

Office of the
Legislative Fiscal Analyst

FY 2005 Budget Recommendations

Joint Appropriations Subcommittee for
Executive Offices, Criminal Justice and Legislature

Jail Reimbursement

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

1.0 Summary: Jail Reimbursement

Summary

The Jail Reimbursement Program provides funding to pay the counties a portion of the cost of confining offenders who are sentenced to jail as a condition of probation (and in lieu of a prison sentence). The Legislature has committed in statute to fund jail reimbursement at 70% of core inmate incarceration costs.

	Analyst FY 2005 Base	Analyst FY 2005 Changes	Analyst FY 2005 Total
Financing			
General Fund	8,515,900		8,515,900
Total	<u>\$8,515,900</u>	<u>\$0</u>	<u>\$8,515,900</u>
Programs			
Jail Reimbursement	8,515,900		8,515,900
Total	<u>\$8,515,900</u>	<u>\$0</u>	<u>\$8,515,900</u>

2.0 Issues: Jail Reimbursement

2.1 Jail Reimbursement Core Rate Increase

State statute requires the Legislature to fund 70% of the cost of Jail Reimbursement's "core inmate incarceration costs" – the core rate times the volume of inmate days billed. For FY 2005, Corrections and its local counterparts propose a rate increase of \$2.92 (6.9%). Should the Legislature approve the new rate, the Analyst recommends the Subcommittee place on its priorities list funding to cover that rate increase.

General Fund (tentative)\$579,100

2.2 Jail Reimbursement Growth – Core Rate

In addition to changes in the core rate charged under the Jail Reimbursement Program, the Department of Corrections projects that the number of inmate days billed will grow by 6.7% from FY 2004 to FY 2005. The Analyst recommends the Subcommittee place upon its priorities list funding to cover the core rate component of projected growth in jail reimbursement.

General Fund (tentative)\$604,100

2.3 Jail Reimbursement Growth – Medical and Transportation Rate

On top of the core rate, the Department negotiates with each county separate rates for medical services and transportation. The Department reports that, on average, Medical and Transportation costs equaled \$6.41 per inmate day in FY 2003. Should the Subcommittee approve item 2.2, above, it may also wish to add to its priorities list \$122,300 (100%) or \$85,600 (70%) for the medical and transportation component of jail reimbursement growth.

2.4 Jail Reimbursement Medical and Transportation Base Budget

As noted above, individual counties negotiate medical and transportation rates in addition to the core rate. The Jail Reimbursement Program line-item does not include sufficient funds to cover the total cost of this additional rate. If the Legislature were to include funding for medical and transportation rates in the Jail Reimbursement line item, it would need to adjust this line item by \$1,692,300 for 100% of the cost, or \$1,147,500 for 70% of the cost.

3.0 Jail Reimbursement

Recommendation

The Analyst recommends \$8,515,900 from the General Fund for Jail Reimbursement in FY 2005. This funding level is \$123,600 more than the statutorily required 70% of \$42.32 times 283,294 inmate days projected for FY 2004.

	2003 Actual	2004 Estimated*	2005 Analyst	Est/Analyst Difference
Financing				
General Fund	8,515,900	8,515,900	8,515,900	
Total	<u>\$8,515,900</u>	<u>\$8,515,900</u>	<u>\$8,515,900</u>	<u>\$0</u>
Expenditures				
Other Charges/Pass Thru	8,515,900	8,515,900	8,515,900	
Total	<u>\$8,515,900</u>	<u>\$8,515,900</u>	<u>\$8,515,900</u>	<u>\$0</u>

*Non-state funds as estimated by agency

Purpose

Jail Reimbursement is paid to counties for offenders sentenced to “jail as a condition of probation”. Funding for this program is provided according to a statutorily established funding formula. Utah statute (64-13c-303) states “the Legislature shall fund the total jail reimbursement core inmate incarceration costs at a rate of 70 percent.” The Utah Department of Corrections acts only as a collection and disbursement agent for these funds.

