrand referenced DCJ's FY26 Allocation memo and outlined changes during the legislative session, which will impact both the allocations and practices for community corrections going forward; that this memo discusses changes to facility payments and the passing of SB25-291, Division of Criminal Justice Spending Authority.

7. Old Business:

None for this month.

8. New Business:

- a. **Agenda Item 8-a Holiday Ballot Schedule:** MaCain Hildebrand presented the proposed Holiday Ballot Schedule for 2025/early 2026. **Michael Publicker moved, and Brent Nelson seconded the motion to adopt this schedule; the motion passed by unanimous roll-call vote.**

4th Judicial District Community Corrections Board (CCB)
MINUTES
June 18, 2025

- b. **Agenda Item 8-b CY2024 Annual Board Report:** McCain Hildebrand provided the CY2024 Annual Board report for board and DCJ feedback memorandum for review; he explained that the five-year state contract between CDPS and the 4th Judicial District Community Corrections Authority requires the provision of an annual written report to the state documenting the frequency of specified administrative functions.
- c. **Agenda Item 8-c Embrace OMA-013 Waiver Request:** Dr. Susan Kuiper spoke to the board to request endorsement of applicant Arthur Hickman for a contractor position to provide peer support service; that the applicant has previous felony convictions, necessitating the waiver request for Colorado Community Corrections Standard OMA-013; Dr. Kuiper and Mr. Wester responded to board questions regarding this position and the logistics of the agreement and a discussion on the process for PREA allegations; **Lt. Ryan Tepley moved, and Michael Publicker seconded the motion to endorse to DCJ approval of Embrace's waiver request to hire Arthur Hickman; the motion passed by unanimous roll-call vote.**

9. **Case Review – Ballot Results:** The Chair read the ballot results.

Board/Staff Comments: No additional comments were contributed.

10. **Adjournment:** Chantel Bruce adjourned the meeting at 1:38 p.m.

Respectfully submitted,

APPROVED

By McCain Hildebrand at 10:16 am, Jul 11, 2025

McCain Hildebrand, Justice Services Manager
El Paso County Community Corrections

Confirmed:



Chantel Bruce, Chair
El Paso County Community Corrections Board

El Paso County Community Corrections Board

Ballot of June 18, 2025

MANDATORY BOARD REVIEW

Pursuant to Section E16 of the OFFENDER PLACEMENT REVIEW PROCEDURES adopted by the El Paso County Community Corrections Board on July 25, 1997 and amended on January 17, 2024, the results of the ballot are reported to and ratified by the El Paso County Community Corrections Board on July 16, 2025.

Accept									
Offender Name	CCD #	Referral	IRT	WRP	JD	Provider*	Approve	Reject	Abst
ALEXANDER, MICHAEL W	25-1177	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	CAE	10	2	1
MCDANIEL, HEATHER	25-1178	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	ECC	9	2	2
BAKER, JOEL L	25-1186	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	8	4	1
POLL, JEFFREY M	25-1187	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	9	3	1
HERRING, ANDRE D	25-1189	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	10	2	1
KECK, STEVEN D	25-1190	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	11	1	1
KENNEDY, JEREMIAH M	25-1191	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	8	4	1
MALDONADO, COREY D	25-1193	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	8	4	1
JOSEPH, DONIVAN M	25-1194	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	7	5	1
MAINWOOD, ROBERT J	25-1195	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	8	4	1
PONCE, TONY R	25-1197	T	<input checked="" type="checkbox"/>	<input type="checkbox"/>		CAE	7	5	1

Reject									
Offender Name	CCD #	Referral	IRT	WRP	JD	Provider	Approve	Reject	Abst
CLARK, TRAVIS	25-1176	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	ECC	3	9	1
SANCHEZ, EUGENE	25-1179	D	<input type="checkbox"/>	<input type="checkbox"/>	3rd	ECC	6	6	1
DIXSON, WILLIAM P	25-1180	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	CAE	3	9	1
BARNES, GREGORY	25-1181	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	CAE	6	6	1
LUJAN, CHRISTOPHER	25-1182	D	<input type="checkbox"/>	<input type="checkbox"/>	10th	ECC	4	8	1
GURULE, EDDIE C	25-1183	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	2	10	1
MCGINLEY, JAMES	25-1184	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	3	9	1
WILLIAMS, TOMMY A	25-1185	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	2	10	1
BURTON, NOAH W	25-1188	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	5	7	1
KELLY, SHAWNA B	25-1192	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	5	7	1
CRANSHAW, DARYL D	25-1196	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	5	7	1
BARNES, DAVID L	25-1198	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	0	9	0
TURNER, CHARLES L	25-1199	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	4	5	0
BITTERS, RICHARD B	25-1200	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	0	9	0

El Paso County Community Corrections Board

Ballot of June 18, 2025

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Legend:

CAE = Community Alternatives of El Paso County

ECC = Embrace

C = Condition of Parole with or without IRT

D = Diversion Residential and NonResidential

T = Transition with or without IRT

*** = Or another Community Corrections program within the Jurisdiction**

El Paso County Community Corrections Board
Electronic Screening Minutes
June 4, 2025

Staff present: Daniel Huddleston
Others present: Tiffany Weaver

The meeting was called to order at 1:00 p.m.

1. Ballots: Daniel Huddleston tabulated ballots.

Meeting was adjourned at 1:25p.m.

Respectfully submitted,

APPROVED
By Daniel Huddleston at 1:27 pm, Jun 04, 2025

Daniel Huddleston
Community Corrections Specialist

Confirmed:



Chantel Bruce, Chair
El Paso County Community Corrections Board

El Paso County Community Corrections Board

Ballot of June 04, 2025

MANDATORY BOARD REVIEW

Pursuant to Section E16 of the OFFENDER PLACEMENT REVIEW PROCEDURES adopted by the El Paso County Community Corrections Board on July 25, 1997 and amended on January 17, 2024, the results of the ballot are reported to and ratified by the El Paso County Community Corrections Board on July 16, 2025.

Accept									
Offender Name	CCD #	Referral	IRT	WRP	JD	Provider*	Approve	Reject	Abst
NICKERSON, DARA	25-1126	D	<input type="checkbox"/>	<input type="checkbox"/>	15th	ECC	9	3	1
WOLF, JAMES E	25-1128	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	CAE	8	4	1
DOWNING, THOMAS	25-1129	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	CAE	10	2	1
WATSON, CHARLOTTE	25-1131	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	ECC	9	3	1
HUBBARD, SETH	25-1133	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	ECC	7	5	1
MACK, OCTAVIA	25-1134	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	CAE	10	2	1
HERRERA, PHILLIP	25-1137	D	<input type="checkbox"/>	<input type="checkbox"/>	11th	ECC	8	4	1
BAKER, ERIC B	25-1138	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	7	5	1
BOUISSE, AUGUST S	25-1139	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	9	3	1
CLAY, ELROY D	25-1140	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	9	3	1
BROWNE, DONALD J	25-1143	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	11	1	1
HENES, MICHAEL	25-1144	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	9	3	1
THOMAS, JOHN M	25-1145	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	8	4	1
MOORE, DAVID M	25-1149	T	<input checked="" type="checkbox"/>	<input type="checkbox"/>		CAE	10	2	1
SPENCE, GARY S	25-1150	T	<input checked="" type="checkbox"/>	<input type="checkbox"/>		CAE	11	0	1

Reject									
Offender Name	CCD #	Referral	IRT	WRP	JD	Provider	Approve	Reject	Abst
GARCIA, BALTAZAR P	25-1127	D	<input type="checkbox"/>	<input type="checkbox"/>	11th	CAE	4	8	1
BURNSSED, WILLIAM	25-1130	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	CAE	5	7	1
COOPER, AARON	25-1132	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	ECC	6	6	1
POTEET, SHANE	25-1135	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	CAE	6	6	1
QUAM, ANDRES V	25-1136	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	ECC	5	7	1
BRUCE, JESSICA M	25-1141	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	5	7	1
SCHECHTER, JOSEPH	25-1142	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	1	11	1
WILLBURN, WESLEY	25-1146	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	3	9	1
LOPEZ, HERIBERTO A	25-1147	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	4	8	1
DEEDS, TYWAUN	25-1148	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	2	10	1

El Paso County Community Corrections Board

Ballot of June 04, 2025

MANDATORY BOARD REVIEW

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*** = Or another Community Corrections Program within the Jurisdiction**

El Paso County Community Corrections Board
Electronic Screening Minutes
June 11, 2025

Staff present: Daniel Huddleston
Others present: Tiffany Weaver and Cassidy Keltner

The meeting was called to order at 1:00 p.m.

1. **Ballots:** Daniel Huddleston tabulated ballots.

Meeting was adjourned at 1:01p.m.

Respectfully submitted,

APPROVED
By Daniel Huddleston at 1:03 pm, Jun 11, 2025

Daniel Huddleston
Community Corrections Specialist

Confirmed:


Chantel Bruce, Chair
El Paso County Community Corrections Board

El Paso County Community Corrections Board

Ballot of June 11, 2025

MANDATORY BOARD REVIEW

Pursuant to Section E16 of the OFFENDER PLACEMENT REVIEW PROCEDURES adopted by the El Paso County Community Corrections Board on July 25, 1997 and amended on January 17, 2024, the results of the ballot are reported to and ratified by the El Paso County Community Corrections Board on July 16, 2025.

Accept									
Offender Name	CCD #	Referral	IRT	WRP	JD	Provider*	Approve	Reject	Abst
BROWN, DANIELLE A	25-1151	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	ECC	10	2	0
FLORES-CORONADO, BANEIDI	25-1153	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	CAE	9	3	0
RITTER, BRIAN P	25-1156	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	8	4	0
VIRGIL, ETHAN E	25-1160	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	8	4	1
BROWN, LEONARD C	25-1162	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	9	3	0
SUMMA, ROBBY R	25-1166	T	<input checked="" type="checkbox"/>	<input type="checkbox"/>		CAE	9	3	0
SCHUTZE, JUSTIN T	25-1167	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	10	2	0
DANIELS, PAXTON L	25-1168	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	9	3	0
FERNANDEZ, RAYMOND S	25-1169	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	10	2	0
FISCHER, LACEY N	25-1170	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	9	3	0
CARRION, DANIEL	25-1171	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	11	1	0
HARRISON, DYSEAN N	25-1172	C	<input type="checkbox"/>	<input type="checkbox"/>		ECC	10	2	0
PRICE, DEVONTE D	25-1173	C	<input type="checkbox"/>	<input type="checkbox"/>		ECC	9	3	0
SMEESTER, JOSHUA B	25-1174	C	<input type="checkbox"/>	<input type="checkbox"/>		CAE	11	1	0
KELLUM, JAMES E	25-1175	C	<input type="checkbox"/>	<input type="checkbox"/>		CAE	9	3	0

Reject									
Offender Name	CCD #	Referral	IRT	WRP	JD	Provider	Approve	Reject	Abst
HARRIS, JEREMY	25-1152	D	<input type="checkbox"/>	<input type="checkbox"/>	15th	ECC	6	6	0
MURRAY, CAROLYN	25-1154	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	CAE	4	8	1
LOCKE, BRYAN L	25-1155	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	CAE	4	7	1
DELACRUZ, JESSICA A	25-1157	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	5	7	0
CASTRO, PAUL	25-1158	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	6	6	0
ARMENDARIZ, ISMAEL E	25-1159	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	2	10	1
MCKOY, JEROME	25-1161	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	6	6	0
BASSETT, RYAN	25-1163	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	5	7	0
BARKER, ANTHONY W	25-1164	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	5	7	0
RAE, MICHAEL R	25-1165	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	4	8	0

El Paso County Community Corrections Board
Ballot of June 11, 2025
MANDATORY BOARD REVIEW

Pursuant to Section E16 of the OFFENDER PLACEMENT REVIEW PROCEDURES adopted by the El Paso County Community Corrections Board on July 25, 1997 and amended on January 17, 2024, the results of the ballot are reported to and ratified by the El Paso County Community Corrections Board on July 16, 2025.

Legend:

- CAE = Community Alternatives of El Paso County**
- ECC = Embrace**
- C = Condition of Parole with or without IRT**
- D = Diversion Residential and NonResidential**
- T = Transition with or without IRT**
- * = Or another Community Corrections Program within the Program**

El Paso County Community Corrections Board
Electronic Screening Minutes
June 25, 2025

Staff present: Daniel Huddleston
Others present: Tiffany Weaver and Cassidy Keltner

The meeting was called to order at 1:00 p.m.

1. Ballots: Daniel Huddleston tabulated ballots.

Meeting was adjourned at 1:08p.m.

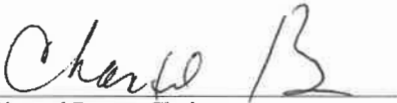
Respectfully submitted,

APPROVED

By Daniel Huddleston at 1:15 pm, Jun 25, 2025

Daniel Huddleston
Community Corrections Specialist

Confirmed:



Chantel Bruce, Chair
El Paso County Community Corrections Board

El Paso County Community Corrections Board

Ballot of June 25, 2025

MANDATORY BOARD REVIEW

Pursuant to Section E16 of the OFFENDER PLACEMENT REVIEW PROCEDURES adopted by the El Paso County Community Corrections Board on July 25, 1997 and amended on January 17, 2024, the results of the ballot are reported to and ratified by the El Paso County Community Corrections Board on July 16, 2025.

Accept									
Offender Name	CCD #	Referral	IRT	WRP	JD	Provider*	Approve	Reject	Abst
WILSON, DELTEEK	25-1201	D	<input type="checkbox"/>	<input type="checkbox"/>	23rd	CAE	7	5	1
RITCHIE, KYLE	25-1202	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	ECC	10	2	1
BARRERAS, VALENTINO	25-1203	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	CAE	7	5	1
WOODFORD, JOSEPH	25-1206	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	ECC	10	2	1
KREPEL, ANTHONY	25-1208	D	<input type="checkbox"/>	<input type="checkbox"/>	16th	ECC	7	5	1
ELARIO, KARAYNA	25-1209	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	ECC	8	4	1
ROSARIO, ELIJAH	25-1210	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	CAE	9	3	1
OPHELIA WRIGHT, TIWANA SUZETTE	25-1212	D	<input type="checkbox"/>	<input type="checkbox"/>	15th	CAE	9	3	1
CHAVEZ, ADRIAN	25-1214	D	<input type="checkbox"/>	<input type="checkbox"/>	11th	ECC	8	4	1
GUERRERO, MARISHA	25-1215	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	ECC	11	1	1
ULIBARRI, CHRISTOPHER J	25-1216	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	CAE	7	5	1
LAGRANGE, KATHLEEN A	25-1217	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	CAE	7	5	1
WHITEMAN, ANTHONY D	25-1218	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	CAE	10	2	1
BURKE, DENIS S	25-1220	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	7	5	1
CRAMER, JOSEPH	25-1222	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	7	5	1
SANCHEZ, RANDY	25-1223	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	9	3	1
WILLIS, HAROLD	25-1224	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	7	5	1
FRIAS, ROBERT J	25-1225	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	9	3	1

Reject									
Offender Name	CCD #	Referral	IRT	WRP	JD	Provider	Approve	Reject	Abst
FOLEY, DEREK	25-1204	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	CAE	5	7	1
EVANS, LUTURE M	25-1205	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	ECC	5	6	2
STRIPP, TYLER	25-1207	D	<input type="checkbox"/>	<input type="checkbox"/>	5th	ECC	3	9	1
JAMISON, KYLE	25-1211	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	CAE	4	7	2
YARIAN, SHAWN	25-1213	D	<input type="checkbox"/>	<input type="checkbox"/>	4th	CAE	5	6	2
DURRANT, SHANE	25-1219	T	<input type="checkbox"/>	<input type="checkbox"/>		CAE	2	10	1
BURSEY, WILLIAM R	25-1221	T	<input type="checkbox"/>	<input type="checkbox"/>		ECC	2	10	1

El Paso County Community Corrections Board

Ballot of June 25, 2025

MANDATORY BOARD REVIEW

Pursuant to Section E16 of the OFFENDER PLACEMENT REVIEW PROCEDURES adopted by the El Paso County Community Corrections Board on July 25, 1997 and amended on January 17, 2024, the results of the ballot are reported to and ratified by the El Paso County Community Corrections Board on July 16, 2025.

Legend:

CAE = Community Alternatives of El Paso County

ECC= Embrace

C = Condition of Parole with or without IRT

D = Diversion Residential and NonResidential

T = Transition with or without IRT

*** = Or another Community Corrections Program within the Jurisdiction**

Community Corrections Board

Agenda Item Summary

Agenda Item Title: Program Report / Embrace (ECC)

Agenda Date: July 16, 2025

Agenda Item Number: 5-a

Presenter: Mark Wester, Executive Director, ECC

Information: X

Endorsement:

Background Information:

Program to provide insight and information on facility demographics, admissions and terminations, facility staffing, activity, and other notable information.

