

State of Colorado Correctional Treatment Board



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County Sheriffs of Colorado

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Colorado Judicial Branch

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Department of Human Services

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Community Parole Manager
Division of Adult Parole,
Department of Corrections

Jeanne Smith, Director
Division of Criminal Justice
Department of Public Safety

FY2017 Funding Plan

The Correctional Treatment Cash Fund and its oversight board, the Correctional Treatment Board, was established with the passage of HB12-1310. This legislation consolidated three major sources of state funding for substance abuse/co-occurring assessment and treatment: The Drug Offender Surcharge Fund, SB03-318 Funding (Drug Treatment Fund) and HB12-1352 Funding. HB12-1310 restructured these funds to create and support a coordinated and collaborative effort regarding the assessment and treatment of criminal justice clients with substance use and co-occurring disorders. Board membership includes a representative from each of the four state agencies that have criminal justice programming (Judicial, Public Safety, Corrections and Human Services) as well as representatives from the County Sheriff's Association, the Public Defender's Office and the District Attorneys' Council. It is the job of the Correctional Treatment Board to ensure a fair and reasonable allocation of cash fund resources in accordance with statutory intent. Statutorily authorized uses of the money include:

- Alcohol and Drug Screening, Assessment, Evaluation, Testing, Training;
- Treatment for assessed substance abuse and co-occurring disorders;
- An annual statewide conference regarding substance abuse treatment;
- Recovery support services; and
- Administrative support for the board.

The Correctional Treatment Board is pleased to present its FY2017 Funding Plan that allocates almost \$22.0M in state resources. This plan reflects the continuing work and programmatic priorities of the Board through the various appropriations to four state agencies as outlined in this report.

Statutory Cites: 18-19-103 (3.5)(b) and 18-19-103 (5)

Fund Overview

Correctional Treatment Cash Fund Overview

Money in the Correctional Treatment Cash Fund is targeted for only those criminal justice clients with substance-abuse and/or co-occurring behavioral health disorders. All funding is appropriated into the Judicial Department’s budget where it is then re-appropriated to the other three state agencies according to the funding plan as developed by the Correctional Treatment Board. Beginning in FY2015, the Board separated out administrative and overhead funding that is housed in the Judicial Branch budget, but isn’t specific to Judicial programming. These costs include cash fund indirect costs, conference and board staff funding and the overhead amount that funds research/ data collection and one-time projects. The chart below reflects the historical funding allocation across the four agencies.

Summary of Annual Appropriations					
	FY2013	FY2014	FY2015	FY2016	FY2017
Corrections	3,002,227	3,002,227	3,457,227	3,457,227	3,457,227
Human Services	3,090,516	4,290,156	5,071,156	6,621,156	6,621,156
Public Safety	2,666,766	2,916,766	5,301,766	5,305,084	5,299,574
Judicial	6,504,568	6,532,984	5,505,078	5,505,078	5,505,078
Non-Agency Specific	0	0	906,906	899,045	854,257
Total	15,264,077	16,742,133	20,242,133	21,787,590	21,737,292
Change over prior year		1,478,056	3,500,000	1,545,457	(50,298)

Judicial Branch (including Non-Agency Specific):

The Judicial Branch uses its correctional treatment resources for substance use testing and mental health/substance abuse treatment for all probation clients as well as outpatient treatment and recovery support for the state’s problem-solving court clients. An adult diversion program was created through the passage of HB13-1156 and in FY2015, the Board established a funding stream to help support outpatient treatment for this program. The adult diversion program is managed on a cost-reimbursement basis with counties whose diversion programs meet state guidelines. Outpatient treatment funds for probation and problem-solving courts are allocated to all of the probation and problem-solving courts within the 22 judicial districts and are managed locally. Aggregated expenses are tracked and monitored centrally at the State Court Administrator’s Office and reported on quarterly.

Department of Public Safety, Division of Criminal Justice (DCJ):

DCJ receives funding to help cover the cost of specialized intensive residential treatment and therapeutic community beds; to pay for out-patient treatment vouchers for clients in community corrections facilities; and to fund 1.0 research/training FTE within the Division of Criminal Justice. Funds are also used to support classroom training costs for substance abuse and risk/need assessments for probation, parole, TASC, community corrections, and prison staff. Residential and out-patient treatment funds are allocated to local community corrections boards across the state and managed by the boards for treatment of community corrections clients. Each board must report quarterly on spending levels.

