

**State Inmate Cost Study for Calendar Year 2020**  
**Executive Summary**

**Introduction**

This report is being issued in compliance with Section 37 of Act 870 of the 2021 General Session which requires the Association of Arkansas Counties to compile and submit a Local Government Inmate Cost Report to the Arkansas Legislative Council. The report demonstrates the costs incurred by county governments housing state inmates. The special language of the aforementioned sections is as follows:

*Each calendar year, the Association of Arkansas Counties shall compile and submit a report to the Arkansas Legislative Council, of all costs incurred, excluding construction costs, by local government units housing inmates sentenced to the Department of Correction – Division of Correction and Community Correction. The cost report shall be a representative sample of all counties housing and caring for state inmates. The report shall be submitted no later than July 1 of the calendar year immediately following the reporting year.*

*The Association of Arkansas Counties in coordination with Legislative Audit shall determine which counties will be included in the sample and shall include a sufficient number of counties from each classification based upon population and each congressional district to ensure a fair presentation of costs incurred. Guidelines for preparing this cost report shall be developed by the Division of Legislative Audit in coordination with the Association of Arkansas Counties. The Division of Legislative Audit shall test the accuracy of the information submitted during the routine audit of the applicable county.*

*The provisions of this section shall be in effect only from July 1, 2021 through June 30, 2022.*

Due to insufficient bed space for state prisoners, the county jails of Arkansas are often used to house state prisoners until space becomes available in state prison facilities. The State of Arkansas assumes the cost of housing these inmates when they have been convicted by the Arkansas court system. In fact, the reimbursement calculation begins on the date of sentencing if the judgment and commitment order is received by the Department of Correction not later than twenty-one (21) days from the sentencing date - or in the case of the Department of Community Correction if the judgment and commitment order or the judgment and disposition order, whichever is applicable, is received not later than twenty-one (21) days from either the date of sentencing or the date of placement on probation accompanied with incarceration. If the proper paperwork is not remitted to the applicable state agency within the first twenty-one (21) days after sentencing the reimbursement is started from the day that the paperwork is received by the agency. We feel that this is an acceptable rule. An onus for an elected official to act and perform in a timely manner is reasonable. [Reference: ACA 12-27-114]

The Arkansas State Legislature in recent years has appropriated in excess of \$10 million per year for County Jail Reimbursement. This amount has historically been insufficient by several million dollars which necessitates a supplemental appropriation by the legislature when they convene in order to catch up and fulfill their duty in paying counties for housing state prisoners. Beginning

in 2013 we have found a trend of rapid increase in numbers of state prisoners housed in county facilities, largely due to the fact that parole revocations have increased in frequency. In 2019, more than 1,500 state prisoners were being housed in county facilities. This is a notable improvement of over 2,800 state prisoners as recent as 2015. Counties saw a down-swing in state prisoners due to COVID-19, and around the time of this report, approximately 1,100 state prisoners were being housed in county jails.

The State of Arkansas pays county government a daily per diem of \$32/day, increased from \$30/day in 2020, for housing state inmates from the date of sentencing, if the proper paperwork is filed in a timely manner. However, the audited results of this study in recent years show actual costs averaging from \$50 - \$70/day among the counties sampled. The results indicate that the counties are still shouldering a substantial financial burden that is not being completely met by the current reimbursement rate.

**Objective**

Our objective was to comply with Section 37, Act 870 of 2021 and secure a representation sample of the cost for housing state inmates in the county jails of Arkansas.

**Scope and Methodology**

The "cost report" was conducted for the time period January 1, 2020 through December 31, 2020 since Arkansas county government operates on a calendar year. Guidelines for preparing the cost report were developed by the Division of Legislative Audit in coordination with the Association of Arkansas Counties. The guidelines are very similar to the guidelines developed several years ago by the Division of Legislative Audit and the Department of Correction to ascertain the same type of information. We have included a copy of the guidelines and instructions for the Inmate Cost Report in this report to the Arkansas Legislative Council.

The law required that a sufficient number of counties from each population classification and each congressional district be included to ensure a fair representation of costs incurred. The State of Arkansas has divided the counties of Arkansas into 7 population classifications with Class 1 being the smallest and Class 7 being the largest. There are eleven (11) Class 1 counties with populations up to 9,999; twenty-seven (27) Class 2 counties with populations of 10,000 to 19,999; fifteen (15) Class 3 counties with populations of 20,000 to 29,999; eight (8) Class 4 counties with populations of 30,000 to 49,999; four (4) Class 5 counties with populations of 50,000 to 69,999; seven (7) Class 6 counties with populations of 70,000 to 199,999; and three (3) Class 7 counties - 200,000 population and above. Among the congressional districts, District 4 is the largest in land area and the number of counties - followed closely by District 1. Districts 2 and 3 are much smaller in land mass and the number of counties per district.