Recommended Motion:

N/A

Embrave VENDOR REPORT

Month	June	YEAR	2025
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Facility Capacity:	285
DCJ Allocation:	234

FACILITY DEMOGRAPHICS					
Diversion:	115	IRT:	31	Diversion Out of District:	12
Transition:	95	RDDT:	0		
Condition of Parole:	12	CRP:	12		
Condition of Probation:	1	Non CRP SO:	7		
Non-Residential:	66	Criteria Cases:	165		

FINANCIAL FEES	
Total Financial Fees	Total
Child Support	\$6,057.00
Restitution	\$12,300.00

ADMISSIONS						Specialized Treatment			
	<u>Diversion</u>	<u>Transition</u>	<u>Condition of Parole</u>	<u>Condition of Probation</u>	<u>Non-Residential:</u>	Intensive Residential Treatment (IRT)	Residential Dual Diagnosis (RDDT)	Community Responsibility Program (CRP)	<u>Total</u>
Total	13	29	4	2	11	8	0	1	68

TERMINATIONS					Specialized Treatment Terminations				<u>Non-Residential Terminations</u>
	<u>Diversion</u>	<u>Transition</u>	<u>Condition of Parole</u>	<u>Condition of Probation</u>	Intensive Residential Treatment (IRT)	Residential Dual Diagnosis (RDDT)	Community Responsibility Program (CRP)	<u>Total</u>	<u>1</u>
Successful	13	13	1	0	5	0	0	32	3
Negative	5	3	0	0	4	0	0	12	0
Total	18	16	1	0	9	0	0	44	3

PROGRAM TERMINATIONS			
<u>Termination Reasons</u>	<u>Total</u>	<u>Percentage</u>	<u>Non-Residential Termination Reasons</u>
Successful Program	32	72.7%	3
Client Status Change - (Transfer to Another CC, Transfer to IRT, Reject After Accept.. - See CCIB)	12	NA	1
Negative	12	27.3%	0
Escape	8	18.2%	0
House/Technical Violations	4	9.1%	0
Committed New Crime - During Placement	0	0.0%	0
Warrant/Pending Crime - Prior to Placement	0	0.0%	0

FACILITY STAFFING				
<u>Staffing</u>	<i>Budgeted FTE's</i>	<i>New Hires</i>	<i>Terminated</i>	<i>Vacant FTE</i>
Security	45.6	3	3	1
Case Management	22	1	1	4
Treatment Staff	10	0	0	0
Admn	11	0	0	1
Support Staff (Other)	9	0	0	1
Non-Residential	2.4	0	0	0

NOTIFICATIONS & INCIDENT/CRITICAL REPORTS						PROGRAM UPDATE		
Type	Diverson	Transition	COPr	COP	Total	Type	Current Month Rate	Previous Month Rate
New Criminal Offense	0	0	0	0	0	Employment Rate	67.50%	68.48%
Assault	0	0	0	0	0	UA Positive Rate	3.8%	2.0%
Fighting	0	0	0	0	0	Raw UA Data		
Possession of Dangerous Drugs	0	0	0	0	0	Total/Positive	1250 / 48	1250 / 25
Positive Urinalysis	33	11	0	4	48	Type	Current Month Count	Previous Month Count
Unauthorized Absence: Escape - Confirmed Less than 2 hours - Late return	Escape	7	1	0	0	Client Grievances	4	3
	Sanctions	86	30	2	9	Citizen Complaints	0	0
Medical Emergency	5	0	1	1	7	IRT Waitlist	12	17
Health Related Outbreak (Bed Bugs, COVID, FLU, etc.)	0	0	0	0	0	Dual Supervision	0	0
Death	0	0	0	0	0			
PREA Allegation	0	1	0	0	1			
Use of Force	0	0	0	0	0			
TOTAL	131	43	3	14	191			
Diversion Criteria Referrals			Diversion Auto Referrals					
Referrals	Approved	Denied	Referrals	Approved	Denied	Total Referrals		
32	25	4	19	18	1	51		
Transition Criteria Referrals			Transition Auto Referrals					
Referrals	Approved	Denied	Referrals	Approved	Denied	Total Referrals		
52	44	8	11	11	0	63		

Jenner Behan

Director Signature/Designee

7/8/2025

DATE

PACE Audit	
1. Strategy: Enhance case management ranks and training to improve client skill training and outcomes. SKILL TRAIN - FACTOR 4	
STAFF DEVELOPMENT:	Victim Rights Act education training was conducted for all staff detailing how to notify victims
2. Strategy: Review and enhance level system with measurable and objective components to increase transparency and consistency of client reinforcement and progression. (Developing and utilizing a level system (5-1) with measurable components creates transparency and consistency in client movement and reinforcement through earned privileges)	
PROGRAM DEVELOPMENT:	
3950 RENOVATION:	
CORE Security Audit	
CS-010: Random Headcouts & Facility Walkthroughs	Parole conducted a search of the 3615 facility.
CS-042: Job Search	
CS-060: Substance Testing Process	
OMA-020: Milieu Management	
Additional Comments:	
There were three extra diversion Criteria referrals that were still pending decision at the time of this report submission	



5465 Mark Dabbling Blvd
Colorado Springs, CO 80918
Phone 719-473-4460

Key Performance Indicators

1. Lower Involuntary staff terminations below the established baseline of 32%
 - a. At the end of Q2 involuntary staff turnover is 11%
 - b. Our Q1 involuntary staff turnover was 14%.
2. Increase the average length of stay for staff members to greater than 3 years.
 - a. Our average length of stay at the end of Q2 is 4.4 years.
 - b. Our average length of stay for Q1 is 4.5 years
3. Provide six unique kinds of staff training sessions for the year.
 - a. Six unique training sessions have been held this year.
 - i. CPR – 13 Sessions
 - ii. SOA-R – 1 Session
 - iii. Motivational Interviewing – 1 Session
 - iv. Nonviolent Crisis Intervention – 6 Sessions
 - v. Hearing Officer Training – 2 Sessions
 - vi. Emotional Intelligence – 1 session
1. Achieve the goal of 75% of staff identifying that they have adequate training.
 - i. Overall satisfaction of courses at the end of Q2 is 90% with a 10% neutral voting
 - ii. Q1 satisfaction was 100%

5. Overall how satisfied are you with the course? (0 point)

[More details](#)

● Very dissatisfied ● Dissatisfied ● Neutral ● Satisfied ● Very satisfied

Course Satisfaction

100%

0%

Course Satisfaction

● Neutral	10%
● Satisfied	10%
● Very satisfied	80%

We can do more **together.**

www.embrave.org

Community Corrections Board

Agenda Item Summary

Agenda Item Title: Program Report / Community Alternatives of El Paso County (CAE)

Agenda Date: July 16, 2025

Agenda Item Number: 5-b

Presenter: Evan Burton, Clinical Supervisor, CAE

Information: X

Endorsement:

Background Information:

Program to provide insight and information on facility demographics, admissions and terminations, facility staffing, activity, and other notable information.

Recommended Motion:

N/A

COMMUNITY ALTERNATIVE OF EL PASO COUNTY (CAE) VENDOR REPORT

Month	June	YEAR	2025
-------	------	------	------

Facility Capacity:	231
DCJ Allocation:	235

FACILITY DEMOGRAPHICS

Diversion:	96	IRT:	10	Diversion Out of District:	4
Transition:	115	RDDT:	0		
Condition of Parole:	10	CRP:	13		
Condition of Probation:	0	Non CRP SO:	3		
Non-Residential:	60	Criteria Cases:	136		

FINANCIAL FEES

Total Financial Fees	Total
Child Support	\$3,420.00
Restitution	\$18,460.26

ADMISSIONS

	<u>Diversion</u>	<u>Transition</u>	<u>Condition of Parole</u>	<u>Condition of Probation</u>	<u>Non-Residential:</u>	Intensive Residential Treatment (IRT)	Residential Dual Diagnosis (RDDT)	Community Responsibility Program (CRP)	Total
Total	9	8	1	0	10	9	0	0	37

Specialized Treatment

TERMINATIONS

	<u>Diversion</u>	<u>Transition</u>	<u>Condition of Parole</u>	<u>Condition of Probation</u>	Intensive Residential Treatment (IRT)	Residential Dual Diagnosis (RDDT)	Community Responsibility Program (CRP)	Total	<u>Non-Residential Terminations</u>
Successful	11	4	2	0	2	-	-	19	2
Negative	10	4	0	0	2	-	-	16	0
Total	21	8	2	0	4	0	0	35	2

Specialized Treatment Terminations

PROGRAM TERMINATIONS

Termination Reasons	Total	Percentage	<u>Non-Residential Termination Reasons</u>
Successful Program	19	54.3%	2
Client Status Change - (Transfer to Another CC, Transfer to IRT, Reject After Accept.. - See CCIB)	6	NA	1
Negative	16	45.7%	0
Escape	7	20.0%	0
House/Technical Violations	9	25.7%	0
Committed New Crime - During Placement	0	0.0%	0
Warrant/Pending Crime - Prior to Placement	1	2.9%	0

FACILITY STAFFING

Staffing	Budgeted FTE's	New Hires	Terminated	Vacant FTE
Security	29	5	2	4
Case Management	18	1	2	2
Treatment Staff	4	0	0	0
Admn	6	1	0	0
Support Staff (Other)	7	0	0	0
Non-Residential	0	0	0	

NOTIFICATIONS & INCIDENT/CRITICAL REPORTS						PROGRAM UPDATE		
Type	Diverson	Transition	COPr	COP	Total	Type	Current Month Rate	Previous Month Rate
New Criminal Offense	0	0	0	0	0	Employment Rate	81.7%	75.8%
Assault	0	0	0	0	0	UA Positive Rate	4.8%	3.9%
Fighting	0	0	0	0	0	Raw UA Data		
Possession of Dangerous Drugs	0	0	0	0	0	Total/Positive	939/46	1086/43
Positive Urinalysis	17	26	0	3	46	Type	Current Month Count	Previous Month Count
Unauthorized Absence: Escape - Confirmed Less than 2 hours - Late return	Escape	5	2	0	0	Client Grievances	0	0
	Sanctions	9	7	0	2	Citizen Complaints	0	0
Medical Emergency	1	2	0	0	3	Dual Supervision	0	0
Health Related Outbreak (Bed Bugs, COVID, FLU, etc.)	0	0	0	0	0			
Death	0	0	0	0	0			
PREA Allegation	0	0	0	0	0			
Use of Force	0	0	0	0	0			
TOTAL	32	37	0	5	74			
Diversion Criteria Referrals			Diversion Auto Referrals					
Referrals	Approved	Denied	Referrals	Approved	Denied	Total Referrals		
32	28	4	13	12	1	45		
Transition Criteria Referrals			Transition Auto Referrals					
Referrals	Approved	Denied	Referrals	Approved	Denied	Total Referrals		
24	24	0	10	10	0	34		

Steve Owens

Director Signature/Designee

7/11/2025

DATE

<u>PACE Audit</u>	
Areas of Focus: STAFF DEVELOPMENT:SD-070, SD-090 and SD-100 Train all staff in the areas of MI/SOA-R/Staff Impact and Progression Matrix	
Fidelity Specialist and Case Manager Supervisor to measure staff progress via observation and auditing of case plans.	In June, we had our Assistant Director, Programs and four case managers attend SOAR training and Case Planning that was provided by CoreCivic. In May, All Staff took part in SOMB 100 training that was provided by SOMB at CAE, Six Case Managers and the Assistant Director Programs attended Behavioral Intervention provided by DCJ. The Assistant Director Security, one Case Manager Supervisor and six case managers attended Community Supervision of Adult Sex Offenders provided by DCJ and SOMB. The non-residential case manager took part in the Crisis Intervention Therapy seminar that was sponsored by DCJ. In April, the Case Manager Supervisor took part in the Crisis Intervention Treatment seminar that was sponsored by DCJ.
Skill Development with Directed Practice: Staff to demonstrate milieu management for effective role modeling and responsivity.	
Fidelity Specialist and Case Manager Supervisor to measure staff progress via observation and auditing of case plans.	In April's All Staff, we discussed walk through in the facility, our new Facility Director, Steve Owens spoke some. In May's All Staff, we discussed the changes in management, and we had property procedure training. In April's All Staff, we made sure everyone was comfortable with questions that could be asked of them by the PREA auditor. In March's All Staff, we continued to discuss the PREA first responder card, as there was new staff present. During monthly meetings, professional communication is discussed with staff regarding resident interactions. During management rounds, both Security and Case management staff were observed having meaningful contacts with the resident population.
<u>CORE Security Audit</u>	
Search and Contraband Training for staff: Scheduled and Completed Training *CS-30 Contraband	Facility searches of bunks and common areas continue in accordance with policy.

<p>*CS Substance Use Monitoring Drug Interdiction Events and Outcomes: Security Manager and Fidelity Specialist observations, audits, findings and actions taken.</p>	<p>On 12/5/24, a K9 search was conducted. No major contraband was found. In November, we saw an uptake of "Spice use." Since it became a safety concern for staff and other residents, several residents were reviewed for terminated that had positive UA's and emergency medical response (AMR), and paraphernalia on them. Security staff are carrying narcan on their person. Five total Narcan kits are available on each shift, to include additional pouches for staff to sign out.</p>
<p>*CS Client Monitoring : Random off-site monitoring of job search, work, pass and furlough activity CS* 50 Recording Authorized Absences *Client Supervision - CS Facility Checks</p>	<p>Glympse is required for every resident prior to leaving must show proof to staff. The Glympse location app is being utilized to assist with whereabouts checks.</p>
<p>Fidelity Specialist and Case Manager Supervisor observations, audits, and actions taken.</p>	<p>The Fidelity Specialist and Case Manager Supervisor continue to conduct monthly audits to identify any deficiencies. Follow up occurs to ensure those issues are resolved.</p>

Additional Comments: In June, we graduated 2 from our IRT program. Started program-5/8/24, **IRT graduation total since June is 34**

Community Corrections Board

Agenda Item Summary

Agenda Item Title: SFY25 Financial Report

Agenda Date: July 16, 2025

Agenda Item Number: 6-a

Presenter: MaCain Hildebrand, Justice Services Manager

Information: X

Endorsement:

Background Information:

Pursuant to Article III Section 5 of the El Paso County Community Corrections Board (CCB) By-Laws, the Board is responsible for monitoring and overseeing compliance with state and local standards. To ensure fiscal responsibility of the local contracts, the Board has requested a monthly financial report that explains all expenditures, by service type, for the local service providers.

El Paso County continues to work with the Division of Criminal Justice/Office of Community Corrections on matters related to contracting and allocation.

The billing documents (invoicing) for the June billing cycle have been completed.

Recommended Motion:

N/A

MONTH: Jun-25

EMBRAVE

	Total SFY25 Contract		
	\$ 6,702,057.16	TOTAL YTD Expenditure	% Contract Expended
Residential Housing	\$ 5,968,005.50	\$ (6,187,318.19)	92.32%
COP IRT	\$ 116,765.33	\$ (241,777.09)	3.61%
Non-Residential	\$ 175,809.55	\$ (200,020.84)	2.98%
Correctional Treatment	\$ 120,000.00	\$ (21,360.16)	0.32%
Facility Payment	\$ 321,476.78	\$ (321,476.78)	4.80%
Other	\$ -	\$ -	0.00%
Total YTD Expenditure		\$ (6,971,953.06)	104.03%
Percent Actual Expended			
Expected YTD Per Contract			100.00%
Percent Under/Over (-)			-4.03%
Total Balance in Contract		\$ (269,895.90)	

Expected YTD Expenditures Per Contract	Actual YTD Expenditure	Actual YTD \$ Under / (Over) Against Expected	% Under / Over (-) against expected	
\$ 5,968,005.50	\$ 6,187,318.19	\$ (219,312.69)	-3.67%	Residential
\$ 116,765.33	\$ 241,777.09	\$ (125,011.76)	-107.06%	COP IRT
\$ 175,809.55	\$ 200,020.84	\$ (24,211.29)	-13.77%	Non-Residential
\$ 120,000.00	\$ 21,360.16	\$ 98,639.84	82.20%	Correctional Treatment

4th Judicial District - Community Corrections Program Revenue and Expenditures
SUMMARY OF ALLOCATION EXPENSES - EMBRAVE
SFY25 July 1, 2024 - June 30, 2025

EMBRAVE			ACTUAL INVOICING RECEIVED FROM AND PAID TO VENDOR						TOTAL FIRST HALF
	Allocated Amount From DCJ/EPC	Actual Expenditure YTD from 7/1/24 to 06/30/25	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	
Community Corrections Residential Housing	\$ 5,968,005.50	\$ 6,187,318.19	\$ 494,146.59	\$ 468,945.19	\$ 432,618.19	\$ 467,878.84	\$ 461,871.73	\$ 527,914.34	\$ 2,853,374.88
Community Corrections - COP IRT	\$ 116,765.33	\$ 241,777.09	\$ 23,175.34	\$ 22,108.99	\$ 27,867.28	\$ 20,047.38	\$ 15,639.80	\$ 18,838.85	\$ 127,677.64
Community Corrections - Non-Residential	\$ 175,809.55	\$ 200,020.84	\$ 15,531.40	\$ 17,319.18	\$ 17,425.20	\$ 16,874.60	\$ 16,741.12	\$ 16,628.48	\$ 100,519.98
Community Corrections Correctional Treatment	\$ 120,000.00	\$ 21,360.16	\$ 1,105.00	\$ 1,602.00	\$ 990.00	\$ 1,670.00	\$ 2,777.00	\$ 1,330.00	\$ 9,474.00
Community Corrections Facility Payments (FP)	\$ 321,476.78	\$ 321,476.78	\$ -	\$ -	\$ 160,738.39	\$ -	\$ -	\$ -	\$ 160,738.39
Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Option Allocation (add only if received)		\$ -							
	\$ 6,702,057.16	6,971,953.06	\$ 533,958.33	\$ 509,975.36	\$ 639,639.06	\$ 506,470.82	\$ 497,029.65	\$ 564,711.67	\$ 3,251,784.89
	Contract Amount Remaining		Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	TOTAL SECOND HALF
Community Corrections Residential Housing	\$ (219,312.69)		\$ 539,857.46	\$ 515,366.97	\$ 582,760.28	\$ 563,708.16	\$ 566,551.76	\$ 565,698.68	\$ 3,333,943.31
Community Corrections - COP IRT	\$ (125,011.76)		\$ 10,236.96	\$ 14,004.73	\$ 25,308.04	\$ 23,886.24	\$ 21,682.45	\$ 18,981.03	\$ 114,099.45
Community Corrections - Non-Residential	\$ (24,211.29)		\$ 15,575.92	\$ 10,814.40	\$ 16,161.38	\$ 17,631.96	\$ 19,012.90	\$ 20,304.30	\$ 99,500.86
Community Corrections Correctional Treatment	\$ 98,639.84		\$ 1,774.62	\$ 400.00	\$ 4,367.00	\$ 500.00	\$ 4,124.54	\$ 720.00	\$ 11,886.16
Community Corrections Facility Payments	\$ -		\$ -	\$ -	\$ 160,738.39	\$ -	\$ -	\$ -	\$ 160,738.39
Other	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Option Allocation (add only if received)	\$ -								\$ -
REMAINING FUNDS IN ALLOCATION	\$ (269,895.90)		\$ 567,444.96	\$ 540,586.10	\$ 789,335.09	\$ 605,726.36	\$ 611,371.65	\$ 605,704.01	\$ 3,720,168.17

Expected Expenditure Total Allocation (Monthly)	\$ 531,715.03
Actual Expenditure Total Allocation (Current Month)	\$ 605,704.01
% Expected Expenditure (To Date)	100.00%
% Actual Expenditure (To Date)	104.03%
% Under / (Over) Spent	-4.03%

Expected YTD Expenditures Per Allocation	Actual YTD Expenditure	Actual YTD \$ Under / (Over) Against Expected	% Under / Over (-) against expected	
\$ 5,968,005.50	\$ 6,187,318.19	\$ (219,312.69)	-3.67%	Residential Housing
\$ 116,765.33	\$ 241,777.09	\$ (125,011.76)	-107.06%	COP IRT
\$ 175,809.55	\$ 200,020.84	\$ (24,211.29)	-13.77%	Non-Residential
\$ 120,000.00	\$ 21,360.16	\$ 98,639.84	82.20%	Correctional Treatment
\$ 321,476.78	\$ 321,476.78	\$ -	0.00%	Facility Payment

MONTH Jun-25
GEO REENTRY GROUP/COMMUNITY ALTERNATIVES OF EL PASO COUNTY (CAE)

	<i>Total SFY25 Contract</i>		
	\$ 6,601,318.77	TOTAL YTD Expenditure	% Contract Expended
Residential Housing	\$ 5,968,005.50	\$ (5,796,145.45)	87.80%
COP IRT	\$ 116,765.33	\$ (89,893.31)	1.51%
Non-Residential	\$ 175,809.55	\$ (218,670.14)	3.31%
Correctional Treatment	\$ 180,000.00	\$ (183,269.00)	2.78%
Facility Payment	\$ 160,738.39	\$ (160,738.39)	2.43%
Other	\$ -	\$ -	0.00%
Total YTD Expenditure		\$ (6,448,716.29)	97.69%
Percent Actual Expended			
Expected YTD Per Contract			100.00%
Percent Under/Over (-)			2.31%
Total Balance in Contract		\$ 152,602.48	

