

Office of the  
Legislative Fiscal Analyst

## **FY 2004 Budget Recommendations**

Joint Appropriations Subcommittee for  
Executive Offices, Criminal Justice and Legislature

### **Jail Contracting**

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**1.0 Jail Contracting**

**Summary**

Jail Contracting is a tool used by the Department of Corrections to manage their inmate population and their budget. Jail Contracting is the Utah State Department of Corrections practice of contracting with private or local governmental entities, (County Sheriffs) to house State prisoners at private facilities or at the local county jails.

The Legislature established a group to establish and “negotiate” the core rate to be paid by the Department to “rent” these beds. The new rate for FY 2004 will have an impact on the number of “bed days” the State can purchase from local government. The State currently contracts with county governments for 1,168 beds.

	<b>Analyst FY 2004 Base</b>	<b>Analyst FY 2004 Changes</b>	<b>Analyst FY 2004 Total</b>
<b>Financing</b>			
General Fund	18,086,200		18,086,200
<b>Total</b>	<b>\$18,086,200</b>	<b>\$0</b>	<b>\$18,086,200</b>
<b>Programs</b>			
Jail Contracting	18,086,200		18,086,200
<b>Total</b>	<b>\$18,086,200</b>	<b>\$0</b>	<b>\$18,086,200</b>
<b>FTE/Other</b>			

## **2.0 Issues: Jail Contracting**

Any recommendations for new or additional funding are based on the availability of funding.

### **2.1 Additional Funding Requirement**

The new negotiated core rate for FY 2004 is \$44.33. This is \$2.01 per bed per day more than the current year. To maintain the same number of beds, (1,168), the budget would need to be increased \$856,900. The Legislature is not under any statutory requirement to increase funding for this activity. It is important to note that it is a useful tool for inmate population management and should be considered in the overall picture of Department of Correction needs.

### 3.0 Program: Jail Contracting

**Recommendation**

The base budget recommendation continues the appropriation at the FY 2003 level. This recommendation does not reflect a 4.25 percent decrease enacted in most State agencies since the Governor vetoed the “across-the-board reduction for the Department of Corrections. The base budget for jail contracting is \$18,086,200 of General Fund. No other funding sources are used in this area.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	17,181,000	18,086,200	18,086,200	
Beginning Nonlapsing	10,200			
Closing Nonlapsing	4,000			
<b>Total</b>	<u>\$17,195,200</u>	<u>\$18,086,200</u>	<u>\$18,086,200</u>	<u>\$0</u>
<b>Expenditures</b>				
DP Current Expense	31,200	31,000	31,000	
Other Charges/Pass Thru	17,164,000	18,055,200	18,055,200	
<b>Total</b>	<u>\$17,195,200</u>	<u>\$18,086,200</u>	<u>\$18,086,200</u>	<u>\$0</u>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Summary**

Jail Contracting is where the Department of Corrections “contracts” for a specific number of beds a local government entity for bed space. Some counties have built facilities based on the revenue they anticipate from the State for Jail Contracting and Jail Reimbursement. The State currently contracts for 1,168 beds with local county governments.

**Jail Contracting Funding Formula**

As defined in 64-13c-101 UCA, each fiscal year, a new jail programs core rate is negotiated with the Utah Sheriff’s Association, with input from local elected officials, the Commission on Criminal and Juvenile Justice (CCJJ) and the Governor’s Office of Planning and Budget (GOPB). The rate is based on operating costs reported by the counties to Corrections for calendar year 2001. The rate established was arrived at by utilizing all expenses for the counties divided by all the inmates held in county jails. All 29 counties have participated in the process and have agreed on a rate of \$44.33, to be effective on July 1, 2003. Last year, Corrections contracted with counties at a rate of \$42.32 per day. The new rate is \$2.01 per day higher than last year’s contracted rate. (This core rate is used for both Jail Reimbursement and Jail Contracting.)

**Impacts of the Rate Change**

Under 64-13c-302 (UCA), the costs for jail programs of the state are adjusted annually. The new rate (for FY 2004) will be \$44.33 per bed per day. The impact of this change will be that the State to will not be able to pay for as many days in Jail Contracting with the current funding. The number of beds would need to be reduced to 1,118, unless additional funds are made available. This is a 4.28 percent reduction in beds.

The 2002 Legislature also made Jail Contracting a separate line item. This limits the Department's flexibility to shift funds and consequently its ability to use jail contracting as an inmate management tool. The previous year, (FY 2002), the Department delayed opening a wing of the Gunnison facility and shifted \$2.1 million of the facility funding to jail contracting. Moves like that will not be possible in the future without Legislative approval. Though it is important for the Legislature to be aware of major changes, this reduces the Department's flexibility since the Legislature can only act twice during a budget cycle, once to make the initial appropriation and once during the year to make a supplemental appropriation.

**Background Information**

Up until two years ago, the Department of Corrections was adding 300 to 400 new beds to the system to handle the additional inmates sentenced to State Prison. Jail Contracting was considered more cost effective, in the short term, than construction of additional prison beds since, the state does not have to bond for jail construction. Therefore, the State has annually contracted with local county sheriffs for the housing of State inmates in local jails.

**Program Advantages and Disadvantages**

This program has advantages and disadvantages for both the State and local government. The key advantage for the State is that additional bed space is made available at a minimal additional cost. Inmates could also be closer to friends and family. A disadvantage is that local jails rarely provide the educational, treatment and programming opportunities for inmates to improve their personal situation that the prisons provide.

A key benefit for local government is that they receive additional revenue to assist in the building and maintaining of new and existing jail facilities. Many local governments become dependent on the revenue generated from the renting of jail space to the State and this can cause them financial problems meeting their bond obligations if the State decides to reduce the number of inmates contracted to local governments.

**Performance Data**

<b><u>FY 2000 Jail Data:</u></b>	
Days contracted	336,145
<b><u>FY 2001 Jail Data:</u></b>	
Days contracted	397,640
<b><u>FY 2002 Jail Data:</u></b>	
Days contracted	398,727

**4.0 Additional Information: Jail Contracting**

**4.1 Funding History**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Financing</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated*</b>	<b>Analyst</b>
General Fund	13,923,000		17,181,000	18,086,200	18,086,200
Federal Funds	2,800				
Dedicated Credits Revenue	1,200				
Beginning Nonlapsing			10,200		
Closing Nonlapsing			4,000		
Lapsing Balance	(16,100)				
<b>Total</b>	<b>\$13,910,900</b>	<b>\$0</b>	<b>\$17,195,200</b>	<b>\$18,086,200</b>	<b>\$18,086,200</b>
<b>Programs</b>					
Jail Contracting	13,910,900		17,195,200	18,086,200	18,086,200
<b>Total</b>	<b>\$13,910,900</b>	<b>\$0</b>	<b>\$17,195,200</b>	<b>\$18,086,200</b>	<b>\$18,086,200</b>
<b>Expenditures</b>					
Personal Services	727,500				
In-State Travel	7,700				
Out of State Travel	4,000				
Current Expense	259,800				
DP Current Expense	27,500		31,200	31,000	31,000
Other Charges/Pass Thru	12,884,400		17,164,000	18,055,200	18,055,200
<b>Total</b>	<b>\$13,910,900</b>	<b>\$0</b>	<b>\$17,195,200</b>	<b>\$18,086,200</b>	<b>\$18,086,200</b>
<b>FTE/Other</b>					
Total FTE	14.0	0.0	0.0	0.0	0.0

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.