


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 12-0897 **Date:** April 4, 2012
Prime Sponsor(s): Rep. Gerou; Levy **Bill Status:** House Appropriations
Fiscal Analyst: Kerry White (303-866-3469)
 Sen. Steadman; Lambert

TITLE: CONCERNING THE CLOSURE OF THE SOUTH CAMPUS OF THE CENTENNIAL CORRECTIONAL FACILITY FOR HOUSING PURPOSES.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures	<u>up to (\$1,859,466)*</u>	<u>up to (\$7,771,904)*</u>
General Fund	(1,857,191)	(7,766,443)
Cash Funds	(2,275)	(5,461)
FTE Position Change	(71.0)*	(213.6)*
Effective Date: August 8, 2012, if the General Assembly adjourns on May 9, 2012, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2012-2013: None required.		
Local Government Impact: None.		

** These amounts are shown to illustrate the effect of the bill. No appropriations adjustments are required because these adjustments are included in House Bill 12-1335, the Long Bill for FY 2012-13.*

Summary of Legislation

Recommended by the Joint Budget Committee, this bill codifies the closure of the south campus of the Centennial correctional facility (known as Colorado State Penitentiary II or CSP II) within the Department of Corrections (DOC). As of February 1, 2013, the DOC may not house offenders in any of CSP II's housing units. However, CSP II may be maintained at minimal levels for the purposes of providing support and other services to the remainder of the complex.

Background

Operations at state correctional facilities, including CSP II, are subject to the annual budget process. The General Assembly, at its discretion, may cease operations at a correctional facility in full or in part by adjusting Long Bill appropriations to the DOC. CSP II, which opened in 2010, has a total of 948 administrative segregation beds in three housing units. Currently, only one housing unit is being used.

State Expenditures

As of result of this bill and shown in Table 1, state expenditures are reduced in FY 2012-13 by up to \$1.9 million and 71.0 FTE and by up to \$7.8 million and 213.6 FTE in FY 2013-14. Because these adjustments have been made in House Bill 12-1335, the Long Bill for FY 2012-13, no further changes in appropriations to the DOC are required.

Table 1. Appropriation Adjustments to the Department of Corrections from Closing CSP II		
Cost Components	FY 2012-13	FY 2013-14
Personal Services	up to (\$4,267,555)	up to (\$12,893,325)
FTE	(71.0)	(213.6)
Operating Expenses	(268,352)	(763,525)
Private Prison Placements	2,676,441	5,884,946
TOTAL	up to (\$1,859,466)	up to (\$7,771,904)
General Fund	(1,857,191)	(7,766,443)
Cash Funds	(2,275)	(5,461)

Personal services. The Long Bill appropriations to the DOC for FY 2012-13 have been adjusted to account for CSP II's closure on February 1, 2013, and assume that all existing FTE will be transferred to nearby vacant positions. In FY 2012-13, 71.0 FTE will be reduced, saving up to \$4.3 million. In FY 2013-14, a total of 213.6 FTE are reduced, saving up to \$12.9 million. However, by codifying the changes occurring through the annual budget process, it is possible that not all FTE will be able to secure comparable positions by February 1, 2013. Should the DOC be required to implement a layoff plan, General Fund costs will increase. If this occurs, this analysis assumes the DOC will request additional resources through the annual budget process.

Operating expenses. By closing the housing units and reducing operations to minimal levels, operating costs will be reduced by \$763,525 per year. In FY 2012-13, savings are prorated for a February 1, 2013, closing date and include costs of \$50,000 to decommission a portion of the facility.

Private prison placements. A total of 306 offenders are projected to be housed at CSP II at the time of its closure. This analysis assumes these offenders will be relocated to state facilities, and that an equal number of offenders in state facilities will be relocated to private prisons. Private prison placements are calculated at a cost of \$52.69 per offender per day. In FY 2012-13, costs are prorated to 166 days.

Departments Contacted

Corrections Joint Budget Committee