

JAIL PROGRAM ACTIONS UNDERTAKEN BY
THE 2007 LEGISLATURE

A REPORT TO THE
LEGISLATIVE MANAGEMENT COMMITTEE AND THE EXECUTIVE
OFFICES AND CRIMINAL JUSTICE APPROPRIATIONS SUBCOMMITTEE

OFFICE OF THE LEGISLATIVE FISCAL ANALYST
DEREK BYRNE
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TABLE OF CONTENTS

<u>Summary</u>	<u>1</u>
<u>Discussion and Analysis</u>	<u>1</u>
<u>Important Information Regarding General Session 2008</u>	<u>2</u>

EOCJ APPROPRIATIONS SUBCOMMITTEE 2007 INTERIM

SUMMARY

In the 2007 General Session, the Legislature appropriated \$4,000,000 one-time GF for Jail Contracting (JC) and Jail Reimbursement (JR) in FY 2008. Each program will receive \$2,000,000 to be dispersed in conjunction with the legislation passed in HB 438. The law, as enacted through HB 438, enables the Legislature to determine the JC/JR rate based on one of two methods:

1. A calculated percentage of the average daily rate per prisoner for the Department of Corrections—70 percent of the state rate for JC and 50 percent of the rate for JR; or
2. The rates will be based upon the appropriation amount in conjunction with the number of contracted beds and the number of projected bed days for jail reimbursement.

In FY 2008, Jail program rates will be tied to Legislative appropriations. The rates have been estimated based on the number of contract beds or estimated bed days by the Department of Corrections and in conjunction with the Legislative Fiscal Analyst. The Legislature decides how the rates will be established for jail programs.

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DISCUSSION AND ANALYSIS

Consistent with legislative intent, the \$4,000,000 appropriation will increase JC and JR rates in FY 2008. The Jail Contracting rate will be \$45.00 per contract bed per day. The Jail Reimbursement rate will be \$27.10 per bed day. For your information, the JC is currently \$42.32 per contract bed per day and the current JR rate is \$29.62 per bed day billed. However, actual JR payments are lower than the established rate since the Legislature did not fund bed day growth in FY05 and FY06.

The following table details the funding mechanisms available to the Legislature and the jail program rates to be used in FY 2008 as noted in the grey column titled 'Rate Method 1.' The table compares the costs of each funding mechanism and projects cost increases to maintain FY 2008 rate levels in FY 2009.

FY 2008 Jail Contracting (JC) /Jail Reimbursement (JR) Information

	Rate Method 1: Will be Used in FY 2008	Rate Method 2
	Rate Based on Legislative Appropriation Amounts for JC and JR	Rate based on Average State Rate of \$64.68 plus captial depreciation costs--70% for JC and 50% for JR
Jail Program	Method 1 determines the rate by the appropriation amount. This option divides the contracted days by \$ and by 365 days. JR is determined by dividing \$ by projected bed days.	Method 2 would be based on the State Prison Cost Per Day Rate. Costs determined by number of bed days * 70% (for JC) or 50% (for JR) of the state rate
Jail Contracting	\$ 45.00	\$ 46.90
Jail Reimbursement	\$ 27.10	\$ 33.50
Projected FY 2009 Shortfalls in JC if the FY08 Rate is Applied to FY09 Contract Beds (Including \$1,560,375 for new contract beds in FY 2009)*	\$ 6,192,275	\$ 7,381,628
Projected FY 2009 Shortfalls in JR Based on FY09 Projected Bed Days at the FY08 Rate**	\$ 2,464,521	\$ 5,315,101

* FY 09 budget increase required to maintain FY 08 rate totaled by multiplying \$45 JC rate by average contract beds utilized (1715) *

** FY 09 Budget increase required to maintain FY 08 rate calculated by multiplying \$27.10 JR rate by estimated bed days (44

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IMPORTANT INFORMATION REGARDING GENERAL SESSION 2008

Jail Programs will be at the forefront of discussion during the 2008 General Session. Since rate increases in jail programs were funded with one-time appropriations associated with the passage of HB 438 (2007 General Session), expect Counties to push hard for ongoing funding increases in both the Jail Contracting and Jail Reimbursement budgets. Counties will pursue funding increases regardless of the findings of the Legislative Auditor and the Legislative Fiscal Analyst. Strong leadership will be needed to make the difficult financial and policy decisions regarding jail programs.

As noted above, jail program rates for FY 2008 for JC and JR will be \$45.00 and \$27.10 per prisoner per day respectively. FY 2009 jail program rates will be determined initially by the formula in HB 438 and as noted in method #2 in the Summary on page one. Rates prepared for the 2008 General Session

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approval will be tied the average state daily rate per prisoner in a process outlined in HB 438. Final appropriations will determine whether jail program rates will be tied to the state average daily rate (Method 2) or based on Legislative appropriations independent of the state rate (Method 1).

If no additional funding is appropriated in the 2008 General Session, rates could revert to approximately \$40.14 for JC and \$21.57 for JR in FY 2009 per prisoner per day. In addition, the Department of Corrections will need approximately \$1.6 million for additional contract beds with Davis and Kane Counties as approved in SJR 7 and SJR 8 (2007 General Session). To maintain the JC and JR rates from FY 2008, the Legislature will have to appropriate approximately \$6.2 million¹ for Jail Contracting and \$2.5 million² for Jail Reimbursement.

¹ JC estimate of \$6.2 million includes \$1.6 million for new contract beds and conversion of \$4.6 million FY08 one-time dollars to an ongoing funding stream.

² JR estimate of \$2.5 million based on FY 2008 bed day estimates plus a four percent increase for FY 2009.