<i>Expected YTD Expenditures Per Contract</i>	<i>Actual YTD Expenditure</i>	<i>Actual YTD \$ Under / (Over) Against Expected</i>	<i>% Under / Over (-) against expected</i>	
\$ 5,968,005.50	\$ 5,796,145.45	\$ 171,860.05	2.88%	Residential
\$ 116,765.33	\$ 89,893.31	\$ 26,872.02	23.01%	COP IRT
\$ 175,809.55	\$ 218,670.14	\$ (42,860.59)	-24.38%	Non-Residential
\$ 180,000.00	\$ 183,269.00	\$ (3,269.00)	-1.82%	Correctional Treatment

4th Judicial District - Community Corrections Program Revenue and Expenditures
SUMMARY OF ALLOCATION EXPENSES - COMMUNITY ALTERNATIVES OF EL PASO COUNTY (CAE)
SFY24 July 1, 2024 - June 30, 2025

Community Alternatives of El Paso County (CAE)			ACTUAL INVOICING RECEIVED FROM AND PAID TO VENDOR						TOTAL FIRST HALF
	Allocated Amount From DCJ/EPC	Actual Expenditure YTD from 7/1/24 to 06/30/25	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	
Community Corrections - Residential Housing	\$ 5,968,005.50	\$ 5,796,145.45	\$ 456,077.91	\$ 488,317.22	\$ 476,018.64	\$ 482,132.38	\$ 475,378.83	\$ 487,464.13	\$ 2,865,389.11
Community Corrections - COP IRT	\$ 116,765.33	\$ 89,893.31	\$ 8,815.16	\$ 8,601.89	\$ 9,881.51	\$ 4,620.85	\$ 5,473.93	\$ 7,464.45	\$ 44,857.79
Community Corrections - Non-Residential	\$ 175,809.55	\$ 218,670.14	\$ 17,132.14	\$ 17,744.20	\$ 17,981.02	\$ 19,198.32	\$ 19,850.62	\$ 20,513.92	\$ 112,420.22
Community Corrections Correctional Treatment	\$ 180,000.00	\$ 183,269.00	\$ 17,027.00	\$ 16,597.00	\$ 16,386.00	\$ 17,370.00	\$ 15,411.00	\$ 17,055.00	\$ 99,846.00
Community Corrections Facility Payments	\$ 160,738.39	\$ 160,738.39	\$ -	\$ -	\$ 80,369.19	\$ -	\$ -	\$ -	\$ 80,369.19
Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Option Allocation (add only if needed)		\$ -							
	\$ 6,601,318.77	6,448,716.29	\$ 499,052.21	\$ 531,260.31	\$ 600,636.36	\$ 523,321.55	\$ 516,114.38	\$ 532,497.50	\$ 3,202,882.31
	Allocation Amount Remaining		Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	TOTAL SECOND HALF
Community Corrections - Residential Housing	\$ 171,860.05		\$ 483,696.36	\$ 433,222.46	\$ 502,926.20	\$ 485,900.15	\$ 520,947.52	\$ 504,063.65	\$ 2,930,756.34
Community Corrections - COP IRT	\$ 26,872.02		\$ 8,246.44	\$ 6,682.46	\$ 7,393.36	\$ 8,459.71	\$ 9,597.15	\$ 4,656.40	\$ 45,035.52
Community Corrections - Non-Residential	\$ (42,860.59)		\$ 19,649.16	\$ 14,998.12	\$ 18,259.86	\$ 17,665.06	\$ 18,576.04	\$ 17,101.68	\$ 106,249.92
Community Corrections Correctional Treatment	\$ (3,269.00)		\$ 14,351.00	\$ 12,779.00	\$ 15,329.00	\$ 13,998.00	\$ 13,054.00	\$ 13,912.00	\$ 83,423.00
Community Corrections Facility Payments	\$ -		\$ -	\$ -	\$ 80,369.20	\$ -	\$ -	\$ -	\$ 80,369.20
Other	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Option Allocation (add only if needed)	\$ -								\$ -
REMAINING FUNDS IN ALLOCATION	\$ 152,602.48		\$ 525,942.96	\$ 467,682.04	\$ 624,277.62	\$ 526,022.92	\$ 562,174.71	\$ 539,733.73	\$ 3,245,833.98

Expected Expenditure Total Allocation (Monthly) \$ 536,715.03
Actual Expenditure Total Allocation (Current Month) \$ 539,733.73
% Expected Expenditure (To Date) 100.00%
% Actual Expenditure (To Date) 97.69%

% Under / (Over) Spent 2.31%

Expected Expenditures Per Allocation	Actual YTD Expenditure	Actual YTD \$ Under / (Over) Against Expected	% Under / Over (-) against expected	
\$ 5,968,005.50	\$ 5,796,145.45	\$ 171,860.05	2.88%	Residential Housing
\$ 116,765.33	\$ 89,893.31	\$ 26,872.02	23.01%	COP IRT
\$ 175,809.55	\$ 218,670.14	\$ (42,860.59)	-24.38%	Non-Residential
\$ 180,000.00	\$ 183,269.00	\$ (3,269.00)	-1.82%	Correctional Treatment
\$ 160,738.39	\$ 160,738.39	\$ -	0.00%	Facility Payment

Community Corrections Board

Agenda Item Summary

Agenda Item Title: Provider Termination Reports – June 2025

Agenda Date: July 16, 2025

Agenda Item Number: 6-b

Presenter: MaCain Hildebrand, Justice Services Manager

Information: X

Endorsement:

Background Information:

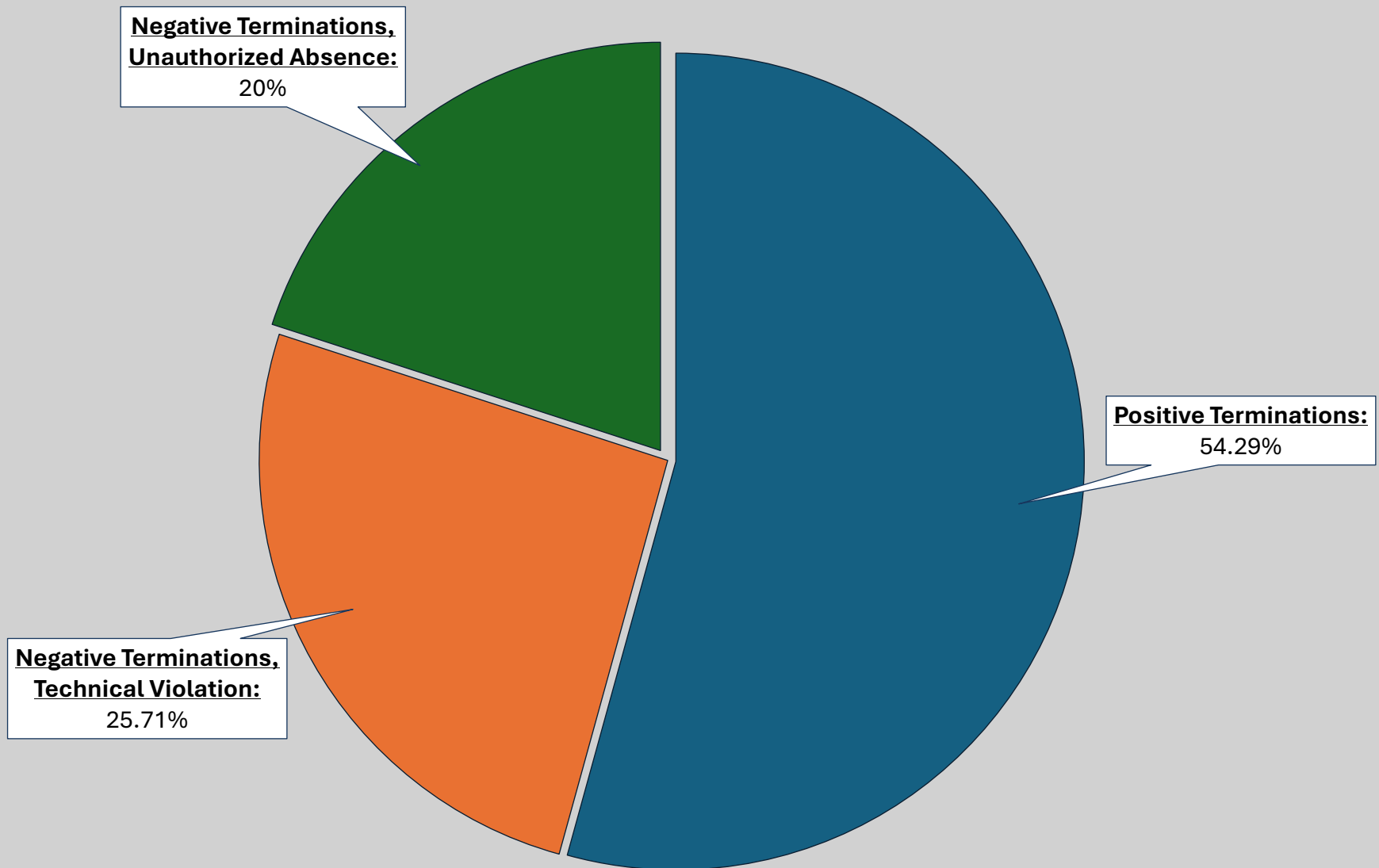
Pursuant to Article II of the El Paso County Community Corrections Board (CCB) Bylaws and section 4a of Colorado Revised Statute 17-27-103, as amended, local community corrections boards are responsible for making assessments on the number of offenders who have an unauthorized absence from custody. The data is based on reports prepared by the Community Corrections staff pursuant to Section 11 of the Colorado Revised Statute 17-27-104.

The attached Provider Termination Reports are for June 2025.

Recommended Motion:

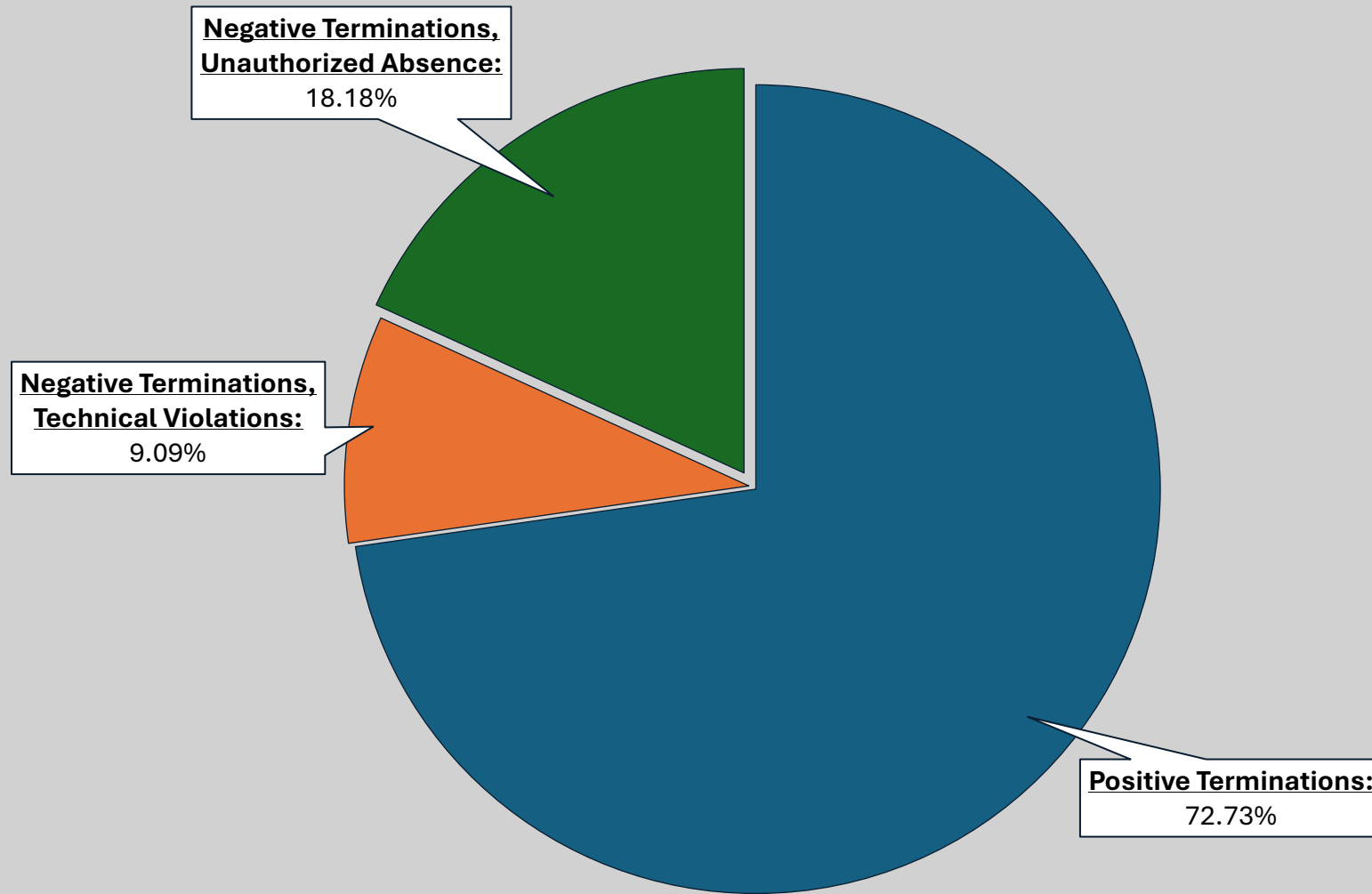
N/A

CAE Residential Terminations - June 2025



*Neutral Terminations not Included

Embrave Residential Terminations - June 2025



*Neutral Terminations not Included

Community Corrections Board

Agenda Item Summary

Agenda Item Title: Staff Report – July 2025

Agenda Date: July 16, 2025

Agenda Item Number: 6-c

Presenter: MaCain Hildebrand, Justice Services Manager

Information: X

Endorsement:

Background Information:

Staff will provide insight and information on upcoming events, activities, and/or information otherwise not specifically covered as a separate agenda item. Topics covered under this agenda item will generally consist of the following:

- Three CDOC case managers from CMC cross-trained with our community corrections board staff on June 24th.
- The completed DCJ Community Corrections Financial report required by SB23-242 is included for reference.
- Board staff are participating in the CAE PACE audit this week.
- A presentation on Justice Services data collection of community corrections absconder totals and known outcomes will be presented during the August 20, 2025, Board Meeting.

Recommended Motion:

N/A



COLORADO

Division of Criminal Justice

Department of Public Safety
Division of Criminal Justice
700 Kipling Street, Suite 1000
Lakewood, CO 80215

Memorandum

TO: The Honorable Jeff Bridges, Chair, Joint Budget Committee

CC: Rep. Shannon Bird, Vice Chair, Joint Budget Committee
Sen. Judy Amabile, Joint Budget Committee
Sen. Barbara Kirkmeyer, Joint Budget Committee
Rep. Shannon Bird, Vice Chair, Joint Budget Committee
Rep. Emily Sirota, Joint Budget Committee
Rep. Rick Taggart, Joint Budget Committee
Justin Brakke, Joint Budget Committee, Senior Legislative Analyst
Pete Stein, Office of State Performance and Budgeting, Budget Analyst
Stan Hilkey, Colorado Department of Public Safety (CDPS) Executive Director
Dr. Matthew Lunn, Division of Criminal Justice (DCJ) Division Director
Teresa Anderle, CDPS Budget Director
Joel Malecka, CDPS Legislative Liaison

FROM: Katie Ruske, Manager, Office of Community Corrections

RE: Community Corrections Programs: Cost Evaluation and Future Cost Model

DATE: June 3, 2025

The Division of Criminal Justice's Office of Community Corrections remains firmly committed to advancing a more effective and efficient community corrections system across Colorado. Through ongoing evaluation and innovation, the Office works to improve outcomes for individuals under supervision while ensuring public safety and fiscal responsibility. The Office also has developed strong collaborative relationships with other relevant state agencies, and the local community corrections boards and programs to implement needed changes. The attached report authored by SJORBERG & EVASHENK CONSULTING (SEC), Community Corrections Programs: Cost Evaluation and Future Cost Model, is an important piece of our shared commitment by analyzing the true costs of delivering evidence-informed services and presenting a forward-looking model to support sustainable, efficient operations that promote long-term success for clients and safety for communities.

During the 2023 legislative session, the General Assembly passed Senate Bill 23 - 242 requiring the Division of Criminal Justice (DCJ) to contract with a third party vendor to complete a financial audit of community corrections programs and produce a report by July 1, 2025. After



an initial inability to identify a vendor willing to complete the audit for the available money, the DCJ was able to consult with the Office of the State Auditor to make adjustments to both the scope of the project and the budget. The Joint Budget Committee was supportive of the adjustments needed and provided additional funding. These adjustments led to the successful procurement of SEC as the selected vendor to complete a cost evaluation of community corrections. The statement of work also required the vendor to make recommendations for future cost modeling.

All community corrections providers participated in the cost evaluation and cooperated with the requests of SEC. SEC's report demonstrates the complexities and variety of factors that impact the cost of operating community corrections in Colorado, including the factors that impact costs for specific programs. The report highlights many of the factors that impact cost, as well as explores variable versus fixed costs. The recommendations provided by SEC present opportunities for the DCJ and the Colorado State Legislature to improve practices in data collection related to financial information that will provide a future framework to inform per diem rates that provides sustainability to community corrections providers and ensures the continued availability of needed bed space.

The DCJ is invested in utilizing the report and its recommendations to make updates to contracts and requirements for data reporting. In addition, the DCJ will partner with the Department and Governor's Office to consider potential future changes to the per diem rate in accordance with the overall state budget, capacity needs, and other pertinent considerations. We appreciate the opportunity that was provided by the General Assembly in the commissioning of this report.



Colorado Department of Public Safety, Division of Criminal Justice

Community Corrections Programs: Cost Evaluation and Future Cost Model

May 2025



455 Capitol Mall • Suite 700 • Sacramento, California • 95814 • Tel 916.443.1300 • www.secteam.com

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PURPOSE

The Division of Criminal Justice, Office of Community Corrections, within the Colorado Department of Public Safety (CDPS), engaged Sjoberg Evashenk Consulting to assist with an independent third-party cost evaluation. During the 2023 legislative session, Senate Bill 23-242 Community Corrections Financial Audit was signed into law concerning financial audits of community corrections programs within the State of Colorado. As part of the project, Sjoberg Evashenk Consulting was hired to primarily analyze the actual cost of operating both standard and specialized community corrections programs, and to recommend a model for appropriate reimbursement rates.

BACKGROUND

Community corrections provides a sentencing or placement alternative in lieu of prison incarceration for felony offenders or for those transitioning back to the community. In Colorado, the program operates through a state and local partnership of specific programs that provide both residential and non-residential services in a community-based setting.

Among its many responsibilities, CDPS sets the standards for community corrections programs and distributes funding by contracting with local community corrections boards, who in turn establish contracts with and provide oversight for community corrections programs serving their judicial district.

The programs are operated by local governments, nonprofit organizations, and for-profit entities. Each program receives most of its funding from the State through per diem reimbursement for each day that an individual receives services at the program.