As defined in 64-13c-101 UCA, each fiscal year, a new jail programs core rate is negotiated with the Utah Sheriffs 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 2002. The rate was established 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 \$45.24 per inmate per day, to be effective on July 1, 2004.

Last year, Corrections contracted with counties at a rate of \$42.32 per day. The new rate is \$2.92 per day higher than last year’s contracted rate. The same core rate is used for both Jail Reimbursement and Jail Contracting.

Medical and transportation expenses related to the care and service of the inmates are negotiated separately with each county. These are on top of the jail reimbursement core rate.

Core rate increase would cost additional \$579,100

Corrections estimates that 283,294 jail reimbursement days will be billed in FY 2004. Using this baseline, an increase in the core rate of \$2.92, multiplied by the statutory funding factor of 70%, results in an increased cost of \$579,100. By statute, the new rate must be ratified by the Legislature in an appropriations act.

Should the Legislature approve an increased rate, the Analyst recommends that the Executive Offices and Criminal Justice Appropriations Subcommittee place on its prioritization list \$579,100 for the Jail Reimbursement core rate increase.

Growth in volume would cost between \$564,100 and \$604,100

Beyond the rate increase, Corrections projects that the number of offenders sentenced to jail as a condition of probation will increase 6.7% from 283,294 inmate days in FY 2004 to 302,370 inmate days in FY 2005. The cost of these additional 19,076 increments at the existing core rate would be \$565,100. Should the Legislature authorize the proposed new rate, the cost would be \$604,100.

The Analyst recommends the Subcommittee add to its priorities list \$604,100 for Jail Reimbursement growth at the new core reimbursement rate.

Growth related medical costs an additional factor

As noted above, in addition to the core rate, Corrections negotiates with each county a rate for medical and transportation costs of probationers sentenced to jail and felons housed in county facilities. (A list of the rates for each county can be found on the following page.) The weighted average cost of these medical and transportation rates (jail contracting and reimbursement combined) is \$6.41 per inmate day.

Given a projected increase of 19,067 inmate days for FY 2005, 70% of the annual cost of growth related Jail Reimbursement medical and transportation services would be \$85,600. Should the subcommittee provide funding for Jail Reimbursement growth, it may wish to also add this amount to its priorities list. (Note: 100% if the annual cost of growth related Jail Reimbursement medical and dental rates would be \$122,300.)

Medical and transportation costs are not in base, and are not statutorily mandated

The current base budget for the Jail Reimbursement line item does not contain sufficient appropriations to pay the medical and dental rate as established by Corrections and the counties. At the same time, the Department is not statutorily required to pay these costs.

Funding medical and transportation costs at 100% of the established rate in this line item would require an additional \$1,692,300. Funding the medical and transportation core at 70% of the established rate would require an additional \$1,147,500.

The Legislature has at least four options in this regard. First, the Legislature could provide an appropriation from new revenue. Second, savings noted in the Corrections Programs and Operations budget analysis might be transferred to the Jail Reimbursement line item. Third, as recommended in a November 17, 2003 medical services report by Jacqueline Moore and Associates, the medical piece of this rate could be combined with the Bureau of Clinical Services and Gunnison medical budgets and managed centrally. Finally, Legislators could decide to do nothing, leaving Corrections and the Counties to manage the program as they have in the past.