Fund Overview

Department of Human Services, Office of Behavioral Health (OBH):

OBH uses its funding for three main programs and services. The Jail-Based Behavioral Services (JBBS) program provides substance-abuse and mental health services for clients in county jails. Funds are “granted” to local Sheriff’s offices, managed locally and dispersed via contract agreements with local treatment providers. For FY2016, HB15-1367 was enacted, which transferred \$1.550M from the marijuana cash fund into the correctional treatment cash fund specifically for use in the JBBS program. Each JBBS program reports quarterly to the statewide program manager at OBH. OBH also uses its Correctional Treatment funds to support outpatient treatment services which are managed through contracts with Managed Service Organizations (MSO), and for the Short-Term Intensive Residential Remediation Treatment (STIRRT) program, which is a two-week residential program with continuing care for 8+ months once clients complete the in-patient portion of treatment.

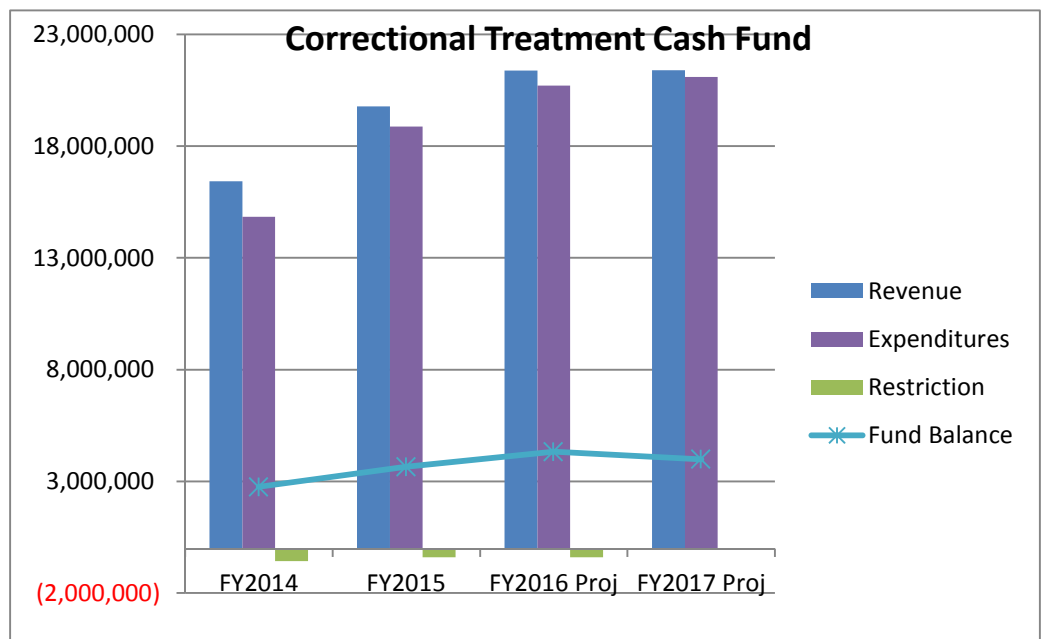
Department of Corrections (DOC):

DOC uses its correctional treatment funds to support case management, substance use testing and outpatient treatment for parole clients. This is done through a contract with Treatment Alternatives for Safer Community (TASC), which is an outside organization that provides these services to parolees with substance-abuse and/or co-occurring disorders. TASC manages the funds according to contract stipulations and reports to DOC monthly.

Correctional Treatment Cash Fund Revenue

The Correctional Treatment Cash Fund (CTCF) receives general fund money, direct cash revenue from the drug offender surcharge, a surcharge assessed on offenders convicted of drug crimes, and as of FY2016, a transfer of funds from the Marijuana Cash Fund. These funds are annually appropriated to the Judicial Branch, transferred or deposited into the cash fund, and managed by the Correctional Treatment Board. Cash revenue from the Drug Offender surcharge has historically not been sufficient to meet long bill spending authority, so the Board has implemented spending restrictions to ensure the long-term health of the cash fund.

Revenue is continuing to increase and the fund balance is healthy, so the Board will be discussing the possible reduction or elimination of spending restrictions beginning in FY2017.