KEY HIGHLIGHTS

- Most programs operated by nonprofit and for-profit providers had sufficient combined revenue—state per diem and other payments and from other revenue sources. However, four smaller or rural programs—mostly one-program providers—struggled in recent years and relied heavily on one-time funding to support operations. The programs operated by larger providers that have multiple programs in Colorado or nationally appeared to have sufficient revenue to cover operating costs.
- Programs operated by local governments relied heavily on county general funds to supplement the funding received from the State.
- While most programs were able to support operations using available funding in recent years, recent trends raise concerns about the future viability of community corrections in Colorado. Specifically:
 - ✓ Eighty percent of costs for community corrections were fixed and do not fluctuate significantly when the population at a program changes.
 - ✓ Referrals and program population decreased significantly during the COVID-19 pandemic. While they have increased by 2024, referrals remain lower and many programs are still seeing lower clients per day.
- While the per diem reimbursement rates and facility payments have increased over the years, at 4% per year from 2019 through 2023, the residential per diem rate has increased at a much lower pace than costs. For example, the cost of employment, which at approximately 70% is the highest cost for all programs, has increased at 12% per client per year. The combination of these trends raises concerns about the future viability of these programs.
- Most programs do not track and report financial data in a manner that allows identifying true costs of each program—revenues and costs for all programs provided were generally treated as one program and not separately tracked, which limits the ability to determine true costs of programs and rate setting.

KEY RECOMMENDATIONS

We recommend a phased approach for capturing better data for decision-making, conducting (and replicating) needed cost analysis, and considering unique factors when setting reimbursement rates. Specifically:

- Near-Term: Colorado should adjust fiscal year 2025-2026 rates based on using an inflationary factor as we prescribe in the report and require specific financial reporting of distinct, consistent, and prescribed cost categories, and data to establish the foundation and structure for modeling and future rate setting and other funding.
- Longer-Term: Colorado should track and analyze changes in costs year over year by program, type of service provided, and in a prescribed manner, and conduct cost analysis for rate setting and supplemental as-needed funding adjustments to support programs if needed.

Introduction and Background

The Division of Criminal Justice, Office of Community Corrections, within the Colorado Department of Public Safety (CDPS), engaged Sjoberg Evashenk Consulting to assist with an independent third-party cost evaluation. During the 2023 legislative session, Senate Bill 23-242 Community Corrections Financial Audit was signed into law concerning financial audits of community corrections programs within the State of Colorado. As part of the project, Sjoberg Evashenk Consulting was hired to primarily analyze the actual cost of operating both standard and specialized community corrections programs, and to recommend a model for appropriate reimbursement rates.

Program Overview: State and Local Partnership Service Delivery Model

Community corrections programs serve as an alternative to prison or as a transition for individuals in prison to reenter society. The programs offer intermediate level supervision that is less restrictive than prison but more structured than probation and parole. In Colorado, the community corrections program operates through a state and local partnership of specific facilities/programs that provide both residential and non-residential services to convicted adults and offer an alternative to traditional incarceration with supervision and services in a community-based setting.

Individuals receiving services in either a residential or nonresidential setting within the programs are either:

- In prison and recommended to community corrections by the Colorado Department of Corrections to transition back to society;
- Sentenced to community corrections by the State's District courts to divert them away from prison; or
- Referred from the State Board of Parole or the local parole offices as a condition of the client's period of parole.

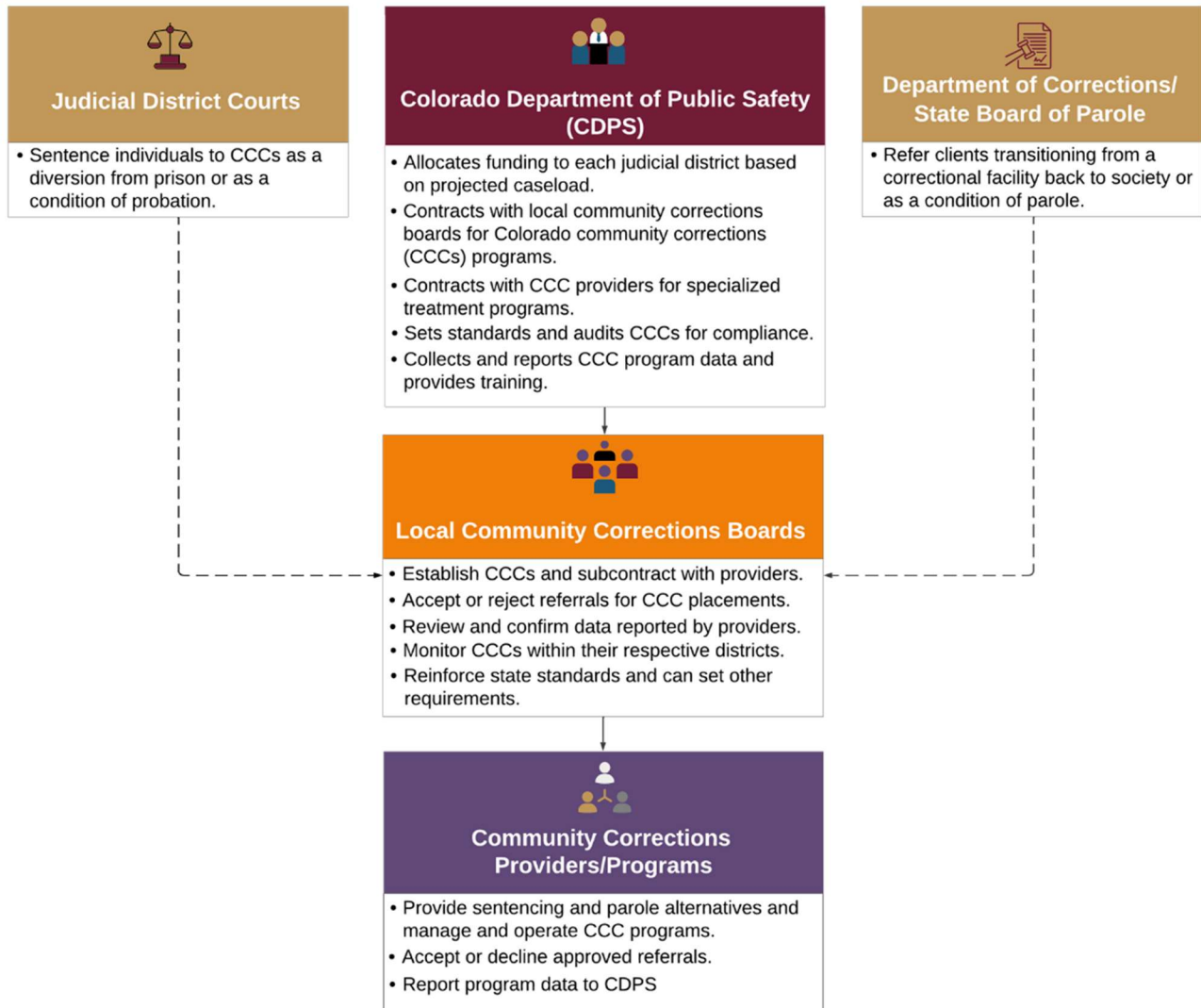
Statute requires the creation of a community corrections board in each judicial district that has a facility/program. Colorado has twenty-two (22) judicial districts¹ with their own local community corrections boards although not all have a community corrections program in their district. Local community corrections board and programs review individuals referred (referrals) for final acceptance and placement. Some county governments operate their own community corrections facilities while other local community corrections boards contract with private entities to operate the programs.

Program Oversight and Delivery

Several state, local, and private entities have distinct roles and responsibilities as part of community corrections programs as shown in Exhibit 1 and described in the sections that follow.

¹ Effective January 7, 2025, a twenty-third judicial district was created per HB20-1026.

EXHIBIT 1. GOVERNANCE STRUCTURE FOR COMMUNITY CORRECTIONS



Source: Joint Budget Committee Staff Budget Briefing Documents FY 2020 – 2026; CDPC Community Corrections Annual Reports FY 2019 – 2023; C.R.S. 17-27-103, 17-27-104, 17-27-108; Legislative Council Staff Issue Brief Number 19-03; Various Local Community Corrections Boards' Websites.

Role of CDPS

The Office of Community Corrections within the Division of Criminal Justice in CDPS oversees and manages the State's community corrections system. They develop and enforce professional standards for managing and operating community corrections programs and periodically audit programs to ensure compliance. The office also collects and reports data about each program. Further, CDPS allocates state funding support for community corrections programs which provide residential and non-residential supervision and treatment for program participants throughout Colorado. CDPS allocates funds to all twenty-two judicial districts in Colorado through contracts with local community corrections boards (local boards) based on the participant per diem rate set by the General Assembly. These local boards then subcontract with a network of providers for services in their communities. In some cases, CDPS contracts directly with certain providers for specialized supervision and treatment services. Additionally, CDPS tracks

monthly payments to boards and programs and manages a vast array of information related to clients in the community corrections programs.

Role of Judicial Districts, Department of Corrections, and Local Community Corrections Boards

Each of Colorado's twenty-two judicial districts have their own local boards—although not all have a community corrections program in their district. In those instances, the local board can request placement of individuals within their jurisdiction into another local board's program. Currently, six judicial districts do not have a community corrections program in their district.

Within the community corrections system, judicial districts, the Department of Corrections or State Board of (Parole Board), and local boards have distinct roles. For instance, a judge of a district court in the judicial district has sentencing authority and can refer an individual to a community corrections program in lieu of (or as a diversion to) prison incarceration for felony offenders. Further, the Department of Corrections or the Parole Board can refer individuals who are in prison into a community corrections program to transition back to society. A local board oversees each community corrections program in their jurisdiction and, once it receives a referral, has the authority to screen and accept or reject any offenders referred to programs in their communities. Offenders who are not approved for placement in the program by the local board return to the referring agency: either the sentencing judge for an alternative placement or remain under the supervision of the Department of Corrections.

Locally elected officials from the governing body typically appoint the local community correction board members, and individual boards can vary by size, membership, philosophy, and degree of program control. Local boards may institute guidelines in the operation of the programs, enforce the guidelines, and monitor program compliance with state and local standards. Many local boards provide an array of critical services designed to assist the program to better serve the needs of the offenders.

Role of Providers

To administer the community corrections programs, the State relies on a network of public providers, private organizations, and nonprofit providers. As of October 2024, there were 11 service providers operating 25 community corrections programs throughout the State. This includes:

- Three nonprofit providers operate 7 programs
- Four private for-profit providers operate 13 programs
- Four public (local government) providers operate 5 programs

These providers serve the State by:

- Offering a sentencing option for criminal behavior short of prison,
- Delivering an intermediate level of supervision less than prison but more than probation or parole,
- Providing rehabilitative services to offenders to reduce the risk of reoffending.

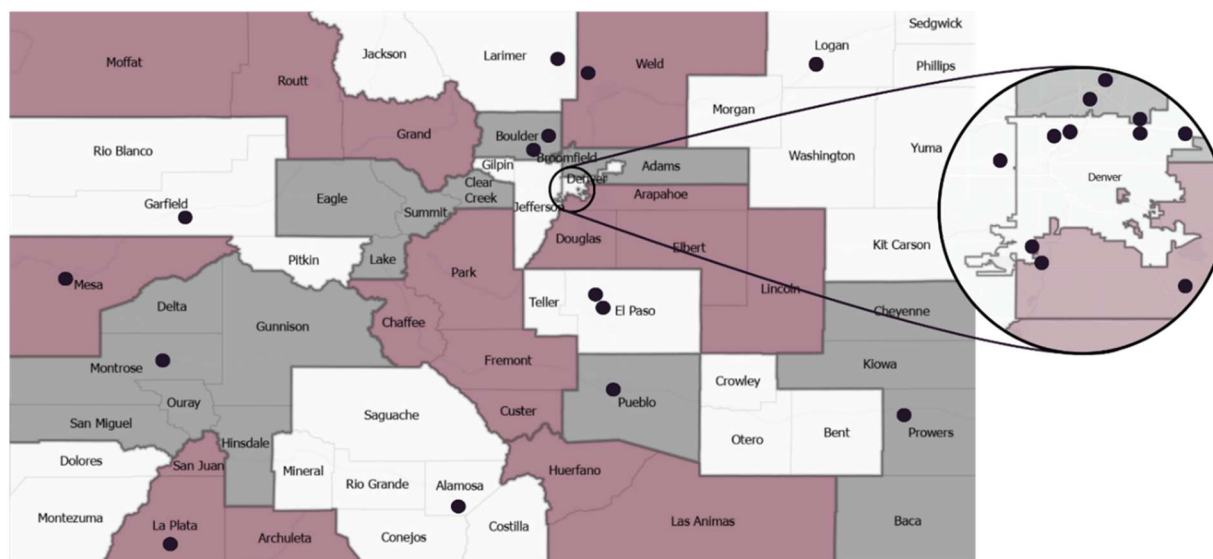
All providers of community corrections perform similar levels of supervision and treatment practices according to the Colorado Community Corrections Standards² and are required to comply with such

² [Colorado Community Corrections Standards](#)

standards. In addition, some providers operate specific specialized programs targeted toward specific needs with services to address substance use, mental health disorders, or sex offender treatment. Both CDPS and local boards regulate and monitor community corrections programs and perform periodic audits of the programs to ensure compliance with state and local standards.

Exhibit 2 shows the 22 judicial district boundaries³ overlaid on a Colorado county map and the location of the 25 Colorado community corrections (CCC) programs within those judicial districts as of October 2024. To facilitate identification of the borders of each judicial district, we use three different shades to distinguish the judicial districts and counties they encompass.

EXHIBIT 2. COLORADO JUDICIAL DISTRICTS AND COMMUNITY CORRECTIONS PROGRAMS MAP



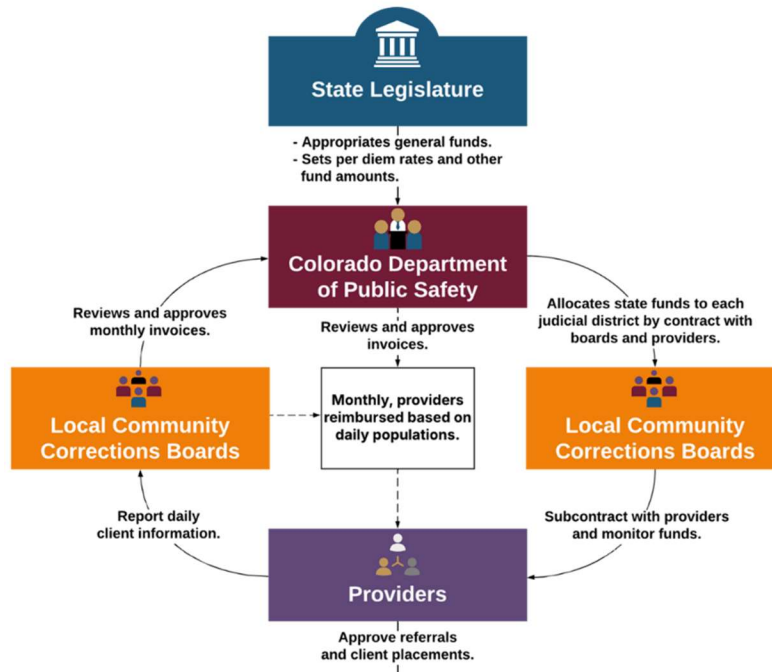
Source: CDPS website of interactive CCC and Judicial Districts Maps.

Program Funding Structure

Providers are reimbursed based on the numbers of offenders placed in the community corrections programs (placements and caseload), the type of services they provide, and the per diem rate set by the General Assembly each year as part of the Long Bill intended to cover the costs per day for each individual in the programs. CDPS's Office of Community Corrections allocates these per diem state funds through contracts with local boards in each of the twenty-two judicial districts as shown in Exhibit 3. Subsequently, each local board subcontracts with program providers to provide services in their communities—although, in some cases, CDPS contracts directly with certain providers for specialized supervision and treatment services. In addition, providers may use other state, federal, and local funds to augment state general and cash funds.

³ Effective January 7, 2025, a twenty-third judicial district was created per HB20-1026.

EXHIBIT 3. FUNDING STRUCTURE FOR COMMUNITY CORRECTIONS



Source: Joint Budget Committee Staff Budget Briefing Documents FY 2020 – 2026; CDPC Community Corrections Annual Reports FY 2019 – 2023; C.R.S. 17-27-103, 17-27-104, 17-27-108; Legislative Council Staff Issue Brief No. 19-03.

Because state funding is largely based on a participant per diem model, the funding available to a provider for services is dependent on the number of referrals from the different parties of the criminal justice system, number of placements in the program (daily population), and the willingness of local boards and providers to accept referred offenders into their community and facilities, and may even include the willingness of an offender to participate in the programs. Although providers can use other state, federal, and local funds to augment funding, the largest source of income for the facilities is from the fixed per diem rates paid based on the number of beds filled. Thus, if a provider's program is filled at capacity, there is a steady stream of funding to cover the cost of services; conversely, if the provider's program has vacancies, funding may be insufficient to cover program expenses.

As shown in Exhibit 4 and described in the bullets that follow, the State provides a variety of daily per diem rates and other fixed-amount payments to providers of community corrections programs to cover costs of providing services.

EXHIBIT 4. FISCAL YEAR 2024-25 FUNDING APPROPRIATION FOR COMMUNITY CORRECTIONS PROGRAM

Funding Type	Rate	Average Daily Placements	Appropriation	Percentage of Appropriation
Residential Base Rate	\$70.39	884	\$22,712,037	
Base rate plus 1.0% incentive	\$71.09	783	20,317,167	
Base rate plus 2.0% incentive	\$71.80	875	<u>22,931,125</u>	
Total Residential Base With Incentive			65,960,329	72%
Specialized Differentials				
• Intensive Residential Treatment	\$63.61	182	4,225,612	
• Residential Dual Diagnosis Treatment	\$63.61	90	2,089,589	
• Sex Offender	\$34.68	116	<u>1,468,351</u>	
Total Incremental Specialized Program Differentials			7,783,552	9%
Non-residential Base Rate				
• Standard Non-residential	\$10.14	792	2,931,271	
• Outpatient Therapeutic Community	\$28.22	25	<u>257,508</u>	
Total Non-Residential			3,188,779	3%
Other Appropriations—Non-Rate Type				
Funds For Clients For Treatment	N/A			
• Correctional Treatment Cash Fund Residential Placements	These are not funded through per diem rates		3,888,613	
• Specialized Offender Services			289,483	
• Services for Substance Abuse and Co-occurring Disorders			<u>2,776,237</u>	
Total Other—Non-Rate Type			6,954,333	8%
Community Corrections Facility Payments	N/A		4,616,157	5%
Oversight Funding for Community Corrections Board and Training	These are not funded through per diem rates		2,779,573	3%
TOTAL			\$91,282,723	100%

Source: Fiscal Year 2024-25 Long Bill.

These rates are described below:

- **Residential Base Per Diem**—As set in the Long Bill, this rate is for “standard” services at the residential program. This base rate can be adjusted by 1 or 2 percent if the program is performing at a level specified under CDPS’ Office of Community Correction’s new performance-based contracting created to encourage programs to enhance performance and provide quality services.
- **Specialized Differentials**—These rates are added to the residential base per diem rate if a program has a contract with CDPS to provide more extensive specialized therapy for certain individuals. In fiscal year 2024, 16 of the programs provide at least one specialized program in their facility such as 90-day intensive residential substance abuse treatment, residential dual diagnosis mental illness and substance abuse treatment, and sex offender treatment.
- **Non-residential Base Per Diem**—This rate is for individuals who do not reside in the program facility but receive services from the program.

