

Budget Brief – Jail Reimbursement

MGA

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SUMMARY

The Jail Reimbursement Program, established by statute, reimburses county jails for incarcerating offenders sentenced to county facilities as a condition of felony probation. As required by UCA 64-13c-303, counties should be reimbursed at 70% of core inmate incarceration costs (\$29.62 per day or 70% of the \$42.32 core rate).

ISSUES AND RECOMMENDATIONS

Issues regarding Jail Reimbursement fall into two categories: 1) Jail Reimbursement funding levels and 2) the core rate used for reimbursement calculations.

Legislative Funding Requirement

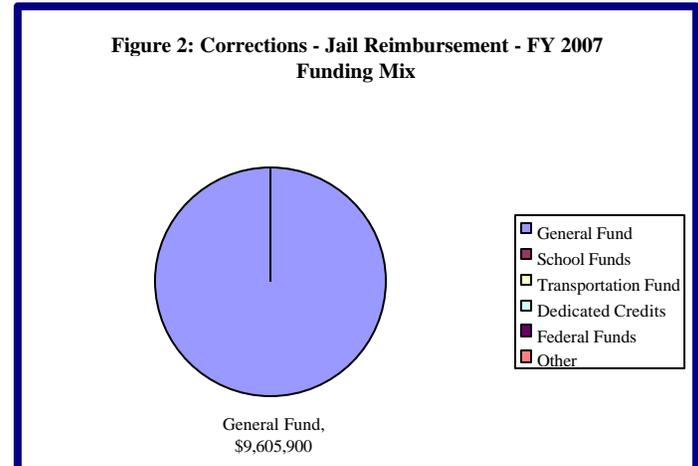
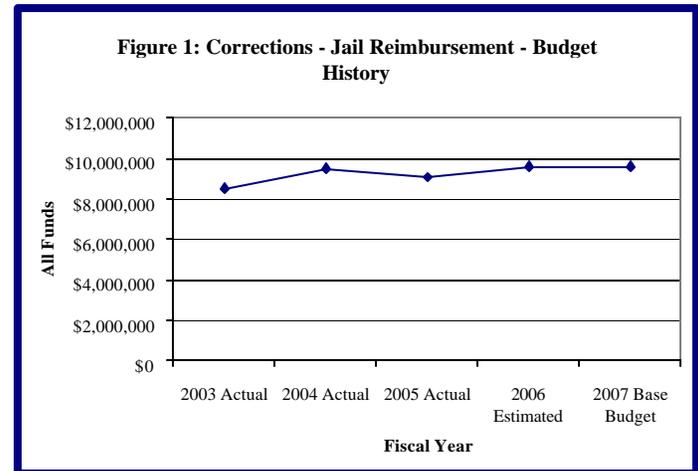
According to UCA 64-13c-303, (1) The Legislature shall fund the total jail reimbursement core inmate incarceration costs at the rate of 70%. The Legislature has funded the estimated number of incarceration days at 70 percent of the core rate. The Legislature has not funded the core rate increase for the past few years that has been recommended by the statutorily established core rate committee. The Legislature has always funded jail reimbursement based on UDC bed day estimates.

Core Rate

Each fiscal year, a new jail programs core rate is negotiated by the Utah Sheriff's Association, local elected officials, the Commission on Criminal and Juvenile Justice, and the Governor's Office of Planning and Budget. The rate is based on operating costs reported by the counties to Corrections for the previous calendar year. The rate is established by utilizing all expenses for the counties divided by all the inmates held in county jails. The Legislature must take action on any core rate committee recommendation before a new rate is enacted. Corrections should be reimbursing counties at a rate of \$29.62 per day. Funding for medical and transportation costs is not included in the core rate. The Core Rate Committee has recommended a new core rate of \$43.10 (the 70% reimbursement rate would be \$30.17 per day).

Accountability Detail

No accountability data has been supplied by the Department. The Legislature is required to pay Jail Reimbursement at 70 percent of the total Jail Reimbursement core rate according to UCA 64-13c-303.



BUDGET DETAIL

The Department has not requested additional funding for jail contracting levels of FY2006.

Jail Reimbursement Growth for FY 2006

Jail Reimbursement cost estimates project bed days to increase in FY 2007. In the past, the funding has fallen short of the 70% target because of low bed day estimates. Because FY 2006 Jail Reimbursement funding is projected to be short, the UDC has asked the Legislature for supplemental funding in the upcoming General Session. Based on bed day growth projections for FY 2007, the UDC had submitted a building block request for \$784,700. Another \$3,475,000 has been requested as a part of the same building block request to address shortfalls in Jail Reimbursement funding levels that did not account for bed day growth in both FY 2005 and FY 2006. The UDC is also requesting \$3,475,000 one-time funding for FY 2006 estimated shortfalls in Jail Reimbursements. In the past 6 years, qualified jail days have been reimbursed at an average of 64.02% of the billed days if medical and transportation costs are also included. The Office of the Legislative Auditor General has recently finished their performance audit of Department of Corrections' Jail Reimbursement Program and the finding will be presented before the Subcommittee. One very important audit finding is that the Legislature has fully funded Jail Reimbursement in 2 of the last 3 years. Due to unknown changes by one county's improved billing practices led to a deficiency in the one year. Legislative action for the line item should wait until the results of the audit are presented on January 23, 2006.