FY2015 Spending

Cash Fund Expenditures

In FY2015, a total of \$18.8M was spent as outlined in the chart below. In addition to the surplus in the Board overhead funds, both the Departments of Public Safety (DPS) and Human Services (CDHS) reflect budget surpluses. FY15 presented challenges simply in the ability to get timely information from CORE. As such, programs spent conservatively in order to avoid overspending. Combined with that, both departments received FY15 funding increases to expand programming for JBBS, Probation IRT beds and outpatient treatment (see chart on page 2.) Implementing expanded programming takes time and it is not uncommon for first-year surpluses to occur. This is particularly true for programs dependent on field-level referrals as the programming must get developed, communicated and then become operational. The FY15 surpluses are not surprising and the Board is committed to continuing current funding levels. The Board will be discussing the use of outpatient treatment funds for expanded recovery support services, particularly targeting community corrections clients.

Regarding the other OBH budget surpluses, initial analysis indicates they have resulted from increased access to Affordable Care Act (ACA) Medicaid funds. This is good news for the Board as maximizing

Correctional Treatment 2015 Spending - By Agency and Long Bill Line*				
	Appropriation	Restriction	Spent	Difference
DOC				
Drug & Alcohol Tx Subprogram	1,345,127		1,345,127	0
Parole Subprogram	2,112,100		2,112,100	0
	3,457,227	0	3,457,227	0
DHS				
<u>Substance Use Treatment and Prevention</u>				
Treatment & Detox Contracts	1,064,688	(102,287)	899,623	62,778
Short-Term Intensive Residential Remediation & Tx	427,946		398,984	28,962
<u>Integrated Behavioral Health Services</u>				
Jail-Based Behavioral Health	3,578,522		3,448,112	130,410
	5,071,156	(102,287)	4,746,719	222,150
DPS				
<u>Administration</u>				
Personal Services	84,803		84,803	
Pots	19,194		14,352	4,842
<u>Community Corrections</u>				
Community Corrections Placement	2,643,869		2,310,274	333,595
Trtmtn. For Subs Abuse and Co-occurring Disorders	2,553,900	(106,939)	2,313,132	133,829
	5,301,766	(106,939)	4,722,561	472,266
JUDICIAL				
<u>Probation & Related Services</u>				
Probation & PSC Treatment	5,428,078	(65,147)	5,384,962	(22,031)
Conference	220,000	(6,878)	213,122	
Board Overhead	347,341		27,483	319,858
Total Offender Tx & Services	5,995,419	(72,025)	5,625,567	297,827
<u>Central Programs</u>				
Pots	26,494	(12,884)	13,610	
Adult Pre-Trial Diversion	77,000	(77,000)	0	
<u>Administration</u>				
Personal Services	94,323	(18,865)	94,323	(18,865)
Indirects	218,748		218,748	0
	6,411,984	(180,774)	5,952,248	278,962
GRAND TOTAL	20,242,133	(390,000)	18,878,755	973,378

*Figures in this chart were pulled from CORE on 10/16/15

FY2016 Appropriation

ACA funds is a top priority. It will be establishing an ACA sub-committee to work exclusively on ACA issues, track budget impacts and ensure Medicaid funds are being maximized.

The cash fund ended the fiscal year with a 24.6% fund balance due to increasing revenue collections combined with the program surpluses. This cash fund health is being discussed and options for management of the fund balance include a reduction or elimination of spending restrictions, an increase in the use of funds for system-wide projects, and the possibility of supporting local board pilot initiatives. The Board is committed to ensuring fund resources are spent in support of initiatives that benefit the criminal justice system as a whole in both rural and urban areas of the state.

FY2016 Appropriation

The Correctional Treatment Board allocated just over \$20.2M for FY2016. Additionally, HB15-1367 provided \$1.550M specific for jail-based treatment. The chart below outlines the funding by agency and long bill line for FY2016.