- **Outpatient Therapeutic Community**—Like the non-residential rate, this outpatient rate is for individuals that do not reside in the facility but receive therapeutic community services.
- **Other Treatment Funding**—There are two other funds available to assist clients with costs associated with treatment—the Correctional Treatment Fund provides funding for justice-involved clients with substance abuse and/or co-occurring behavioral health and the Specialized Offender Services Fund that helps diversion clients that need other services but are not in a specialized program.
- **Facility Payment**—This payment was developed by the General Assembly. The purpose was to increase funding to mitigate staff turnover and distribute workloads more efficiently among case management staff—though it evolved over time and, during the COVID-19 pandemic, all providers received an additional facility payment.
- **Oversight**—The State appropriates funding to local boards for administration and to CDPS for training.

Further, providers receive funding from other non-state sources to help with program costs including county funding such as grants or transfers from the general fund, federal funding including Paycheck Protection Program (PPP) loans during COVID-19, and other miscellaneous income such as an insurance settlement for one provider. For the programs we reviewed over fiscal years 2019 through 2023, this “supplemental” funding comprised a relatively small portion of all reported revenues as shown in Exhibit 5. Thus, most of the providers’ reported revenue derives from the State’s reimbursement rates provided by its general fund.

EXHIBIT 5. OVERALL REVENUE SOURCES REPORTED BY COMMUNITY CORRECTIONS PROGRAMS

Revenue Category	2019	2020	2021	2022	2023
State CCC Revenue (Per diem, differentials, and facility payments)	\$ 55,988,764	\$ 54,607,770	\$ 48,198,929	\$ 59,004,217	\$ 73,323,700
Client Paid (Subsistence, Reimbursements, etc.)	\$ 12,207,818	\$ 10,956,200	\$ 10,230,562	\$ 8,017,198	\$ 1,943,496
Other Non-CCC Programs	\$ 2,831,851	\$ 2,544,909	\$ 3,778,597	\$ 4,520,167	\$ 3,358,240
County	\$ 763,668	\$ 2,106,163	\$ 1,628,823	\$ 650,832	\$ 1,622,680
Federal	\$ -	\$ 21,587	\$ 1,359,289	\$ -	\$ 1,233,586
Miscellaneous	\$ 476,309	\$ 295,357	\$ 951,594	\$ 1,128,012	\$ 373,121
Total	\$ 72,268,410	\$ 70,531,986	\$ 66,147,794	\$ 73,320,426	\$ 81,854,823

Source: Financial statements, profit and loss reports, general ledger reports, and other data collected from each provider.

Chapter 1: Revenues were Sufficient to Cover Costs Over the Last Five Years for Most Programs

As part of our engagement, we analyzed the cost of providing services and what was driving those costs, as well as determined operating profitability of each provider's program for the four-year period between July 2018 and June 2023—fiscal years 2019 through 2023. Overall, we determined that most programs, other than public providers' programs, received sufficient state funding to support operations, but that several providers have struggled in recent years. These struggles are due in part to a reduction in the average daily population, which lowers funding for the programs, in addition to increased costs to operate the programs.

Distinct Provider Financial Structures Pose Challenges to Comparing Data Across Entities

While all providers must operate in accordance with state and local laws, regulations, standards, and requirements, variances with how providers manage and operate the programs depend on the type of provider entity and its business structure, making it challenging to compare and contrast the entities against each other.

For example, a large private organization that operates programs in various states may utilize a corporate headquarters to provide additional funding sources and provide administrative support across its multiple programs. Conversely, a nonprofit provider or a small private organization managing and operating in just one or a few locations may more heavily rely on state funding to cover its cost. Public entities (local governments) can be like larger private organizations whereby they can leverage available county staff for administrative support and may have local general funds accessible to offset program costs in addition to state funding as some of these counties have made a commitment to fund the programs as needed and if general funds are available to ensure success.

Additionally, although our financial analysis refers to a fiscal year generally focused on the State's fiscal year from July through June, each entity can set their own fiscal year—a 12-month period used for financial reporting and budgeting—adding additional challenges to our comparisons. For example, one nonprofit provider captures financial data following the same fiscal year period as the State of Colorado from July 1st through June 30th. Three of the for-profit providers and all public providers used the January 1st through December 31st calendar year as their fiscal year for budgeted and reported financial data, with the remaining for-profit provider using a November 1st through October 30th fiscal year. Thus, although the data provided for our analysis may cover different months in the fiscal year, all financial information did cover a 12-month period and thus, we compared costs and revenue regardless of the providers' fiscal year as we compared financial information covering a 12-month period for all.

Revenues for Community Corrections Programs Appear Sufficient for the Majority of Programs, Although Financial Data Provided Did Not Always Discretely Separate Costs by Type of Program

Although the state per diem as supplemented by additional funding from other sources appeared sufficient to cover the costs of most of the nonprofit and for-profit programs we reviewed, many providers raised concerns about the long-term viability of operating community corrections programs.

In reviewing the revenue available and costs to operate for each of the programs, we found that most programs operated by a for-profit or nonprofit provider had a positive variance indicating that revenue was sufficient to cover costs in most years over the five-year period we reviewed.⁴ The majority of the revenue used to fund the programs was from the state (per diem reimbursements, facility payments, differentials) and a smaller portion was from other supplemental funding sources.

Programs operated by a public entity typically had a negative variance as they spent considerably more than the state and other funding received—a decision made by some local government policymakers as we discuss starting on page 14. While most for-profits and nonprofit programs were generally able to operate with the revenue received in those years from the state and/or additional funding, three smaller or rural programs did not receive sufficient per diem income or other income to sustain operations, and another used one-time funding to cover operating expenses for several years.

If the State wishes to ensure that those programs remain in operation, it may need to find additional funding or use a different funding mechanism to support those smaller or rural programs that are struggling. When reviewing the operating profitability at the provider level by entity type, we found that both for-profit and nonprofit providers, many had higher operating revenues than expenses over the periods reviewed except for two providers. Of the providers that had higher revenues than expenses, except for one, all providers that performed profitably operated multiple programs in Colorado. Although a provider only operated one program, that program had multiple facilities, and they typically had a high average daily population (ADP)—near or higher than 200 ADP. These results show that, with some exceptions, the for-profit and nonprofit providers generally had sufficient funding to cover their operations with operating profitability nearing or well over a million dollars over the five-year period ranging between \$4 million and \$15 million. For the local governments, all had operating deficits in almost all years but their county general funds were able to support the programs in those years and cover the operating deficits.

Program Financial Performance FY 2021-2023

- Two nonprofit programs did not have sufficient revenue to cover costs in two years, while five had sufficient revenue all years.
- One for-profit program did not have sufficient revenue to cover costs all three years, while eleven programs had sufficient revenue almost all years.
- All five programs operated by local government providers did not have sufficient revenue to cover costs.

⁴ The costs we analyzed to calculate the operating profitability did not include depreciation, which several programs such as the local governments provided to us with their financial data.

Nonetheless, our analysis emphasized that the local government providers spent much more than was reimbursed by the State in operating their programs than most for-profit and nonprofit providers—with caveat. Importantly, the majority of the providers' financial data did not discretely capture revenue and expenses associated solely with the Colorado community corrections programs in many cases. Rather, many of these programs took in non-state revenue and received state funding for specialized programs to support operating the programs offered at their facilities and costs for all programs were not tracked separately limiting the ability to determine true program costs.

In fact, all of the programs had non-state revenue included in at least one of the five years, with the majority having non-state revenue in most years. In some cases, this additional revenue was relatively small but in other cases it was substantial and helped support their community corrections programs. For example, multiple programs had applied for and received PPP loans—a COVID-19 relief program offered by the federal government—that were eventually forgiven.

Other providers applied for county or other grants for some of their programs. Further, for all programs operated by the public providers, the local government general fund offset any shortage.

Examples of Non-State Revenue

- Federal PPP loans
- County grants
- County general funds
- Work release program
- Pre-trial detention program
- Insurance settlement
- Sale of a building

However, some of the revenue was associated with programs that were entirely separate from community corrections. For example, one program's facility had about half of its beds dedicated to a county work release program. The revenues associated with those separate programs are included above and so are the expenses. The reason why the expenses were included is that the providers do not track costs by program whether it is a specialized program offered through the State or a program paid for through another entity. Thus, the costs associated with the various types of community corrections programs—residential versus non-residential versus specialized programs (see page 27 and 28)—and those of non-community corrections programs are tracked together as one program, making it impossible to determine the amounts solely associated with specific types of community corrections programs. In total, 18 programs had non-community corrections programs and related revenues and expenses included with the information they provided to us. The results we provide show the operating profitability of these facilities, but some portion of both the revenue and expenses for many programs is not attributable to Colorado community corrections programs. Some of these non-community corrections amounts were quite small for some programs while others had larger amounts, but in all cases the state-funded community corrections portion of the program was the largest. We discuss these limitations in more detail in Chapter 3 of this report.

Four Programs Operated by For-Profit and Nonprofit Providers Struggled to Cover Expenses

Despite being told by several nonprofit and for-profit providers that the business model for community corrections in Colorado was unsustainable, we found that in general most of the nonprofits and for-profit programs collected more revenue than they spent on operating the programs over fiscal years 2019 to 2023 when considering other funding sources. However, despite the per diem funding and facility payments from the State, three programs did not collect enough revenue to cover the costs of operating the programs

over the five-year period we reviewed—two programs operated by nonprofit providers and one program operated by a for-profit provider—and another covered expenses with an influx of additional one-time funding. Specifically, one program spent more on operations than it collected in revenue each year from 2021 through 2023, indicating that revenue from the per diems, facility payment or other state funds were insufficient to support their operations. Similarly, for two other programs, the providers spent more on operations than they collected in state revenue in two out of the five years, including fiscal year 2021 and 2023.

For one program, expenses between 2019 and 2022 were relatively flat which is similar to trends for the other two programs as shown below, and it was operating at a deficit in recent years. Given those factors, the solvency of the program was affected by fluctuating average daily population upon which state per diem reimbursement rates are based that had not recovered from pre-pandemic levels as of fiscal year 2023. As a single-program provider that serves a small number of clients each year, this program does not benefit from economies of scale and relies solely on state reimbursement to cover costs. In 2021, the program received \$150,000 in one-time COVID-19 pandemic relief funding as well as an additional COVID-19 facility payment from the State. More recently, the program received a \$150,000 grant from the county to support operations. However, with past program activity in 2019 collecting just enough revenue to break even on operational costs, it could indicate that their struggles may have begun before the COVID-19 pandemic. Staff indicated that without additional funding beyond the current per diem, they will not be able to sustain operations as they have not been successful in their search for grants, donations, and other sources of funding.

Similarly, a second community corrections program appears to have incurred operating losses for several recent years and may have relied on other funding to support its operations such as an over \$500,000 one-time COVID-19 relief loan forgiveness in 2021, it received to cover all its programs and facilities including some not dedicated to state programs. This provider operates multiple programs including a non-state program and other types of community corrections programs and combines financial information from all its operations together. To separate out activities from the consolidated data, we used its fiscal year 2022 audited financial statements of community corrections programs to estimate program activity for the other years under review based on number of beds available. This program showed significant operating losses from 2021 through 2023, since COVID-19. The issue appeared to start with the declining population during the pandemic because the program had sufficient revenue in fiscal years 2019 and 2020. Additionally, the provider reported to us that it closed one facility during the COVID-19 pandemic.

A third program that experienced losses was a rural program. The program was close to break even in 2019 and 2022, but operating costs exceeded revenue by a large margin in 2021 and a smaller margin in 2023. These more recent struggles are likely due to ADP, which have not reached pre-COVID levels and indicate that the rates may not be sufficient for the program to support itself if ADP continues to be at a lower level. Unlike the two programs we discussed previously, the program is operated by a provider that has several community corrections programs in various places in Colorado. This provider covered its additional costs through economies of scale and was offset by reserves likely generated from other programs that it operated with sufficient funds.

The fourth and final program experiencing funding shortages also relied on one-time revenue to help cover its expenses and supplement its per diem revenue to support operations. Initially, financial data reported by the program appeared to indicate sufficient revenue to cover operating expenses over the fiscal years 2019 to 2023 timeframe. However, upon further review, the program appeared to struggle over the years but had sufficient funding due to several one-time funding streams over several years. Specifically, it received significant amounts of federal COVID-19 relief funds both in 2021 and in 2023. It also received smaller, but still substantial, other one-time revenues in 2021 and 2022. Without those additional sources of income, the program's expenses would have been higher than its revenue without one-time funds and it would have had an operating loss in 2022. While 2023 shows the program was profitable, that was again mostly due to the one-time federal revenues.

The Four Struggling Programs Tended to Be Smaller or Rural and Operated by Colorado Providers, While Other Programs Were Operated by Large Providers with Multiple Programs

In analyzing characteristics of the programs that appear to be facing challenges in covering expenses, we identified several similarities between them. For instance, three of the four programs' providers only operated a single residential program. One of these three was large, but two programs operated smaller facilities in 2023 and did not offer specialized services. The fourth program was operated by a provider with other programs in Colorado and was located in a rural area. Further, all four programs experienced a significant drop in ADP with fiscal year 2024 still showing under the ADP they experience prior to COVID-19 and, thus, their state revenue was low in comparison to its costs. As we discuss more fully in Chapter 2, the majority of costs incurred by the programs are fixed and do not decrease with a drop in ADP unlike the per diem revenue.

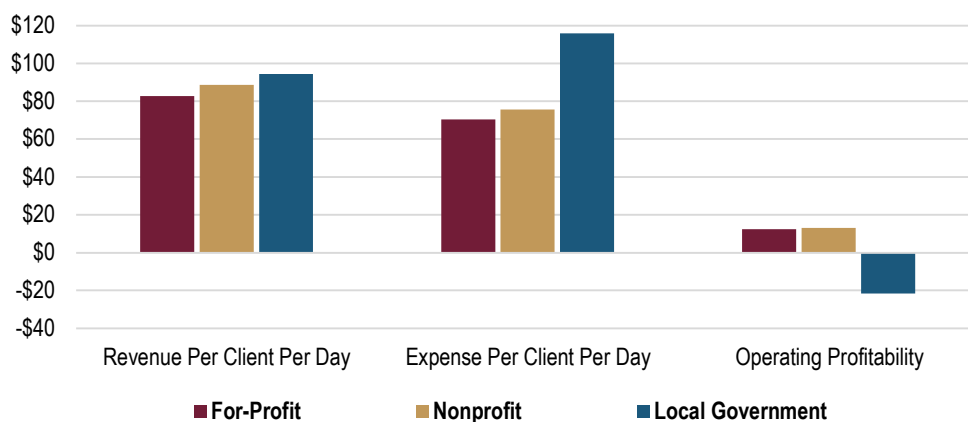
While those four programs struggled to sustain operations within the State's per diem, the 16 other for-profit and nonprofit programs we reviewed reported higher revenues than expenses over the same period between fiscal years 2019 and 2023. Even though some of the programs had one or more years where they had lower revenues than expenses, in most cases that was only one year out of the five. Further, none of those other programs that had lower revenue than expenses in one or more years appeared to be reliant on significant one-time revenues.

Further, the providers operating multiple programs had sufficient levels of funding to cover the cost of their community corrections programs. Two of these providers only operate in Colorado but have four and five separate programs allowing them to benefit from economies of scale and centralized administrative services to minimize costs. The other two providers are large multibillion dollar national for-profit prison companies realizing the same cost efficiencies. They each operate throughout the country with centralized administrative services reported at the corporate level rather than at the individual community corrections program level; thus, reducing program expenses. Additionally, these providers also offered specialized services that pay receive a differential making the per diem for clients in those programs higher than the base per diem rates for residential programs. Although these programs reported more operating revenues than the direct operating expenses, their operating profitability fell during the COVID-19 pandemic. Profitability did start to rise again in 2023 but was not near the amounts of operating profitability generated before COVID-19 in fiscal years 2019 and 2020.

Local Government Spends Significantly More than State Revenue Received and More Than For-Profit and Nonprofit Providers Spend

All local government programs spent significantly more than were reimbursed by the state. Further, when analyzing total revenue and expenses per client for each type of provider across programs, the amounts per client were similar for nonprofit and for-profit providers but higher for local governments as Exhibit 6 shows. Because some local governments made policy decisions to invest in these programs and may have earmarked additional local funding specifically for their community corrections programs to offset costs, the public providers spend much more on their programs including incurring costs for building new facilities for the programs. Additionally, higher local government costs appear largely driven by significantly higher personnel costs reportedly \$40 more per day per client than for-profit and nonprofit providers. Annualized, these local government costs were nearly \$118,000 per employee per year compared with just \$46,000-\$50,000 per employee per year for the nonprofit and for-profit providers. However, these county funds are not guaranteed and there are uncertainties with general fund availability. Additionally, one local government explained that their county expects them to start becoming more self-sufficient in the future.

EXHIBIT 6. REVENUE AND EXPENSES BY TYPE OF PROVIDER PER CLIENT PER DAY



Source: Financial statements, profit and loss reports, general ledger reports and other data provided by each provider; CDPS Community Corrections Annual Reports; and ADP and expenditure data provided by CDPS.

Further, the local governments used significant amounts of general funds to augment the funding received from the State. For example, one program used its local general fund dollars to support approximately half of their yearly program expenses. Similarly, another program offset its operating deficit of over \$3 million using its general fund in one year. The use of general funds allows the counties to fund larger capital expenditures that other programs struggle to afford. However, it is important to note that the State's per diem rates are not sufficient to cover the costs of these programs and while the county general funds have been able to cover the shortages, local governments may not be able to rely on local government general funds to continue covering the gap in funding as costs continue to rise and funds at the local level may become scarce.

Chapter 2: Rising Costs and Decreasing Referrals Raise Concerns about the Viability of Some Community Corrections Programs

As has been experienced throughout the country since the COVID-19 pandemic, costs have been rising due to many factors including inflation, supply chain disruptions, and a tight labor market. Operational areas hit hardest with sharp cost increases include labor, housing, utilities, and food—all of which directly and substantially impact costs for the community corrections programs. Rising costs in recent years, compounded by declining referrals, may put the future viability for some of these programs in jeopardy.

Program Cost Categories and Drivers: Certain Factors Impact and Can Lead to Increased Costs

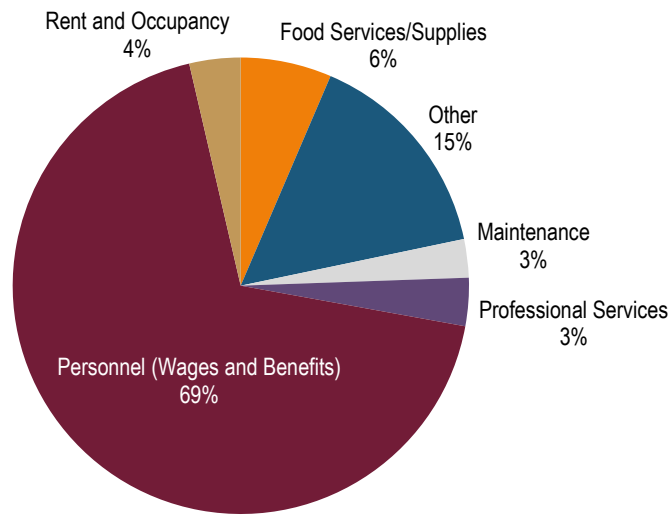
Across the various community corrections programs, the primary operating cost categories are personnel costs, food service, building maintenance, rent, insurance, and utilities, all of which are relatively fixed costs to keep a program ready to accept clients up to the program capacity. In addition to factors affecting and driving costs in those categories, other factors can also impact costs such as the following:

- Location of the program (urban or rural)
- Capacity of the program
- Number of and types of programs offered
- Building/facility ownership—rent versus own
- Number and type of staff
- Type of provider

The largest cost category for programs is wages and benefits (personnel costs), which account for approximately 60 to 75 percent of total costs across every program in Colorado. These costs include salaries for correctional officers, case managers, and counselors who are responsible for daily operation and assisting with reintegration into the community. The next largest cost category is rent which is incurred when the facility is leased. Alternatively, providers that own their facility may not pay rent, but do incur capital expenditures or other costs related to owning the facility. Operating maintenance, utility, and insurance costs were also key program costs. Additionally, some community corrections programs provide specialized services such as Residential Dual Diagnosis Treatment (RDDT), Intensive Residential Treatment (IRT), and Sex Offender Supervision and Treatment (SOSTP). Facilities offering these programs face higher costs due to the need for highly trained professionals, additional supervision, and other required program components.