Core Rate Increase

The Legislature has not increased the core rate of \$42.32 for the last four years. The Core Rate Committee is recommending a 2.1 percent increase to \$43.10 for FY 2007. The fiscal impact of increasing the core rate would be \$658,700—\$403,100 in increased funds for Jail Contracting and \$255,600 for Jail reimbursement. For your information, The Committee recommended a core rate of \$43.96 in FY 2006.

Budget Recommendation

The Analyst recommends a base budget for Jail Reimbursement of \$9,605,900 in General Fund. However, the established funding level of the base budget will not fund 70 percent of estimated jail days in FY2006 or FY2007. The Department of Corrections Issue Brief will outline supplemental and building block requests proposing increases to fund Jail Reimbursement at projected bed days.

Intent Language

The Analyst recommends the continuation of the following Legislative intent language: *It is the intent of the Legislature that the funds for Jail Reimbursement line item shall not lapse.*

LEGISLATIVE ACTION

This section is a summary of actions that might be taken if the Legislature wishes to adopt the recommendations of this brief. The Analyst recommends the Legislature consider:

1. Evaluating the findings of the Legislative Auditor General's Report on Jail Contracting and Jail Reimbursement. Make policy changes as needed.
2. The Analyst recommends a base budget for Jail Reimbursement of \$9,605,900.
3. Approving Supplemental and Building Block funding based on policy positions developed from the pending Legislative audit.
4. Approving the intent language granting nonlapsing status to this line item.

BUDGET DETAIL TABLE

Corrections - Jail Reimbursement						
Sources of Finance	FY 2005 Actual	FY 2006 Appropriated	Changes	FY 2006 Revised	Changes	FY 2007* Base Budget
General Fund	9,081,000	9,605,900	0	9,605,900	0	9,605,900
Total	\$9,081,000	\$9,605,900	\$0	\$9,605,900	\$0	\$9,605,900
Programs						
Jail Reimbursement	9,081,000	9,605,900	0	9,605,900	0	9,605,900
Total	\$9,081,000	\$9,605,900	\$0	\$9,605,900	\$0	\$9,605,900
Categories of Expenditure						
Other Charges/Pass Thru	9,081,000	9,605,900	0	9,605,900	0	9,605,900
Total	\$9,081,000	\$9,605,900	\$0	\$9,605,900	\$0	\$9,605,900
Other Data						

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

*Statutory References for Jail Reimbursement***64-13c-302. Procedures for setting county reimbursement for core inmate incarceration costs, and medical and transportation costs.**

(1) (a) In order for counties to receive reimbursement under this chapter, the following parties shall annually before January 1 negotiate for the fiscal year beginning on July 1 of the same year a single reimbursement rate, applicable to all counties, for daily core inmate incarceration costs:

(i) as designated by the Utah Sheriffs Association:

(A) one sheriff of a county that is currently under contract with the department to house inmates; and

(B) one sheriff of a county that is currently receiving reimbursement from the department for housing inmates committed to serve time in a county correctional facility as a condition of probation under Subsection 77-18-1(8);

(ii) the executive director of the department or the executive director's designee;

(iii) as designated by the Utah Association of Counties:

(A) one member of the legislative body of one county that is currently under contract with the department to house inmates; and

(B) one member of the legislative body of one county that is currently receiving reimbursement from the department for housing inmates committed to serve time in a county correctional facility as a condition of probation under Subsection 77-18-1(8);

(iv) the executive director of the Commission on Criminal and Juvenile Justice or the executive director's designee; and

(v) the director of the Governor's Office of Planning and Budget or the director's designee.

(b) The reimbursement rate negotiated under Subsection (1)(a) shall be approved by the Legislature in the annual appropriations act before the rate may be implemented.

(2) Each county shall negotiate directly with the department to establish reimbursement rates for providing transportation services and medical care for inmates housed under Section 64-13c-201.

64-13c-303. Payment of reimbursement.

(1) The Legislature shall fund the total jail reimbursement core inmate incarceration costs at the rate of 70%.

(2) (a) The director of the department shall administer the distribution of reimbursements to counties for daily inmate costs according to the amounts established under Section 64-13c-302.

(b) The department shall by rule establish procedures for the distribution of reimbursement from the program.

(3) Counties that receive reimbursement from the department under this chapter shall annually on or before June 30 submit a report to the department that includes:

(a) the costs to the county of housing inmates under Section 64-13c-201 and a comparison of these costs to the reimbursement rate established under Section 64-13c-302;

(b) the number of inmates the county housed under this chapter as:

(i) a condition of a sentence of probation; and

(ii) by contract with the department; and

(c) the total number of inmate days of incarceration provided.