Correctional Treatment 2015 and 2016 Appropriation -- By Agency and Long Bill Line			
	FY2015 Approp.	FY2016 Approp.	Difference
DOC			
Drug & Alcohol Tx Subprogram	1,345,127	1,345,127	0
Parole Subprogram	2,112,100	2,112,100	0
	3,457,227	3,457,227	0
DHS			
<u>Substance Use Treatment and Prevention</u>			
Treatment & Detox Contracts	1,064,688	1,064,688	0
Short-Term Intensive Residential Remediation & Tx	427,946	427,946	0
<u>Integrated Behavioral Health Services</u>			
Jail-Based Behavioral Health	3,578,522	5,128,522	1,550,000
	5,071,156	6,621,156	1,550,000
DPS			
<u>Administration</u>			
Personal Services	84,803	87,852	3,049
Pots	19,194	19,463	269
<u>Community Corrections</u>			
Community Corrections Placement	2,643,869	2,643,869	0
Trtmtn. For Subs Abuse and Co-occurring Disorders	2,553,900	2,553,900	0
	5,301,766	5,305,084	3,318
JUDICIAL			
<u>Probation & Related Services</u>			
Offender Treatment & Services	5,995,419	5,990,268	(5,151)
<u>Central Programs</u>			
Pots	26,494	16,590	(9,904)
Adult Pre-Trial Diversion	77,000	77,000	0
<u>Administration</u>			
Personal Services	94,323	96,156	1,833
Indirects	218,748	224,109	5,361
	6,411,984	6,404,123	(7,861)
GRAND TOTAL	20,242,133	21,787,590	1,545,457

FY2017 Funding Allocation

FY2017 Planning

The Correctional Treatment Board met in September for an all-day planning retreat where it was determined that its ultimate goal was to provide funding in a way that would promote the best outcomes with regard to long-term behavior change for clients in the criminal justice system. The Board strongly believes that following the principles of Risk-Need-Responsivity will best enable such behavior change in its clients and wants to ensure that allocated funding supports these principles.

Risk Principle: Supervision and treatment levels should match the client's level of criminal risk. This is precipitated on the consistent use of validated risk and needs assessment tools to inform the case planning and decision making process.

Needs Principle: Treatment services should target a client's criminogenic needs—dynamic risk factors that most drive criminal behavior.

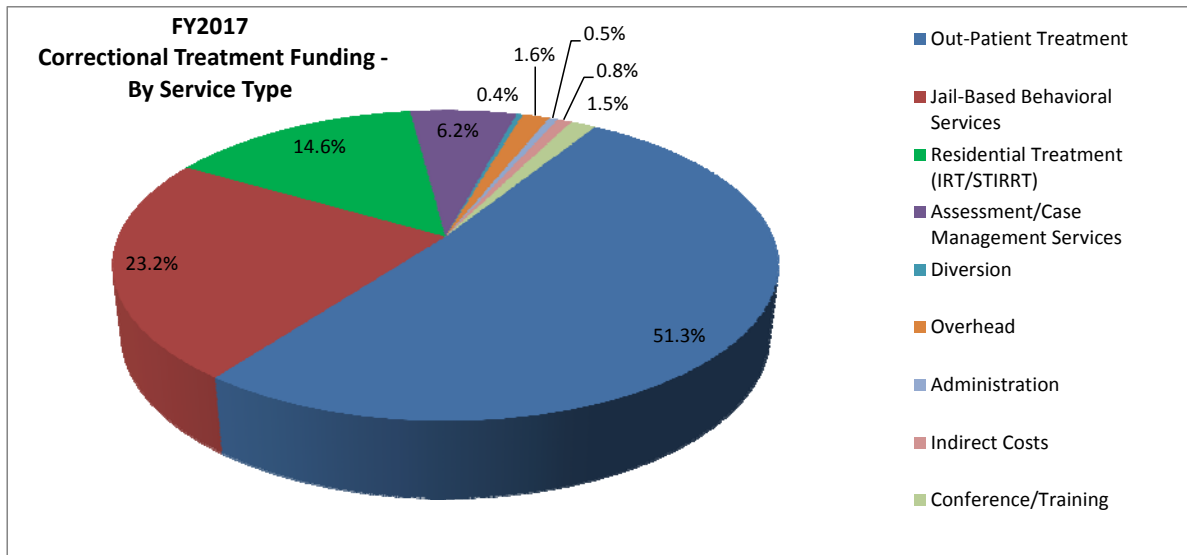
Responsivity Principle: Treatment interventions should employ the use of cognitive social learning strategies and be targeted toward the client's specific learning style, motivation and strengths.