The Association of Arkansas Counties in coordination with the Division of Legislative Audit chose the following fifteen (15) counties from which to secure data:

<u>COUNTY</u>	<u>CLASS</u>	<u>CONGRESSIONAL DISTRICT</u>
Baxter	4	1
Carroll	3	3
Clay	2	1

Cleburne	3	1
Crawford	5	3/4
Howard	2	4
Independence	4	1
Jefferson	6	4
Lafayette	1	4
Lonoke	5	1
Miller	4	4
Polk	3	4
Pulaski	7	2
Washington	7	3
White	6	2

We believe that this cost report, comprised of information from fifteen (15) counties, is a fair representation sample of all counties housing and caring for state inmates. All counties in the list submitted useful information.

**Prisoner Care Reimbursement Request Procedure**

In accordance with state law, in the first week of each month the Department of Correction and the Department of Community Correction prepares an invoice for each inmate received from a county during the previous month. The invoice reflects the number of days an inmate was in the county jail in an awaiting-bed-space status. The Department of Correction and the Department of Community Correction verifies and forwards the invoices to the applicable county sheriff to certify the actual number of days the state inmates were physically housed in the county jail. The certified invoices are then returned to the Department of Correction and the Department of Community Correction for payment from the County Jail Reimbursement Fund.

This method and system for reimbursement was developed through legislation in 2003.

**Per Diem**

The current rate of reimbursement to the counties of Arkansas for housing state prisoners is \$32.00 per prisoner per day. This amount includes care, custody, treatment, and transportation of prisoners.

**Per Diem History**

Act 737 of 1981 provided for reimbursements to Arkansas counties for housing state inmates until adequate space become available at the Arkansas Department of Correction (ADC). This initial Act provided appropriation and supplemental funding, not to exceed a cumulative reimbursement total of \$100,000 for each years of the 1982-1983 biennium. This Act also stated that the rate paid to counties could be between \$8 per day for that biennium based on both the amount of money available for distribution and an estimate of the number of inmates that would be held by the counties during that year. It was an arbitrary number based more on the amount of money appropriated than on actual costs. The legislation also stipulated that reimbursement requests exceeding the appropriated funding would receive priority payment against funds of the year immediately following that fiscal year. ADC continues to employ this method to pay invoices carried forward from a previous fiscal year.

In 1985, the Board of Corrections began using varying rates for reimbursements, according to costs submitted by each county, up to a maximum of \$18 per day. This procedure continued until 1991 when the reimbursement rate per prisoner per day was increased to \$25 for local governments. The reimbursement rate was raised to \$28 per prisoner per day, effective July 1, 2001, with the new rate to include care, custody, treatment, and transportation of state prisoners. \$28 was the reimbursement rate for 14 years, until the Governor approved an increase to \$30 per prisoner per day, effective for the fiscal year 2015, then approved another increase in 2020 to the current rate of \$32/day.

# Arkansas

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**Roger A. Norman, JD, CPA, CFE, CFF**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

September 27, 2021

Senator Terry Rice, Co-Chair  
Representative Jeff Wardlaw, Co-Chair  
Arkansas Legislative Council  
One Capitol Mall, 5<sup>th</sup> Floor  
Little Rock, AR 72201

Senator Rice and Representative Wardlaw:

Section 37 of Act 870 of 2021 required the Association of Arkansas Counties to compile and submit a Local Government Inmate Cost Report to the Arkansas Legislative Council demonstrating the costs incurred by selected county governments housing state inmates. This section also requires Arkansas Legislative Audit to test the accuracy of the information submitted. Attached for your review is a listing by county of the State Inmate Cost Per Day reported by the Association of Arkansas Counties and the State Inmate Cost Per Day verified by Arkansas Legislative Audit.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in blue ink, appearing to read "R. Norman", written over the printed name below.

Roger A. Norman, J.D., CPA, CFE  
Legislative Auditor

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INMATE COST REPORT - 2020  
COMPARISON OF COST PER DAY REPORTED AND VERIFIED

COUNTY	Cost per Day Reported	Cost per Day Verified	Difference
Pulaski	\$ 69.69	\$ 71.59	\$ 1.90
Baxter	\$ 75.25	\$ 63.49	\$ (11.76)
Carroll	\$ 45.18	\$ 63.86	\$ 18.68
Clay	\$ 70.07	\$ 68.51	\$ (1.56)
Cleburne	\$ 79.88	\$ 83.24	\$ 3.36
Crawford	\$ 895.33	\$ 46.15	\$ (849.18)
Howard	\$ 84.96	\$ 79.56	\$ (5.40)
Independence	\$ 97.02	\$ 66.85	\$ (30.17)
Jefferson	\$ 47.72	\$ 41.49	\$ (6.23)
Lafayette	\$ 2,079.45	\$ 66.71	\$ (2,012.74)
Lonoke	\$ 33.52	\$ 35.02	\$ 1.50 Low
* Miller	\$ 98.86	\$ 66.13	\$ (32.73)
Polk	\$ 53.93	\$ 63.20	\$ 9.27
Washington	\$ 96.34	\$ 94.68	\$ (1.66) High
White	\$ 45.41	\$ 45.67	\$ 0.26
average	\$ 258.17	\$ 63.74	\$ (194.43)
average without high and low (as verified)	\$ 287.90	\$ 63.57	\$ (224.33)
Average without high low as verified and * Miller County (total Inmate days and state inmate days could not be verified.)	\$ 303.66	\$ 63.36	\$ (240.30)