

# 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 jails 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.

### *JR Funding*

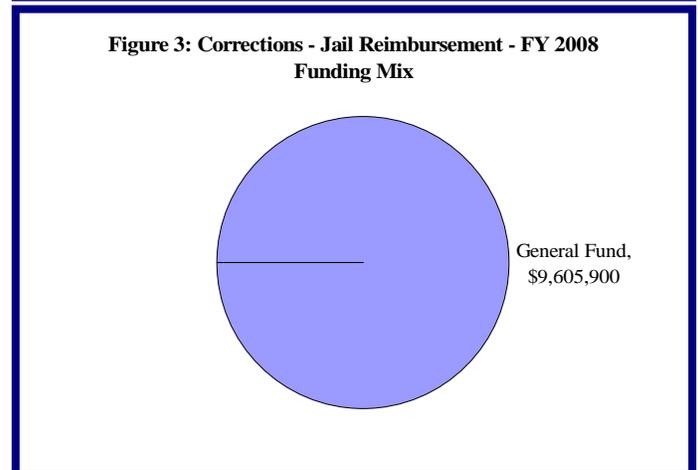
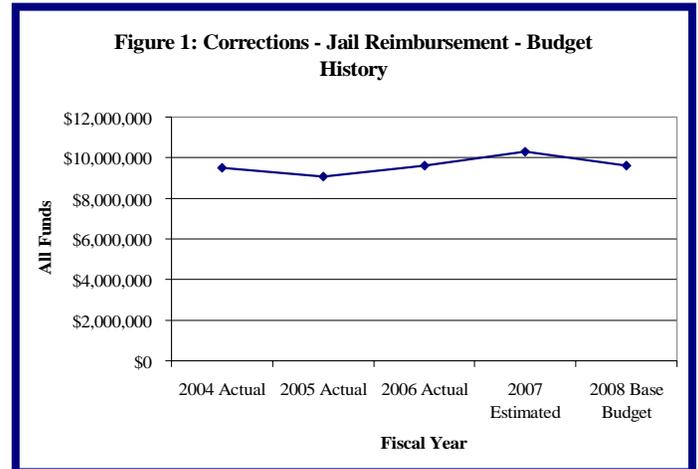
UCA 64-13c-301 requires the UDC to administer the JR program. All appropriated funds must be used for reimbursing counties for qualified inmates. The UDC cannot use funds for administrative costs or jail contracts. According to UCA 64-13c-303, (1) The Legislature shall fund the total jail reimbursement core inmate incarceration costs at the rate of 70%. The Legislature has not funded the core rate increase for the past few years that has been recommended by the statutorily established core rate committee.

The UDC is not authorized to spend more funds than the Legislature has allocated to the program—resulting in funding below 70 percent of the core rate per bed day billed. However, the Legislature approved appropriations based on bed day projections, prepared over 18 months in advance of the fiscal year, from the Department of Corrections. The following table compares the number of bed days for which appropriations were based and the actual bed days billed. The differences between projected and actual bed days in the last few years have been substantial and resulted in a JR program shortage.

Fiscal Year	Projected Bed Days*	Actual Bed Days	Difference
FY03	247,446	279,890	32,444
FY04	282,262	290,175	7,913
FY05	302,370	384,840	82,470
FY06	324,261	399,174	74,913

\* Numbers used by the Legislature when considering JR appropriations.

For your information, the following table details costs based on actual bed days, the Legislative appropriation amount, and the percentage of cost paid. Funding has usually been substantially over or under the actual 70 percent threshold established in statute. In the last three years, actual funding has averaged 57 percent of the core rate due to increasing bed day billings as noted in the JR Bed Day Growth Table on page 2.



**JR Bed Day Growth**

	# Bed Days * 70% Core Rate	Legislative Appropriation	Difference Over/(Under)	Actual Funding %-- UCA 64-13c-303(1) Specifies 70% Rate
FY2000	\$ 5,364,289	\$ 7,433,700	\$ 2,069,411	97.0%*
FY2001	\$ 7,462,728	\$ 7,261,000	\$ (201,728)	68.1%
FY2002	\$ 7,123,541	\$ 7,760,600	\$ 637,060	76.3%
FY2003	\$ 8,290,342	\$ 8,515,900	\$ 225,558	71.9%
FY2004	\$ 8,594,984	\$ 9,515,900	\$ 920,917	77.5%
FY2005	\$ 11,398,961	\$ 9,081,000	\$ (2,317,961)	55.8%
FY2006	\$ 11,876,761	\$ 9,605,900	\$ (2,270,861)	56.6%
FY2007	\$ 12,589,367	\$ 10,315,900	\$ (2,273,467)	57.4%

\* JR Rate Was Paid @ the 80% Level in FY 2000.