Because the local government providers incurred much higher expenses as discussed in the first chapter, we compared the costs of the nonprofits and for-profits. Exhibit 7 shows the breakout of costs and the percentages of those costs amongst the various cost categories for those programs.

EXHIBIT 7. OPERATING COST CATEGORIES AND PERCENTAGES FOR NONPROFIT AND FOR-PROFIT PROGRAMS IN 2023



Source: Financial statements, profit and loss reports, and other financial data submitted by community corrections providers.

Labor Market Pressures Drive Up Personnel Costs, Significantly Impacting Programs

Generally, wages and benefits are considered a variable cost depending on the number of staff employed; however, for our analysis, we classified wages as a fixed cost since programs must remain staffed up to a certain level to serve fluctuating client referrals. In fact, our analysis of financial information showed that neither personnel costs nor number of staff decreased when the number of clients at facilities decreased.

Personnel costs are a point of concern for programs, particularly those operated by non-governmental providers. For example, several programs raised concerns about remaining competitive with salaries, mentioning that staff retention has been a challenge due to salaries and salary level limitations. One provider explained that it also struggled with staff retention because of its proximity to state-government run prisons, which offer higher wages—a point corroborated by our analysis showing nonprofit and for-profit programs offer lower salaries than prisons or salaries offered at publicly operated programs.

Many of the community corrections providers offer lower wages compared to the wages offered at state and local prisons in Colorado. For example, one program provider advertised positions for corrections officers \$16.75 to \$20.00 per hour while a county detention center in the same county offered \$26.40 to \$31.07 an hour for a similar position. Moreover, the provider indicated that it has faced difficulties in hiring licensed clinicians and specialized staff, particularly in rural locations.

In contrast, local government-operated programs offer competitive salaries and benefits as county workers and pay more in personnel costs. For example, a local government provider received additional funding from its county commissioners to ensure competitive wages for therapists and security staff at its community corrections program. This disparity in wages raises concerns about the future viability of the programs operated by non-governmental providers and their ability to offer market-competitive salaries, retain good staff, improve client outcomes, and collect sufficient revenue to offset the additional personnel costs.

Food Service Costs Are Impacted by Client Volume and the Type of Food Program

Similarly, food costs are highly variable, rising as the number of clients served daily meals at facilities rises. Yet, these costs are also driven by the type and availability of food service providers, and the cost of rising food prices; thus, the costs vary between programs. For example, county governments often provide food service through their county jails, whereas most nonprofit and for-profit providers contract with third-party food service vendors or have a kitchen in their programs. The location of programs also impacts the availability of food service providers that can spike costs, with one county indicating that they only have one food service provider available in their rural location. Two other programs have kitchens in their facilities rather than a vendor that provides each meal.

In recent years, food costs have risen significantly. For example, one program's costs rose by over 30 percent from \$60,000 in 2019 to \$80,000 in 2023 despite ADP falling by over 25 percent. Further, the Colorado Department of Corrections identified a 27.9 percent increase in the cost per meal in a less than one-year period between June 2021 and May 2022.⁵ These results are consistent with other examples we found.

Building Maintenance Costs and Utilities are Mostly Driven by Age and Size of Facilities

For-profit and nonprofit providers face building maintenance challenges more acutely than local government providers which have central facility staff, as the non-government providers are responsible for their own upkeep and repairs. Additionally, some facilities operate in older buildings that require frequent maintenance. For example, one program operated by a nonprofit provider had building repairs and maintenance costs jump over 560 percent from \$30,000 in 2022 to \$200,000 in 2023. Nonprofit programs receive limited funding from external sources, and available funds are often prioritized for staff retention over infrastructure improvements—likely leading to larger and more costly repairs down the road. To mitigate the financial burden of building maintenance, one provider has suggested the creation of a grant fund allowing programs to request financial assistance for large capital improvement projects.

Further, the cost of utilities – electricity, gas, waste, phone/internet service—are all costs that continue to be incurred regardless of the number of clients in a facility. The utilities and related costs are driven by the size, age, and location of the facility rather than by the number of clients in the facility.

Rent and Insurance Costs Continue to Increase without Offsetting Per Diem Revenues

Rent is a fixed cost that must be paid regardless of fluctuations in facility population. If budgeted per diem revenues are not received, payments can create financial strain, limiting funds available for other critical services. For example, a program's financial data for one facility showed that they paid over \$90,000 in rent in both 2021 and 2022, despite a decline in average daily population of about 25%. Another program provider faced similar results with one of their leased facilities for which they paid roughly \$130,000 for rent in 2020 and also in 2021, despite average daily population falling that year. Rent is less of a financial concern for local governments and for-profit providers as they typically own their facilities.

⁵ Joint Budget Committee Staff Budget Briefing fiscal year 2023-24, Department of Corrections

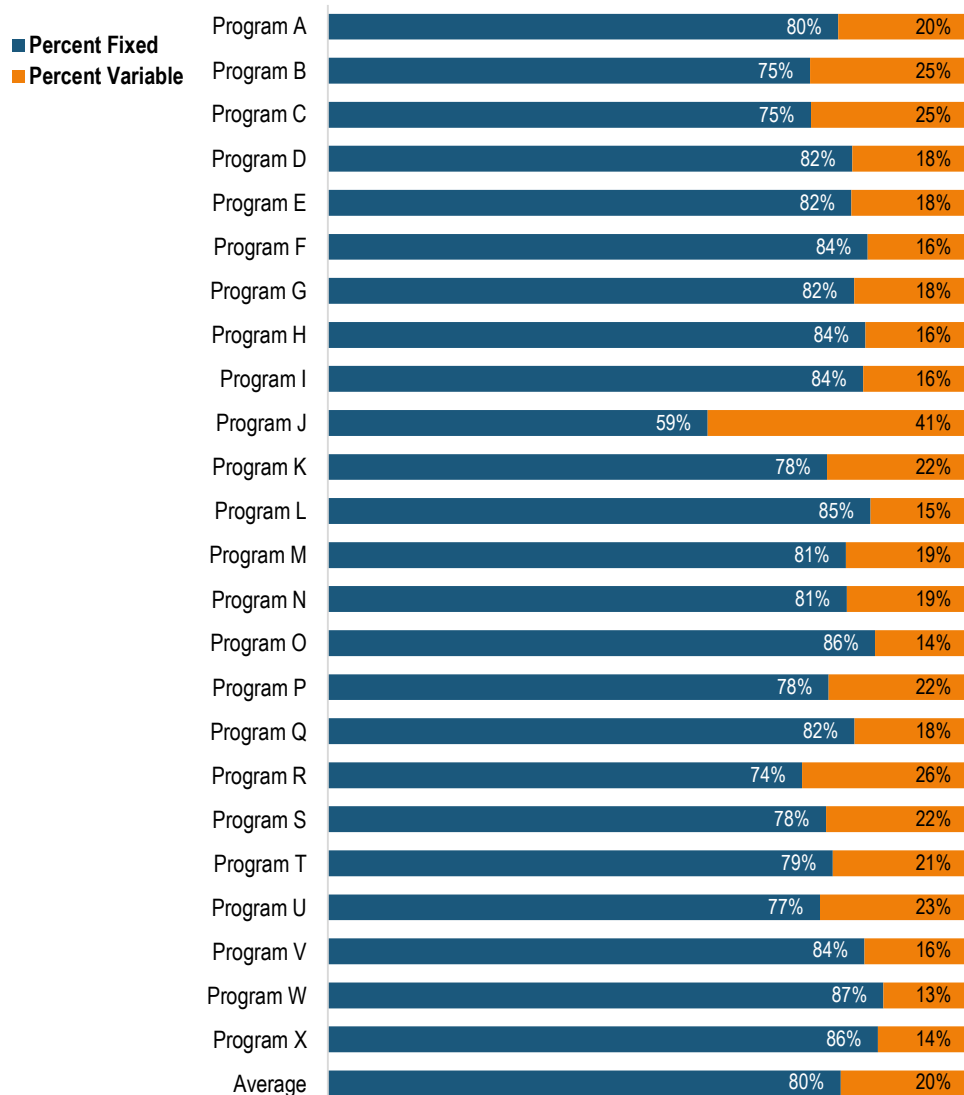
Liability insurance is another rising operating cost due to inflation, risk, and market pressure. One of the programs explained that insurance providers are often reluctant to insure their facilities due to perceived risks, leading their current insurance provider to increase rates. Similarly, another nonprofit provider has struggled with rising insurance expenses, which peaked at approximately \$500,000 in 2022. Both facilities are considered high risk, contributing to higher insurance premiums. When we reviewed the cost of insurance across programs, we found that insurance costs had risen significantly from 2019 to 2023 by approximately 50 percent for all programs.

Most Program Operating Costs are Fixed, Independent of Client Volume and Fluctuating Revenue

Of the costs we describe above, all except food service are fixed costs that do not significantly decrease when the population at community corrections programs falls. In fact, our review of expenses found that across the community corrections programs, approximately 80 percent of costs were fixed and not tied to the number of clients served while just 20 percent were variable based on the number of individuals in the program. This is concerning given the funding model for community corrections in Colorado. Because community corrections programs are funded based on the average daily population, the revenue is inherently tied to the number of clients which is variable. The high amount of fixed costs means that if the average daily population falls (as it did during the COVID-19 pandemic), revenue will fall by significantly more than costs will fall. Our analysis shows that programs struggled financially when the population fell.

These overall trends held true for the individual programs with only minor variations. Exhibit 8 shows the fixed and variable costs at each of the community corrections programs. Other than one program which had just 59 percent fixed costs due to high professional services costs which are variable, the programs fell between around 75 and 85 percent fixed costs.

EXHIBIT 8. FIXED COSTS MADE UP NEARLY 80 PERCENT OF COSTS FOR THE PROGRAMS



Source: Financial statements, profit and loss reports, and other financial data submitted by each provider.

Other Factors Impact Costs to Operate Community Corrections Programs

Much like costs in nearly every industry, costs at Colorado's community corrections facilities have also risen in recent years. In addition to general inflation and market factors, community corrections programs costs are directly impacted by the location of a program, whether a provider owns or leases the facility, the size of the program, the types of specialized programs offered, and the physical capacity of or number of individuals served by the program.

Operating Expenses for Rural Locations were Slightly More Costly than Urban Locations

As shown in Exhibit 9, daily costs were slightly higher for rural community corrections programs at \$86 per client than those in urban locations at \$83 per client basis in fiscal year 2023. Although several categories

influence the cost differential between program locations including, the costs for personnel, food services, travel, rent and occupancy, and utilities, rent and occupancy costs (of over \$1 per client per day difference) were the primary driver affecting the approximately daily \$1.50 per client difference between urban and rural areas. In other categories, costs for food services were slightly higher in rural facilities, with utilities being slightly higher in rural facilities as well. These figures contrast with 2019 when rural programs costs were \$14 higher per client per day than urban programs. Although costs have increased for both urban and rural programs since 2019, costs for rural programs, as of 2023, were slightly more than costs for urban programs.

EXHIBIT 9. RURAL PROGRAMS' COSTS ARE SLIGHTLY HIGHER PER DAY IN 2023

Location of Program	Total Expenses	Personnel Costs	Food Services	Travel and Transportation	Rent and Occupancy	Utilities
Rural	\$86.18	\$51.44	\$5.82	\$ 0.96	\$ 5.16	\$2.54
Urban	\$83.37	\$52.12	\$5.55	\$0.55	\$ 3.92	\$2.35
Total All CCCs	\$84.04	\$51.96	\$5.61	\$0.65	\$4.22	\$2.39

Source: Financial statements, profit and loss information and other data provided by CCC programs; rural/urban definitions from the Colorado Office of Economic Development and International Trade.

Providers Leasing Facilities Incurred Higher Costs than Those That Owned Buildings

When analyzing the costs associated with owning and leasing buildings such as rent, utilities, maintenance, and capital expenditures, programs in leased facilities incurred higher costs in certain categories to operate in it than those in provider-owned facilities. To compare costs across providers, we used the size of the facility (square footage) and number of clients served or ADP as shown in Exhibit 10. Results revealed that on a cost per square footage, leasing a facility costs 50 percent more than owning a facility. While this information is valuable, the more directly relevant factor for per diem rate calculations is the average daily population (calculated as cost per client) which also showed that leasing is more expensive. As shown in the exhibit, the cost per client was 31 percent higher for programs that leased buildings than those programs that owned the buildings. However, as some providers mentioned, owning buildings is also costly because of the required capital expenses which can be unexpected and significantly expensive. There could be significant needed capital expenditures that were not incurred during the five-year period we reviewed. Thus, it is possible that major capital expenses will be needed in the coming years which would have an impact on the comparisons. For example, one provider spent nearly \$2 million when it made capital improvements and renovated a facility.

EXHIBIT 10. LEASING BUILDINGS APPEARS MORE EXPENSIVE THAN OWNING IN 2023

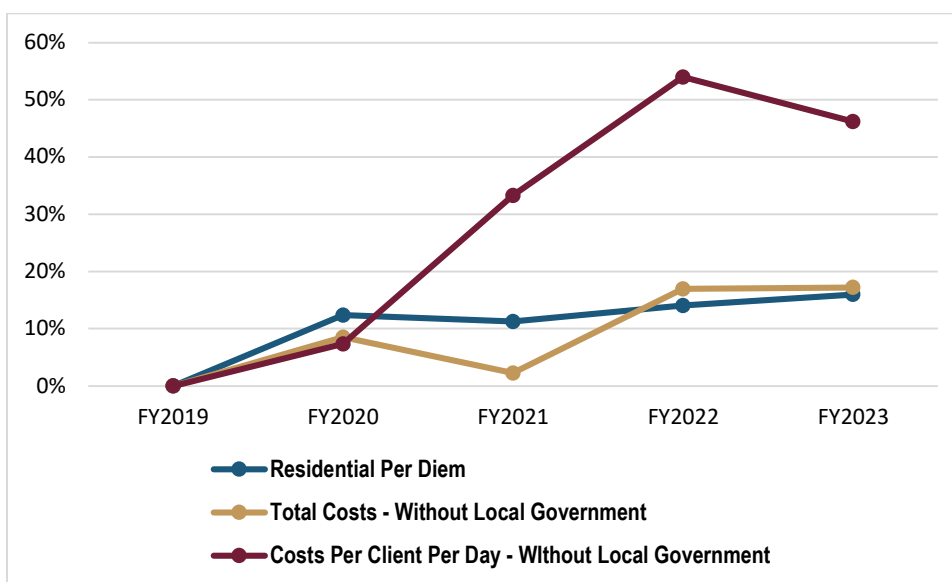
Building Ownership	Cost Per Square Foot	Cost Per Client
Lease	\$ 17	\$ 3,739
Own	\$ 11	\$ 2,852
Difference Between Owning and Leasing	\$6 per Square Foot (50%)	\$887 per Client (31%)

Source: FY2023 data provided by providers.

State Reimbursement Rates Have Not Kept Pace with Cost Inflation, Affecting Future Program Viability

Although we found that most of the private and nonprofit providers have generally been able to cover operating expenses with the revenues, the future outlook given the increasing costs is noteworthy. Another concern about the future of community corrections programs is that the level of the per diem rate increases has not kept pace with inflation. Our analysis shows that, in recent years, per diem increases have not kept up with increasing costs. Cost increases in 2022 far outpaced the increases in Colorado's per diem rate, with inflation rising by 8 percent and the cost of employment rising by 5 percent while the per diem rose by just 2 percent. Further, when we compare the actual costs at the community corrections programs to the change in the per diem, we found that costs outpaced the per diem. This is particularly true for the costs per client per day, with those costs rising much faster than the per diem as shown in Exhibit 11.

EXHIBIT 11. COMPARISON OF INCREASES IN RATES TO COSTS



Source: Long Bills and financial statements, profit and loss reports, and other financial data provided by community corrections providers.

Note: The residential per diem above excludes the \$17 increase to the per diem from fiscal year 2023 that replaced \$17 in rent that clients previously paid to programs.

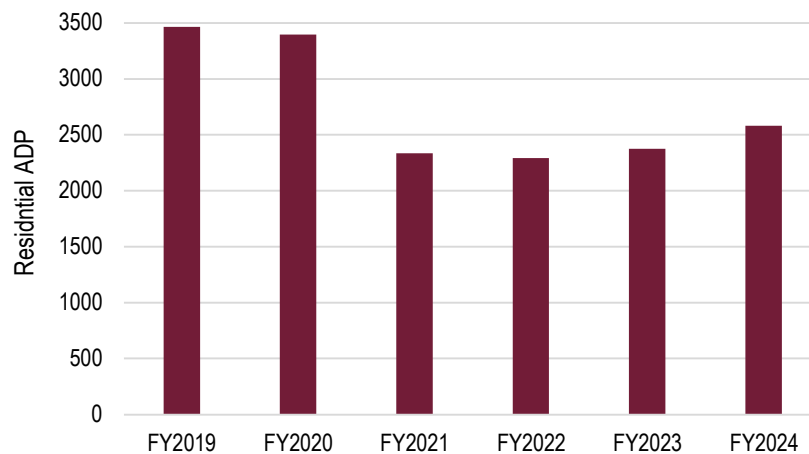
Declining Client Referrals and Related Revenue Decreases Impacts Program Viability

Like its impact nationally and internationally, the COVID-19 pandemic brought about many changes to community corrections programs. Not only did providers incur additional expenses due to social distancing and sanitization required protocols, but also some providers experienced outbreaks in their facilities in 2020 and 2021, forcing them to relocate affected individuals outside of the program. Expenses rose during the outbreaks and the months that followed for sanitizing or managing the outbreaks, and the number of clients participating in each program—or referred to each program—declined.

Average Daily Population in Residential Facilities Substantially Dropped Between 2019 and 2024

As shown in Exhibit 12, average daily population (ADP) overall dropped from nearly 3,500 participants in 2019 to approximately 2,500 by 2024. Because the State's per diem rate is provided based on daily attendance, corresponding revenue declined for the programs. This created funding shortages to cover costs and several facilities closed during those years. Although ADP has gradually increased since the sharp decline between 2020 and 2021, it remains nearly 30 percent lower in fiscal year 2024 than in fiscal year 2019 across all residential facilities.