Current work of the Board that supports the Risk-Need-Responsivity Principles include:

- The Board is using overhead funds to validate the newly designed Colorado Assessment Match (CAM); an algorithm developed by a Board sub-committee for use across all the criminal justice agencies to consistently and accurately assess criminal risk. The assessed risk will then guide case planning to match treatment levels to risk. The expected completion date is spring 2016. (Risk and Needs Principles)
- The Board established a sub-committee to design and develop a Funding Matrix tool that outlines "ideal" processes and practices for assessment, testing, case planning, interaction with treatment providers and more. This tool will help the board assess current state-funded practices with regard to adherence to the RNR principles and will help guide future funding decisions. The Board is scheduled to review the Matrix with the sub-committee at its November meeting. (Risk, Needs, Responsivity Principles)
- The Board has committed overhead funds to provide a grant match supporting efforts at developing a Colorado justice and health electronic information exchange. Such an exchange will not only promote better communication across criminal justice agencies, but will support improved communication with treatment /mental health providers, jails, and will also help alleviate medication interruptions. All of this will provide more consistency and stability in management of criminal justice clients, which will result in better outcomes. (Needs and Responsivity Principles)
- The Board co-sponsors an annual Collaborative Justice conference that educates case managers, treatment providers, and criminal justice professionals on the latest research and practices that are proven to effectively support clients in the criminal justice system. (Risk, Needs, Responsivity Principles)

FY2017 Funding Allocation

- The Board continues to fund a wide-range of services across all agencies, including: all levels of out-patient treatment, different levels of in-patient treatment, treatment in jails, adult diversion and services that support the continuity of care when clients move back into their communities. (Risk, Needs, Responsivity Principles)



Work that the Board has identified over the next year that will build on its current activity and further position it to make better funding decisions include:

- The Board is discussing funding a data-based project to look at factors that impact client success in Colorado. Data will be gathered and analyzed as to specific trends/services that contribute to individual client success. This information will help the Board determine if funding changes need to be implemented to ensure that all services impacting success are appropriately supported.
- A sub-committee will be established to address the Affordable Care Act and work to ensure that the criminal justice system is maximizing the use of federal funds. The Board will ensure that the work of the sub-committee will be done in conjunction with other work currently being done on the Affordable Care Act.

FY2017 Funding Requests

For the FY2017 budget, the Board was presented with two program funding request changes and had to discuss the use of the continuing \$1.550M from the Marijuana Cash Fund as it was only stipulated for the JBBS program in FY2016.

- The first funding request was from the State's Problem-Solving Courts for \$1.2M for outpatient treatment. Over the past two years, the Judicial Branch separately tracked treatment spending for the specialty courts and based on this information, it was determined that the Correctional Treatment allocation for specialty courts was not sufficient. Therefore, the Problem-Solving Court program presented the Board with an increased request for FY2017.

FY2017 Funding Allocation

- The second request was for \$95,000 from the STIRRT program within the Office of Behavioral Health. STIRRT is a 9-month treatment program with 2 weeks of in-patient treatment followed by 8+ months of continuing outpatient treatment. The STIRRT Advisory Committee requested the increase to implement program changes that will bring operations in line with current research and best practices and positively impact outcomes. The Advisory Committee is committed to this substantial undertaking, which includes the following:
 - Expanding some of the residential treatment from 2 weeks to 3 weeks in length;
 - Having all three residential facilities provide psychiatric evaluations and cover psychotropic medications,
 - Increasing the focus on transition planning and case management capability;
 - Implementing better coordination with referral sources;
 - Providing detox services and/or respite bed capability; and
 - Ensuring Medicaid funding is being maximized;
 - Implementing on-going training for clinicians and case managers/supervisors.

The Correctional Treatment Board discussed these funding issues at its September retreat. Given that the funding matrix, which will assess current program practices/policies, has not been finalized, nor has the planned client success data-based project been started, the Board felt it was not in a position to make significant changes to existing program funding. Therefore, the Board determined that it would maintain current funding for the JBBS program, to include the \$1.550 from the Marijuana Cash Fund, less \$95,000 that would be shifted to support STIRRT programming changes. Given that JBBS programming is highly desired and local sheriff's offices are expressing continued and increasing interest, the Board strongly supports continuing its current level of funding for treatment in jails.

The Board also strongly supports the proposed changes to the STIRRT program because they are based on current research and best practices, which support the principles of RNR. The Board sees potential for better outcomes from the proposed STIRRT changes, which is why it chose to shift funding from the JBBS program. The JBBS program has received significant funding increases over the past two years and programming is still being developed. The Board determined that a less than 2% decrease in JBBS funding levels could be absorbed into ongoing program development with minimal negative impact. The Board will be working with the STIRRT program manager to follow implementation and track outcomes resulting from the above-outlined changes.