**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.

Due to the passage of Senate Bill 50 in the 2006 General Session, the Core Rate Committee included capital infrastructure depreciation costs as a part of their Core Rate recommendation for FY 2008. The Core Rate Committee recommended a new core rate of \$49.15 or an increase of \$6.83 per bed day — of which \$3.43 consists of capital depreciation costs and the remaining \$3.40 for inflation-based increases. The FY 2008 Core Rate recommendation represents a 16 percent increase to the current Core Rate of \$42.32. The proposed core rate increase would yield a Jail Reimbursement rate of \$34.41 from the current \$29.62 per bed day. The Core Rate would be \$45.72 if only inflationary increases were approved by the Legislature.

As noted above, the JR and JC programs are tied to the same core rate and, therefore, any increase for Jail Reimbursement will automatically and significantly increase Jail Contracting costs. For example, if the Core Rate was increased to \$49.15 as recommended above, an additional \$3,380,000 would be necessary for Jail Contracting in addition to the \$3,077,000 increase required to fund Jail Reimbursement in FY 2008.

At present, Counties seem to have little or no problems with the Jail Contracting program because funding covers all of their contracted beds. It appears that Jail Reimbursement is the primary source of tension between the Legislature and the Counties regarding qualified inmate incarcerations.

**Accountability Detail**

No accountability data has been supplied by the Department. The Department of Corrections simply pays the JR funding to Counties that is appropriated until the funds are gone and in accordance to UCA 64-13c-303.

**BUDGET DETAIL*****Budget Increase Recommendation***

Jail Reimbursement cost estimates project bed days to increase in FY 2008. As noted above, the funding has fallen short of the 70% target typically because of low bed day estimates. Because FY 2007 Jail Reimbursement funding is projected to be short, the UDC has asked the Legislature for supplemental funding in the upcoming General Session in the amount of \$1,982,236. Based on bed day growth projections for FY 2008, the UDC had submitted a building block request for \$3,184,200 to cover the actual bed days plus a 4% increase in projected bed days.

The Analyst recommends a building block of \$2,188,900 in FY 2008 to reach the 70 percent requirement and an additional \$417,800 for projected growth for a building block total of \$2,660,700. The Jail Reimbursement Issue Brief gives a summary of the issues regarding Jail Contracting and Jail Reimbursement as detailed in the Legislative Fiscal Analyst Report titled *Jail Reimbursement—History, Statutory Requirements, Comparisons with other States, Trends, and Funding Alternatives*.

***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. The Analyst recommends the Legislature consider a base budget for Jail Reimbursement of \$9,605,900.
2. The Analyst recommends consideration of \$2,660,700 in ongoing GF for the JR Program.
3. Consider approving the intent language granting nonlapsing status to this line item.

**BUDGET DETAIL TABLE**

Corrections - Jail Reimbursement						
Sources of Finance	FY 2006 Actual	FY 2007 Appropriated	Changes	FY 2007 Revised	Changes	FY 2008* Base Budget
General Fund	9,605,900	9,605,900	0	9,605,900	0	9,605,900
General Fund, One-time	0	710,000	0	710,000	(710,000)	0
<b>Total</b>	<b>\$9,605,900</b>	<b>\$10,315,900</b>	<b>\$0</b>	<b>\$10,315,900</b>	<b>(\$710,000)</b>	<b>\$9,605,900</b>
<b>Programs</b>						
Jail Reimbursement	9,605,900	10,315,900	0	10,315,900	(710,000)	9,605,900
<b>Total</b>	<b>\$9,605,900</b>	<b>\$10,315,900</b>	<b>\$0</b>	<b>\$10,315,900</b>	<b>(\$710,000)</b>	<b>\$9,605,900</b>
<b>Categories of Expenditure</b>						
Other Charges/Pass Thru	9,605,900	10,315,900	0	10,315,900	(710,000)	9,605,900
<b>Total</b>	<b>\$9,605,900</b>	<b>\$10,315,900</b>	<b>\$0</b>	<b>\$10,315,900</b>	<b>(\$710,000)</b>	<b>\$9,605,900</b>

\*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.