EXHIBIT 12. TOTAL RESIDENTIAL ADP HAS NOT RECOVERED TO PRE-PANDEMIC LEVELS



Source: ADP data from CDPS.

Many Individual Programs Have Not Rebounded to Pre-COVID ADP

Although many individual programs' population levels by fiscal year 2024 had rebounded in ADP and are within 90 to 100 percent of pre-COVID levels with a few surpassing the fiscal year 2019 average daily population numbers, many programs have not and some have significantly less average daily population as highlighted in light red in Exhibit 13. Some of the programs opened during the five-year period, shaded in grey, and thus the percentage change is not calculated, as indicated with N/A, while 11 programs are between 60% and 88% of the ADP numbers they had in 2019. Thus, those programs are receiving less state funding although incurring continued operating expenses.

EXHIBIT 13. AVERAGE DAILY POPULATION HAS NOT REACHED PRE-COVID ADP FOR SOME PROGRAMS

CCC Program	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	2024 Percent of 2019 ADP
Program A	108.3	112.4	81.4	86.8	80.1	84.6	78%
Program B	3.5	32.7	31.2	30.6	36.9	34.9	N/A
Program C	63.6	67.5	61.1	65.5	69.7	61.4	97%
Program D	98.4	90	99.8	94.9	101.3	97.9	99%
Program E	96.5	92.6	70.5	78.8	73.3	93.1	96%
Program F	119.1	111.7	84.4	71.5	87	71.8	60%
Program G	95	97.8	72.2	54.2	66.4	67.6	71%
Program H	140.4	125.5	71	74.3	56.3	91.6	65%
Program I	38.4	46	26.9	34.3	27.1	30.5	79%
Program J					31.1	54.6	N/A
Program K					11.6	45.3	N/A
Program L	319.1	287.9	269.9	259.4	235.9	277.3	87%
Program M	36.7	30.1	21.3	26.6	38.5	39.3	107%
Program N	109.9	139.8	74.2	58.5	104.5	124.7	113%
Program O	202.7	237.1	171.8	169.5	170.8	206.5	102%
Program P	81	73.5	52.5	57.8	71.7	69.5	86%
Program Q			47.5	115.3	119.9	137.3	N/A
Program R		14.7	31.1	25.1	30.7	38.7	N/A
Program S	170.7	176.2	146.2	153	150.7	160.9	94%
Program T	192.4	184.4	113	129.9	150.5	168.6	88%
Program U	119.5	113.3	78.7	61.6	89	90.6	76%
Program V	261.5	341.5	236.7	243.4	252.3	248.3	95%
Program W	178.3	197.9	113.1	148	144.1	153.6	86%
Program X	55.4	47.5	40.3	48.9	43.7	41.5	75%

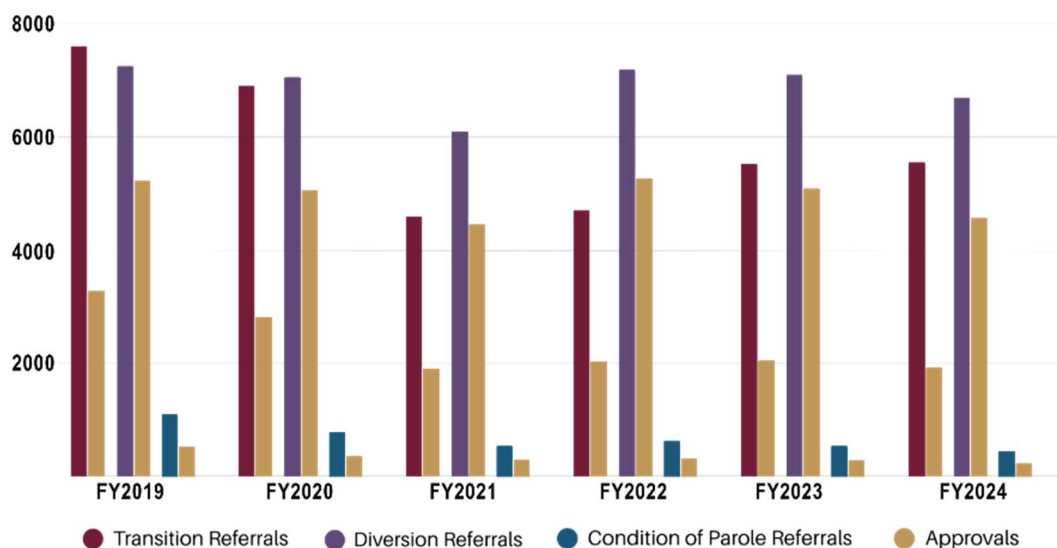
Source: Auditor generated from ADP information provided by CDPS from the Community Corrections Information and Billing system.

For example, the average daily population of one provider was approximately 55 in 2019 and, after some fluctuation, dropped to 41 by 2024. Similarly, another provider's 2024 average population is still 40 counts lower than its 2019 population. Further, while some programs operated by for-profit providers have higher ADP counts, some are well below the ADP in 2019. As the exhibit shows, some programs were only at 60-65 percent of the ADP prior to the COVID-19 pandemic. Because the funding model is nearly entirely focused on the daily population, these lower numbers mean that the community corrections programs receive less funding.

Lack of Recovery in ADP Stems From Changes in Referrals and Denials

One reason for the decline in ADP and the lack of recovery stems from the changes in referrals and denials from fiscal year 2019 to fiscal year 2024. As shown in Exhibit 14, the number of diversion referrals generally recovered by fiscal year 2024, but the condition of parole and transition referrals experienced a large drop off without returning to prior levels. Anecdotally, some providers explained that the local boards have denied more transition referrals recently. One provider indicated that referrals at its facilities are dropping due to low acceptance rates by the local boards and that these boards apply inconsistent criteria for approval. Another provider also raised concerns about the declining number of referrals in 2024 coming from the prison system into the community corrections programs after initially recovering post-COVID.

EXHIBIT 14. REFERRAL AND ACCEPTANCE DATA

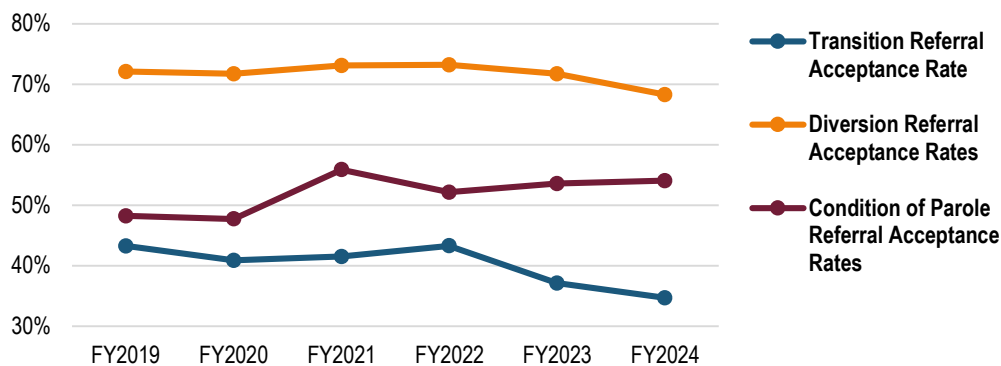


Source: CDPS Colorado Community Corrections Annual Reports for each fiscal year.

Interestingly, acceptance rates for diversion and condition of parole clients have stayed steady or even increased in some instance over the recent years; but acceptance rates for transition clients have declined by 8 percent from 43 to 35 percent.⁶ As Exhibit 15 shows, local community corrections boards' and facilities' acceptance rates for these transition clients fell between 2019 and 2024, leading to fewer of these clients being placed in the community corrections programs. This trend of denials is particularly concerning as this population is the second largest client group for the programs after diversion clients and the number of referrals also dropped, leading to significantly less transition clients in community corrections.

⁶ Transition clients are inmates at Department of Corrections facilities that transition to community corrections programs before fully completing the required conditions to be released.

EXHIBIT 15. TRANSITION REFERRAL ACCEPTANCES HAVE DECLINED BETWEEN 2019 AND 2024



Source: CDPS Colorado Community Corrections Annual Reports for each fiscal year.

The Potential Continuation of These Trends Raises Concerns Regarding the Future of Some Community Corrections Programs

Rising costs and declining average daily population are significant concerns about the future viability of community corrections programs. The impact of this issue is best demonstrated by comparing the rate of increase in daily costs per client to the increase in residential base rates—in fact, this analysis reveals that the residential rate modestly increased by 16 percent over the five year period from fiscal year 2019 to 2023, while the daily costs per client per day substantially increased by 42 percent over that same period as Exhibit 11 shows. This divergence underscores a concerning trend that, if it continues, casts doubt on the future viability of community corrections programs.

Many providers echoed this concern and expressed worry that their finances will not be sustainable in the long run. Some programs believe they will not be able to continue operations if Colorado does not change the business model. One provider expressed concern that without a change in the model, the only providers that would be left are the local governments and the larger for-profit providers. Many indicated that the uncertainty about per diem rates and number of referrals makes it difficult to plan and budget their programs. Moreover, these concerns are compounded by the uncertainty of the client population posing a significant budgeting constraint on programs as providers cannot accurately estimate revenues as part of their program budgets.

While these conditions have not yet led to widespread revenue shortfalls for direct operating expenses among many for-profit and nonprofit programs, there is a significant risk that these trends may continue and will negatively impact the programs. Specifically, if inflation continues to rise without a corresponding increase in average daily population to bring in more revenue to the program, per diem rates may not be sufficient for programs to continue operations. Further, because depreciation expenses are not included in the operating expenses, the issue may be larger than portrayed if the providers are not reserving funds for replacing assets.

Chapter 3: Future Modeling Would Benefit From a Phased-Approach with Better Financial Data and Analysis for Rate Setting

Because providers have different business structures—some nonprofit, some for-profit and some public entities—their business operations and financial reporting structures vary widely based on the type of entity and needs their stakeholders require. Thus, tracking and reporting on program revenues and costs varies across the programs. Additionally, the providers are currently required to submit an audited financial statement every three years, but there is no prescribed format or requirement that the statement be at a program specific level. Moreover, some providers submitted their required independent audit report to CDPS at a corporate level—combining program costs with other non-community corrections program services offered by the provider—making it even more difficult to distinguish true program costs and performance for rate-setting. To address these data limitations and implement a go-forward model, we make several recommendations in addition to calculating rate changes employing a phased approach before completely implementing future analysis and modeling of program costs under a weighted per diem rate calculation structure.

General Recommended Approach for Cost Analysis and Future Modeling

As discussed in the previous chapter, the size, location, type of program, and type of provider all impact the costs of operating community corrections program across the State—thus, each program has slightly different funding needs. Our research found that other states offer various approaches to funding their community correction programs, but there is no best practice or one-size-fits-all approach.

Given current data conditions, we recommend Colorado consider a two-phased approach to focus first on immediate needs that will establish a framework to deploy in the second phase focused on future cost analysis and modeling as follows:

I. Phase I: Immediate Data Needs and Adjusted Rates

- Change requirements to obtain needed cost data.
- Adjust near-term per diem rates based on available data and considering inflationary factors for each cost category.

II. Phase II: Long-Term Cost Analysis and Modeling

- Conduct more thorough cost analysis with new cost data.
- Apply unique and weighted inflation factors to cost categories to set future per diem rates.

In the sections that follow, we describe why this approach is needed and provide recommendations for implementation in addition to suggest near-term adjustments to per diem rates.

Current Reporting Requirements Do Not Ensure Program Providers Track and Report Data Showing Distinct Cost to Operate Programs

Our review highlighted that most providers do not track costs in a manner that gives oversight entities the ability to monitor and capture full and accurate costs of providing program service. Most providers captured the costs of different types of programs offered at the facility together as one program rather than isolating each specialized type of program including some programs that are not funded by Colorado—significantly limiting the State’s ability to assess whether basic per diem rates and differentials for specialized programs are sufficient to cover the cost of each program. Thus, there is an immediate need to change requirements and gather better cost data before fully employing a go-forward model for rate-setting.

Currently, there are no requirements for tracking costs and thus providers use financial reporting structures that best fit their business structure and meet their stakeholder needs. While this is important and needed for their business, without a standard reporting requirement for state-funded community corrections programs, it limits evaluating and comparing costs across programs and types of programs operated. As previously discussed, many of the providers did not record or track program costs separately from other provider activity at the facility, nor did they record or track different community corrections services separately for residential, nonresidential programs, and specialized programs. For example, in addition to its community corrections program, one program provider uses its facilities to house pretrial residents for the U.S. Probation Office and provide substance abuse monitoring for other non-resident clients. Yet, the costs for both programs were combined with the costs of that Community Corrections program. Similarly, another provider operated two separate programs at one facility that were not related to community corrections but included those costs with the financial information provided to us as did still another program, which had almost an equal number of clients in its state community corrections program and in a county work release program it operated. Like the others, this program combined the costs associated with the two separate programs, making it unclear exactly how much the community corrections program cost to operate. These examples show how the costs reported by providers are not solely related to community corrections, making it impractical to isolate community corrections program costs.

Similarly, we found that providers did not track costs for specialized programs separately although these programs are funded an additional per diem. While all providers of community corrections programs perform similar levels of core supervision and treatment practices to all residential clients according to state standards. In addition to the core standards, some providers have specific programs targeted toward the supervision and treatment of specialized offenders who have various levels of substance use disorders, mental health disorders, and for offenders convicted of a sexual offense. As discussed in the introduction, these specialty programs include: Intensive Residential Treatment (IRT) programs, Residential Dual Diagnosis Treatment (RDDT) programs, Therapeutic Community programs, and Sex Offender Supervision and Treatment Programs (SOSTP). While CDPS provides differentials that are added to the base per diem rate for IRT, RDDT and SOSTP programs that have an allocation contract to provide such services and pays per client per day in the program, most programs do not track the costs for those programs separately. All costs to operate the programs are tracked together. Similarly, programs did not generally track costs for nonresidential programs separately. They also often combined community corrections program costs with costs for unrelated programs that are not funded by Colorado. Without the data, calculating the true cost of specialized programs versus base program costs is limited. Of the community

corrections programs operating as of October 2024 in Colorado, 16 offered at least one specialized program to a certain number of individuals in their programs, yet only one program tracked the costs of providing those services separately. When asked, two attempted to provide us with an estimate of the costs to operate those programs using a cost allocation methodology. However, the lack of program-specific cost data from the providers is a significant limitation in conducting a thorough cost analysis for specialized services in community corrections.

Only one provider tracks its costs, those shown in Exhibit 16, and two prepared estimates for the incremental cost of the specialized program they offer. One of the providers that estimated its specialized program costs for IRT, calculated its true cost of service in fiscal year 2024 to be \$134, while the base per diem plus differential per diem amount in fiscal year 2024 was \$105. The single provider that tracked costs separately for each type of service provided reported to us that its fiscal year 2023 costs for providing IRT was much higher at \$237 as shown in the exhibit below and its costs for RDDT were lower than the per diem amount in fiscal year 2023.

EXHIBIT 16. SINGLE PROVIDER-LEVEL BREAKDOWN OF PROGRAM COSTS PER DAY FISCAL YEAR 2023

Program Costs Analysis	IRT	RDDT	SOSTP/Residential	Non-Residential
Average Daily Costs	\$5,813	\$1,580	\$20,470	\$1,586
Average Daily Participation	24.5	20.7	207.1	141.4
Average Daily Cost Per Client	\$237	\$76	\$99	\$11
Per Diem Differential plus Basic Per Diem (FY 2023)	\$100	\$100	\$100	\$9.65

Source: Auditor generated from revenue and expense information provided by the provider, CDPS average daily population reports, and FY 2023 Long Bill.

Similarly, all providers that operated nonresidential programs included those costs with the costs for residential programs. Although nonresidential programs have much lower reimbursement rates and lower costs, the lack of separately tracking costs limits the State's ability to determine the true costs for nonresidential programs.

This distinction enables an assessment of how much each type of program costs to operate, ensuring that funding levels are appropriate to meet the unique needs of each type of program. This lack of detailed financial reporting presents a significant limitation to accurately assessing the true cost of specialized treatment programs, and further data collection or standardized reporting requirements would be necessary to address this gap. Thus, improved data collection with requirements that providers report costs in defined categories by program type and defining the program year to match the State's fiscal year would help Colorado make more informed funding decisions regarding its community corrections program.

Changes to Audit Requirements Will Provide Discrete and Reliable Data

Additionally, data from providers is only self-reported information. While CDPS requires providers to submit an independent financial audit every three years, the audits submitted are generally not specific to community corrections programs—although CDPS reserves the right to request a segment audit or review if the community corrections program is operated as a unit of a larger entity. For example, the large national

for-profit organizations, each submitted their required financial audit for their respective companies' financial statements in 2022. Yet, their financial statements represent financial activity for the entire multibillion-dollar organization and not the activity and costs associated just with the Colorado community corrections programs, which only represents a small fraction of the company. In fact, for one provider, the Colorado community corrections programs are just five out of more than 60 facilities it operates and for another, the Colorado community corrections programs are just two out of more than 100 facilities it operates. Similarly, the financial information submitted by the county-run programs was county-wide annual comprehensive financial reports that do not distinguish community corrections finances. As a result, the financial information that providers submit to CDPS is not sufficient to determine the actual costs or profits directly associated with each of the community corrections programs.

Although CDPS conducts reviews and audits of programs related to program performance and security in accordance with national best practices, these reviews and audits are not focused on finances and do not assess whether the community corrections programs and providers appropriately spend the money provided by the State. Requiring providers to submit independently prepared and program-specific financial reports, prepared by a certified public accountant (CPA), by program year to match the State's fiscal year, would provide the State with some assurance regarding costs reported.

Consistent Cost Categories in Defined Chart of Accounts will Aid with Analysis

Further, because cost data and fiscal year is inconsistent between providers and programs as previously described, CDPS should require providers to track revenues and costs in certain defined categories by program year (that coincides with the State's fiscal year) and for each type of program and by program to ensure consistency and comparability in data across all community corrections programs. Specifically, CDPS should define specific revenue and cost categories (a chart of accounts) for all programs and require providers to report activity against those chart of account categories—using the categories defined and capturing costs for each type of program separately. At a minimum, those program-specific cost categories should include categories listed, in alphabetical order, in the bullets that follow. Additionally, as a supplement to this report, we provided the State with a set of tools and spreadsheet templates (with instructions for use) that capture the cost categories each provider should use to track and report financial data for each discrete program.

- Administrative Costs
- Capital Expenditures
- Client Services
- Facility and Office Supplies
- Food Service and Supplies
- Indirect Cost Allocation
- Insurance
- Maintenance
- Other
- Professional Services
- Rent and Occupancy
- Travel and Transportation Costs
- Urinalysis
- Utilities
- Wages and Benefits

Importantly, the financial data per program should be independently audited financial statements every third year and compiled by an independent CPA every year. This would provide assurance about the reliability and accuracy data provided and allow the State to track and identify the true costs needed for rate setting.

Although Unclear Data Limits the Ability to Determine Full Cost Analysis, Some Rate Adjustments Are Warranted in the Near-Term Using a Weighted Inflationary Factor

As discussed throughout this report, we found wide variation in how costs are tracked across the programs, including the mixing of other financial activity unrelated to state-funded program costs. Although there were significant limitations with current program data that affected how precisely we could isolate costs associated with individual community corrections programs, we performed certain steps to estimate costs for 2023 to arrive at a reasonable per diem reimbursement rate until better data is available.