To address the outpatient treatment need for problem-solving courts, the Board decided that it would no longer allocate specific amounts to the probation and problem-solving court functions in Judicial. Instead, it will allocate a lump sum and let the Branch determine the split between its programs. The Branch has historically managed its outpatient treatment needs internally and is currently seeking solutions that that will address its growing need for outpatient treatment funding.

The only other significant change for FY2017 is a decrease in the assessed indirect cost figure. This is provided by the Judicial Branch budget office and has resulted from a change in the federal indirect cost rate calculation. Questions specific to this adjustment should be directed to the Judicial Branch budget office.

FY2017 Funding Allocation

The chart below outlines the Board's funding decisions as it impacts the FY2017 long bill for each state agency.

Correctional Treatment 2016 and 2017 Appropriation -- By Agency and Long Bill Line			
	FY2016 Approp.	FY2017 Request	Difference
DOC			
Drug & Alcohol Tx Subprogram	1,345,127	1,345,127	0
Parole Subprogram	2,112,100	2,112,100	0
	3,457,227	3,457,227	0
DHS			
<u>Substance Use Treatment and Prevention</u>			
Treatment & Detox Contracts	1,064,688	1,064,688	0
Short-Term Intensive Residential Remediation & Tx	427,946	522,946	95,000
<u>Integrated Behavioral Health Services</u>			
Jail-Based Behavioral Health	3,578,522	5,033,522	1,455,000
	5,071,156	6,621,156	1,550,000
DPS			
<u>Administration</u>			
Personal Services/Operating	87,852	89,609	1,757
Pots	19,463	12,196	(7,267)
<u>Community Corrections</u>			
Community Corrections Placement	2,643,869	2,643,869	0
Trtmtn. For Subs Abuse and Co-occurring Disorders	2,553,900	2,553,900	0
	5,305,084	5,299,574	(5,510)
JUDICIAL			
<u>Probation & Related Services</u>			
Offender Treatment & Services	5,990,268	5,990,268	0
<u>Central Programs</u>			
Pots	16,590	13,826	(2,764)
Adult Pre-Trial Diversion	77,000	77,000	0
<u>Administration</u>			
Personal Services	96,156	97,116	960
Indirects	224,109	181,125	(42,984)
	6,404,123	6,359,335	(44,788)
GRAND TOTAL	20,237,590	21,737,292	1,499,702
Cash Funds	5,037,590	4,987,292	(50,298)
Reappropriated Funds	15,200,000	16,750,000	1,550,000

Conclusion

Next Steps

The Correctional Treatment Board is pleased with its FY2017 funding allocation as it supports a wide variety of statutorily-authorized programs and services that meet the needs of criminal justice clients across all of the communities within the State of Colorado. Moving forward, the Board is eager to act on the work it did at its planning retreat in September and wants to complete the projects currently in progress and move forward with those that are planned for the next year.

All of this work is designed to continue the Board's support of existing state criminal justice programming while developing tools or gaining information that will help the Board assess current funding practices, maximize federal Medicaid funds and appropriately place future funding so that it assists in meeting program needs as they pursue the principles of risk-need-responsivity. The Board is actively working to unite the experience and knowledge of all its members to make productive impacts on the processes and practices within each criminal justice agency as well as with the treatment community.

The Correctional Treatment Board is proud of the work it has done to-date and is confident that its efforts over the coming year will continue to contribute to successful client outcomes and improved public safety.

Successes To-Date:

- Developed jail-based treatment in 44 of the 64 counties, covering areas where 95% of the State's population lives.
 - Developed IRT beds as a condition of probation to meet this growing service need.
- Established funding to support treatment in adult diversion programs across the state.
 - Increased funding to support TASC/Parole services in rural areas.
- Continued support of an annual conference that has seen increased attendance and an inclusion of the treatment community.
- Successful legislative changes to get language consistent with programmatic needs.
 - Engaged local treatment boards across the state on their various needs.
- Providing a grant match to support a justice and health electronic information exchange.
 - Validation study of new treatment matching algorithm (CAM) in progress.
 - Funding Matrix tool currently in development.
- Working to maximize Medicaid for all qualified criminal justice clients in Colorado.