**Medical and Transportation Costs by County
for the Jail Contracting and Reimbursement Programs
FY 2003**

	Medical Rate	Transp Rate	Total Rate	Reimb. Count	Reimb. Cost	Contract Count	Contract Cost	Total Count	Total Cost
Beaver	\$7.22	\$0.00	\$7.22	6.2	\$45	164.0	\$1,184	170.2	\$1,229
Box Elder	\$2.35	\$1.86	\$4.21	24.6	\$104	40.0	\$168	64.6	\$272
Cache	\$0.47	\$0.70	\$1.17	24.2	\$28	3.0	\$4	27.2	\$32
Carbon	\$5.10	\$0.00	\$5.10	4.7	\$24	5.0	\$26	9.7	\$49
Daggett	\$1.17	\$0.49	\$1.66	0.3	\$0	68.0	\$113	68.3	\$113
Davis	\$4.65	\$2.57	\$7.22	129.4	\$934	6.0	\$43	135.4	\$978
Duchesne	\$4.53	\$1.39	\$5.92	10.1	\$60	136.0	\$805	146.1	\$865
Emery	\$3.51	\$6.54	\$10.05	7.2	\$72	0.0	\$0	7.2	\$72
Garfield	\$8.07	\$0.00	\$8.07	2.1	\$17	88.0	\$710	90.1	\$727
Grand	\$3.21	\$1.16	\$4.37	2.1	\$9	11.0	\$48	13.1	\$57
Iron	\$1.36	\$0.29	\$1.65	13.3	\$22	0.0	\$0	13.3	\$22
Juab	\$1.81	\$0.33	\$2.14	4.8	\$10	0.0	\$0	4.8	\$10
Kane	\$2.08	\$0.00	\$2.08	1.0	\$2	9.0	\$19	10.0	\$21
Millard	\$9.45	\$0.00	\$9.45	8.4	\$79	61.0	\$576	69.4	\$656
Morgan	\$0.00	\$0.00	\$0.00	0.5	\$0	0.0	\$0	0.5	\$0
Piute	\$0.00	\$0.00	\$0.00	0.0	\$0	0.0	\$0	0.0	\$0
Rich	\$2.99	\$2.84	\$5.83	0.7	\$4	0.0	\$0	0.7	\$4
Salt Lake	\$13.69	\$2.24	\$15.93	125.3	\$1,996	0.0	\$0	125.3	\$1,996
San Juan	\$0.50	\$0.47	\$0.97	7.7	\$7	60.0	\$58	67.7	\$66
Sanpete	\$2.13	\$6.43	\$8.56	2.2	\$19	0.0	\$0	2.2	\$19
Sevier	\$7.55	\$0.86	\$8.41	11.6	\$98	65.0	\$547	76.6	\$644
Summit	\$1.27	\$0.00	\$1.27	0.2	\$0	15.0	\$19	15.2	\$19
Tooele	\$2.87	\$0.57	\$3.44	12.3	\$42	0.0	\$0	12.3	\$42
Uintah	\$2.04	\$6.92	\$8.96	9.3	\$83	25.0	\$224	34.3	\$307
Utah	\$2.90	\$2.13	\$5.03	124.5	\$626	0.0	\$0	124.5	\$626
Wasatch	\$1.34	\$0.50	\$1.84	11.8	\$22	48.0	\$88	59.8	\$110
Washginton	\$3.38	\$0.07	\$3.45	12.2	\$42	190.0	\$656	202.2	\$698
Wayne	\$0.00	\$0.00	\$0.00	0.0	\$0	0.0	\$0	0.0	\$0
Weber	\$4.83	\$2.41	\$7.24	210.0	\$1,520	165.0	\$1,195	375.0	\$2,715
Total				766.7	\$5,868	1,159.0	\$6,483	1,925.7	\$12,350
Average	\$3.46	\$1.41	\$4.87						
Weighted Ave					\$7.65		\$5.59		\$6.41

4.0 Additional Information: Jail Reimbursement

4.1 Funding History

	2001	2002	2003	2004	2005
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	7,261,000	7,760,600	8,515,900	8,515,900	8,515,900
Total	\$7,261,000	\$7,760,600	\$8,515,900	\$8,515,900	\$8,515,900
Programs					
Jail Reimbursement	7,261,000	7,760,600	8,515,900	8,515,900	8,515,900
Total	\$7,261,000	\$7,760,600	\$8,515,900	\$8,515,900	\$8,515,900
Expenditures					
Other Charges/Pass Thru	7,261,000	7,760,600	8,515,900	8,515,900	8,515,900
Total	\$7,261,000	\$7,760,600	\$8,515,900	\$8,515,900	\$8,515,900

*Non-state funds as estimated by agency.