Estimated Program Costs Varied Significantly Based on Cost Analysis Data Available

Even though we could not isolate the costs of individual community corrections programs with great certainty, we analyzed the data available to us to estimate a general range of costs. Specifically, to estimate operating costs per client per day for providing basic residential services, we further analyzed six programs offering only residential services using the following formula applied against 2023 data for each individual program:⁷

$$\text{Operating Cost Per Client} = \frac{\text{Program Operating Costs}}{\text{ADP} \times 365 \text{ Days in Year}}$$

The resulting calculations showed a range of costs for residential programs between \$77 and \$117 per client per day—more than 50 percent differences between the lowest cost and highest cost. Not only does the wide range of costs illustrate how programs have different needs for reimbursement, but also, we found that the size of the program and lingering effects from the COVID-19 pandemic impacted costs. For instance, one of the six programs had very low levels of ADP at less than 35 in fiscal year 2023, while two others had low ADP of between 36 and 60 ADP, and the final three had moderate ADP between 65 and 90. We found that the cost per client per day was higher, as one might expect, for smaller programs that had a smaller number of clients to allocate the fixed costs for running the facility and providing services—which they had to incur regardless of how many clients were in the program. In contrast, the larger programs seemed able to operate residential services at a much lower cost per bed per day being able to spread its cost across more clients and receive more overall revenue to cover fixed costs.

We also estimated costs per client per day for the programs that offered one or more specialized services. These results showed even larger variation between individual programs and providers, with costs ranging from \$61 to \$132 per client per day—with the highest cost program more than double the lowest cost program. Like programs that only offered residential and non-residential programs, costs varied for these other programs providing specialized treatments based on differences in ADP counts. The widespread

⁷ In 2023, six nonprofit or for-profit Community Corrections programs offered residential services without operating other specialized programs.

results in costs per day further emphasize the need to track costs uniformly by type of state-funded program, cost category and by community corrections program. Without the data, it is impossible to isolate the true costs of providing community corrections.

Some Daily Per Client Costs Rose at a Higher Rate Than Others

When analyzing available cost details of the community corrections programs, we found that providers experienced increases in certain cost categories at greater degrees than other cost categories. For example, looking at insurance costs, we found average annual growth of 23 percent per client per day—one program provider told us that insurance costs had increased due to prior claims and that it was becoming increasingly difficult to obtain insurance, and another provider said that their insurance costs increased by nearly 60% in one year. In other instances, our cost analysis revealed that both personnel and food costs increased at an average annual rate of 12 percent per client—higher than general inflationary indices. Other cost categories experienced less noteworthy growth or slight declines as was the case with urinalysis costs.

Slight Rate Adjustments are Recommended for Fiscal Year 2025/2026

Given that many for-profit and nonprofit programs have generally operated profitably and have covered costs with additional funding as previously discussed, and that public entities, covered shortfalls with county general fund money, we do not recommend a wholesale change to rates at this time. Rather, we recommend a slight adjustment to per diem rates using a weighted inflationary rate blending together market indices for fiscal year 2025-26 and a set-aside fund for programs with a justifiable need—until the State collects recommended consistent and comparable program specific financial information and can adjust rates based on true costs of providing services that consider inflationary changes to each of the cost categories. Our recommendations to increase the rates assume that the facility payments will continue to be provided as some programs, particularly small programs, rely on them to support operations. To calculate the adjusted rate to address some year-over-year changes in costs, we applied a weighted inflationary adjustment factor using both the Employment Cost Index (ECI) and the Consumer Price Index from the U.S. Bureau of Labor Statistics against current rates as shown in Exhibit 17. We discuss the weighted method later in this chapter.

EXHIBIT 17. PROPOSED RATE FOR 2025-26, ADJUSTED FOR INFLATION

Per Diem	2024-25 Rates	Inflationary Adjustment	2025-26 Proposed Rate
Residential Base Rate	\$ 70.39	3.3%	\$ 72.74
Specialized Differentials			
IRT	\$ 63.61	3.3%	\$ 65.74
RDDT	\$ 63.61	3.3%	\$ 65.74
SOSTP	\$ 34.68	3.3%	\$ 35.84
Other Rates			
Non-Residential	\$ 10.14	3.3%	\$ 10.48
Outpatient Therapeutic Community	\$ 28.22	3.3%	\$ 29.16

Source: Auditor generated using 2024-25 Long Bill, March 2025 CPI reports for Denver-Aurora-Lakewood Region and National from Bureau of Labor Statistics (BLS), and December 2024 ECI Mountain-Plains Region data from BLS.

Once Better Data is Available, the Rate Setting Model Methodology Should Consider Unique Inflationary Cost Factors in addition to Other Program Features

Having reliable program specific cost data will enable the State to conduct further analysis and determine whether existing rates are sufficient to cover provider costs to operate their programs—residential, non-residential and specialized programs. Analytical results will determine whether trends we identified with size and location heavily impacting costs remain valid and help inform changes needed for reimbursement rates—or even whether the existing single per diem policy appropriately acknowledges and reimburses the dissimilar costs of program operation across providers. Further, we recommend the State adjust its base per diem rate on a go-forward basis using a weighted cost method to reflect inflationary impacts using more than one industry index. In the future, there are additional reimbursement features for the State to consider related to struggling smaller or rural programs in addition to unmet capital needs.

Program Specific Data Will Allow for Targeted Analysis to Inform Rate Adjustments

Per diem rates should be adjusted when need is justified by demonstrated rising costs per actual supportable financial information as described and recommended earlier in this chapter. Once needed program specific data is available, CDPS can review revenue and cost information submitted for each community corrections program to determine if the financial information is reasonable based on factors such as staffing levels and size of program, is free of fluctuations or if fluctuations are justified, and is reliable if prepared and/or audited by independent CPA. This underlying data will give the State more consistent information to analyze program nuances and can have details needed to consider impacts of program size, location, and ownership type on revenues and costs. Appendix B provides an example template for this analysis and evaluation.

Analyzing the changes in costs by category against related inflationary indices will help inform adjustments to the model. For example, if costs for personnel were not increasing even though inflationary indexes showed employment costs increasing, that could be a possible indication that providers are not able to keep pace with prevailing wages. Colorado should consider these actual changes in addition to the changes in inflationary indexes when proposing new rates for community corrections programs. Specifically, the State should consider the consumer price index for individual cost categories using a weighted methodology for applying inflationary factors against cost categories as described in the next section.

Future Rates Should be Adjusted for Inflation using a Weighted Cost Methodology

With program costs having different cost drivers and market influences, we suggest using a model to adjust rates using a calculated inflationary factor that considers relative weight and increases in costs. To do this, the State must review changes in actual costs and apply the most current indices relevant to the type of cost in an individual cost category to adjust the rates to keep up with inflation. Additionally, because most program costs relate to personnel, those costs should also be adjusted by a Cost of Employment index as shown in Exhibit 18 where we provide an example employing this methodology based on 2023 program costs available and recent changes in inflation. We also provided CDPS with a more detailed template for using this weighted model that includes every cost category and applicable index.

EXHIBIT 18. DETAILED WEIGHTING CALCULATIONS FOR INFLATIONARY ADJUSTMENT

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

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

Note ¹: Cost data submitted by all programs for their 2023 fiscal year.

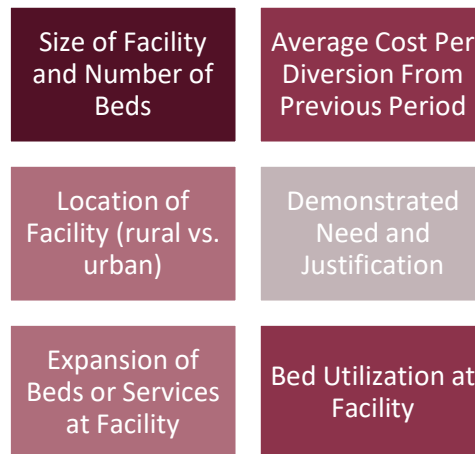
Note ²: Inflationary CPI index from March 2025; ECI index from December 2024.

Note ³: Weighted rate calculation multiplies “percent of costs” by “annual rate.”

Other States Employ Various Funding Approaches, and Some Do Not Rely on a One-Size Fits All Methodology

In general, our research revealed that other states use a variety of approaches to how they consider and fund their community corrections programs. For example, the State of Ohio provides grants to its community corrections facilities. There is no established formula for allocating the grant funds, rather that state uses certain criteria to set the amount of funding for each program as shown in Exhibit 19. These criteria include the size of the facility and the number of beds, whether the facility is in an urban or rural location, and demonstrated need or justification submitted by the program. Similarly, the State of Montana uses separate per diem rates for each individual facility—interestingly, with per diem rates generally higher for smaller facilities than rates for larger facilities.

EXHIBIT 19. OHIO BASES COMMUNITY CORRECTIONS FUNDING ON SEVERAL FACTORS



Source: Ohio State Audit report.

Additional Features Needing Funding Could Be Considered in Future Program Cost Analysis

Because other factors such as the size of the program and location contribute to operating costs, Colorado may want to consider additional funding for certain facilities to ensure program viability. For example, our results show that some of the larger for-profit organizations had operating profitability from their community corrections programs while other smaller or rural programs faced persistent operating deficits due to lower ADP or an inability to absorb increasing costs. As part of its future analysis, the State should weigh the need and benefit to keeping those more costly programs open to serve Colorado clients that may not be able to be served in other locations and programs. As such, the State may want to consider an augmentation based on size or demonstrated need the program may be facing—rather than an across-the-board per diem rate increase—if the State establishes the importance of maintaining smaller programs.

Also, the State may also want to consider making some type of need-based funding available to certain programs for capital expenditures. For example, if a community corrections program demonstrates to the State that the program had valid and necessary capital costs at amounts significantly larger than reimbursed in the prior year impacting its funding to support current operations, the State might consider a supplemental payment in the upcoming year to keep the program in operation. Some programs identified large capital improvement costs as a concern because they do not have budget flexibility with the per diem to afford needed improvements. The State could consider making such additional funding available for programs on an application basis for help in paying needed capital improvement costs. As with possible funding to consider for smaller or rural programs, this augmentation should be contingent upon the program having a demonstrated need.

Likewise, programs operated by local governments have invested significant resources into the programs with their county general funds often absorbing the cost of running programs at their facilities such as higher personnel costs due to negotiated salaries and benefits for county workers. While the counties have been able to absorb higher costs and new capital projects thus far, those counties may not be able to continue to do so in the future given competing county services needing scarce general fund revenues. Thus, the State may need to consider how those circumstances impact the sustainability of its network of

community corrections programs. As a supplement to this report, we provided the State with a methodology to use in calculating that adjustment factor in addition to templates for analyzing financial program data changes to per diem rates.

Chapter 4: Suggested Roadmap for Implementation of Rate Setting Model and Related Recommendations

As mentioned earlier, we suggest a phased approach for capturing better data for decision-making, conducting (and replicating) needed cost analysis, and considering unique factors when setting reimbursement rates. Below, we summarize the phased approach recommendations into a step-by-step roadmap for implementing our suggested rate setting model for at least three years. Additionally, we provided supplemental tools and spreadsheet templates to the State separate from this report to aid in replicating our analysis and reimbursing costs in the future.

Near-Term: Require Reporting of Distinct and Consistent Cost Data to Establish Foundation and Structure for Modeling

- Adjust fiscal year 2025-2026 rates based on SEC suggestions.
- Establish categories of costs and revenues (chart of accounts) that each provider should submit on an annual basis using SEC-provided tools and excel templates. See an example in Appendix B of the information that should be reported.
- Require each provider to track program costs using the established chart of accounts revenue and cost categories by program (residential, non-residential, and specialized).
- Create a reporting template for explanations of significant changes in reported revenue and costs. See an example of fields in reporting templates for providers to explain large year-over-year changes.
- Require providers to submit independently compiled program revenue and costs on an annual basis.
- Request that providers explain any large cost increases through narrative information in established reporting templates to help the State understand cost growth.
- Require providers to submit independent financial audits, every third year, that are specific to community corrections programs and provide information by type of specialized programs if offered.

Longer-Term Activities: Conduct Cost Analysis for Rate Setting Adjustments and Monitor Changes Needed

- Track and analyze program specific costs to assess changes year over year, by program and type of service provided, for individual programs as well as results across all programs on an annual basis to establish a base cost foundation, understand program spending, identify challenges, and assess funding needs using SEC-provided templates.
- Determine whether any global rate increases to the base funding are needed using results from annual cost analysis.
- Annually calculate an inflationary factor to apply against and for adjusting per diem rates based on changes in Cost of Employment and the Consumer Price Index (CPI) using the weighted methodology we show in Exhibit 18.

- Consider making supplemental funding available, on an as-needed basis, to support smaller or struggling programs based on the results of annual cost analysis.
- Contemplate making competitive funding available to providers to offset costs of capital projects for maintenance, repair, or new construction of program facilities based on formal application and evaluation criteria.
- Consider conducting program specific monitoring reviews on a periodic basis to ensure providers are appropriately reporting information.

Appendix A. Scope and Methodology

SEC was hired by the Colorado Department of Public Safety to conduct cost evaluation services on their behalf. Specifically, we were asked to analyze and review financial information of community corrections programs/providers and identify:

1. Cost of operating standard and specialized programs
2. Cost drivers impacting the programs
3. Funding available to cover operating costs of varying programs/providers
4. Model and instructions for replicating analysis in the future

To meet the goals and objectives of this engagement, SEC performed the following steps:

- Reviewed all pertinent laws, rules, and regulations.
- Met with CDPS staff to learn about policies, procedures, and issues, and obtained relevant information such as audit results for community corrections programs, average daily population, annual reports, funding for all programs, monitoring and reporting structures, and other pertinent policies and requirements.
- Obtained and reviewed contracts and allocation letters with each local community corrections board and program provider.
- Met with all providers of community corrections programs to gain an understanding of their operations, challenges, financial tracking systems, operations, and the financial health of programs.
- Developed data-gathering Excel forms to capture relevant data from each of the community corrections programs and identified relevant information about each provider to assess reasonableness of financial information, to understand cost drivers, and to determine factors impacting their program operations and fiscal health—creating a profile for each.
 - Such factors included average daily population, program capacity, program location and whether the provider owned or leased property, etc.
- Requested and reviewed detailed financial information for each program over a five-year period (fiscal years 2019-2023) to identify significant trends, fluctuations, and anomalies. Although the fiscal year is different for providers – for some the fiscal year runs from July 1 through June 30th of each year, while for others a calendar year (January 1st through December 31st) is the fiscal year and still for some October 1st through September 30th (which coincides with the federal fiscal year). Although fiscal years are different all fiscal years include a 12-month period and thus, we compared 12-month periods.
- Identified and analyzed all pertinent costs and determined cost drivers, fixed and variable costs.
- Reviewed all financial information and followed up with all providers to discuss and obtain additional information for anomalies, significant fluctuations in financial information over the five-year period, and the issues faced by providers.

- Determined revenue and cost categories and grouped each community corrections programs' financial information into those categories to allow for comparison amongst programs.
- Compiled data from all community corrections programs and analyzed the data to identify significant trends. Performed various cost analysis across all community corrections programs' financial data to understand trends, impacts of location (rural and urban), economies of scale, owned versus leased facilities, and other factors that appear to contribute to costs and/or sustainability.
- Identified cost drivers and, to the extent possible, determined fixed versus variable costs.
- Identified other sources of funding that providers used to support operations.
- Examined the performance-based contracting change to community corrections.
- Reviewed specialized program information and data available to determine whether direct costs associated with each of the specialized programs could be identified.
- Determined impact of the COVID-19 pandemic on community corrections programs in terms of changes in population, revenues, costs, and other financial impacts. Assessed the extent to which programs have recovered from the pandemic.
- Compared rates to cost trends at programs and inflation to determine whether rates have kept up with rising costs.
- Calculated a per diem rate and made recommendations for data gathering, modeling, and replicating this analysis.

We conducted this engagement with the same due diligence as we do for other cost evaluation services. We applied various rigorous analytical techniques, tests, and tools to data in performing our evaluation in order to develop sound, practical, and meaningful recommendations and results that address issues discovered.

Figure 1.

[illegible]

The financial data collection template below should be used by each program using the categories listed to report revenues and costs each year. It breaks down the sources of revenue and costs by each program to ensure consistency amongst program financial reporting and facilitates comparisons and evaluation. The columns represent the different programs including specialized programs that are offered and requires separately reporting the financial information to allow CDPS to determine the costs for each program type.

	Basic Residential	IRT	RDDT	SOS	Non-Residential	Other	Total for CCC Program
Revenue							
State Funding							
Residential (Basic)							
Residential --IRT							
Residential -- RDDT							
Residential -- SOS							
PBC							
Facility Payment							
Other							
Federal							
Medicaid							
Grants							
Other							
Local Government							
General Fund							
Other							
Other Programs							
Costs							
Administrative							
Client Services							
Consultant/Professional Fees							
Food Services							
Insurance & Taxes							
Meals & Entertainment							
Other Services							
Personnel - Salaries & Wages							
Rent & Leases							
Repairs & Maintenance							
Capital Expenditures							
Supplies							
Travel							
Urinalysis							
Utilities							
Indirect Costs (G&A)							

As discussed in Chapter 3 and 4 of the report, the Cost Estimation Adjustment for Inflation Model can be used to estimate costs annually. We provide CDPS with tools for using the model and provide an example below. In this report, we recommended per diem rates for fiscal year 2025-26 based on the information program providers submitted to us. With new data collection tools, CDPS can use this model to estimate the costs in the subsequent year for each program to inform its decision making and recommendations for upcoming rates. Additionally, the output can be used to assess whether certain programs are likely to struggle to pay for costs based on per diem rates.

CCC Program	2024 Residential Costs	2024 ADP	2024 Costs Per Client Per Day	2024-25 Inflation Adjustment	2025-26 Estimated Costs Per Client Day
Program A					
Program B					
Program C					
Program D					
Program E					
Program F					
Program G					
Program H					
Program I					
Program J					
Program K					
Program L					
Program M					
Program N					
Program O					
Program P					
Program Q					
Program R					
Program S					
Program T					
Program U					
Program V					
Program W					
Program X					
Average	\$ -	0			

Below, we provide an image of part of the tools used to evaluate changes in cost categories. This tool is to be used to assess the year-over-year changes in costs at each program in each category. CPDS can compare these program cost changes to changes in inflation for each cost category to determine whether the programs are experiencing lower, higher, or similar changes in costs and assess reasonableness in costs reported by programs.

Change in Costs from 2023-2024

CCC Program	Personnel	Rent and Occupancy	Utilities	Mainten ance	Facility and Office Supplies	Professional Services	Food Services/Supplies
Program A							
Program B							
Program C							
Program D							
Program E							
Program F							
Program G							
Program H							
Program I							
Program J							
Program K							
Program L							
Program M							
Program N							
Program O							
Program P							
Program Q							
Program R							
Program S							
Program T							
Program U							
Program V							
Program W							
Program X							
Total							

Note: We include a selection of categories in this image, but the full spreadsheet includes every cost category recommended.