

**Joint Legislative Committee on Performance
Evaluation and Expenditure Review (PEER)**

Report to
the Mississippi Legislature



2002 Cost Analysis of Housing Inmates in Regional Correctional Facilities

Senate Bill 3163, Regular Session 2002, mandated that the PEER Committee conduct a cost analysis to determine the necessary per diem, per inmate cost at the state's regional facilities and establish a breakeven point for each facility. The average breakeven point for all facilities was 191. Currently, the Inmate Housing Agreement between the Department of Corrections and the regional facilities guarantees 200 inmates.

For the period reviewed (October 1, 2001, through June 30, 2002), PEER found \$541,440 in costs that, if eliminated, would reduce the number of inmates required to break even at eight of the nine regional facilities. PEER determined that \$243,940 in attorneys' salaries and fees; \$158,400 in program and accreditation fees; and \$139,100 in payments to county sheriffs were above the reasonable level. With these costs removed, the regional facilities have an inmate breakeven point averaging 186.

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The Mississippi Legislature

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December 3, 2002

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Members of the Mississippi State Legislature

On December 3, 2002, the PEER Committee authorized release of the report entitled **2002 Cost Analysis of Housing Inmates in Regional Correctional Facilities.**



Senator William Canon, Chairman

This report does not recommend increased funding or additional staff.

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2002 Cost Analysis of Housing Inmates in Regional Correctional Facilities

Executive Summary

Introduction

Senate Bill 3163, Regular Session 2002, mandated that the PEER Committee conduct a cost analysis to determine the necessary per diem, per inmate cost at the state's regional facilities and establish a breakeven point for each facility.

Analysis of Cost of Housing State Inmates in Regional Correctional Facilities

PEER found that the number of inmates guaranteed by the MDOC Inmate Housing Agreement (200) exceeds the breakeven point associated with housing state inmates in six of the nine regional facilities reviewed. The three facilities with breakeven points above 200 (Carroll-Montgomery, Issaquena, and Jefferson-Franklin) have negative cash flows when they only house the guaranteed minimum of 200 state inmates.

PEER identified \$541,440 in costs that, if eliminated, would reduce the number of inmates required to break even at eight of the nine regional facilities. PEER determined that \$243,940 in attorneys' salaries and fees; \$158,400 in program and accreditation fees; and \$139,100 in payments to county sheriffs were above the reasonable level.

With these costs removed, the regional facilities have an inmate breakeven point averaging 186, which is below the number currently guaranteed in the Inmate Housing Agreement (200).

Regional Facility Costs for Housing Non-State Inmates

None of the nine regional facilities reviewed received sufficient per diems from local government entities to reach the breakeven point for housing non-state inmates. Regional facilities use revenues generated from housing state inmates to defray the costs of housing non-state inmates.

Recommendations

Designation of Chief Corrections Officer

The Legislature should amend MISS. CODE ANN. Section 47-5-935 to allow counties to designate a regional facility's warden as Chief Corrections Officer, without additional compensation for performing these duties. The Legislature should amend the section to delete the requirement that sheriffs receive \$15,600 compensation for duties as Chief Corrections Officer.

If the warden is designated as Chief Corrections Officer, the Legislature should amend MISS. CODE ANN. §47-5-937 to allow the warden to hire legal counsel for the regional facility, with the legal counsel contract term not to exceed the term of the sitting board of supervisors.

Local Government Per Diem

Regional correctional facilities should increase per diems of local government entities at least to the level of the state's first year per diem amount of \$24.90 at the time contracts with local government entities are renewed or new agreements are reached with local government entities.

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2002 Cost Analysis of Housing Inmates in Regional Correctional Facilities

Introduction

Authority

Senate Bill 3163, Regular Session 2002, mandated that the PEER Committee conduct a cost analysis to determine the necessary per diem, per inmate cost at the state's regional facilities and establish a breakeven point for each facility.

Purpose and Scope

PEER sought to determine each facility's breakeven point and associated cost per inmate day for state inmates and non-state inmates by examining each facility's financial records. PEER also eliminated any costs beyond the amount PEER determined to be reasonable in determining each facility's necessary per diem.

PEER reviewed the financial records of the nine regional facilities that were in full operation for the period October 1, 2001, through June 30, 2002. PEER did not determine the per diem, per inmate cost or breakeven point for the Bolivar County Correctional Facility and the George County Regional Correctional Facility.

The Bolivar County Correctional Facility was heavily damaged by a tornado in November 2001 and closed for repairs. The inmates from the Bolivar County Correctional Facility were distributed to other facilities, including the other nine facilities in operation at that time. Each of the nine operating regional facilities received approximately seventeen state inmates as a result of the temporary closing of the Bolivar County Correctional Facility. The receipt of these "extra" seventeen inmates resulted in each of the nine operating facilities having approximately 2,600 additional state prisoner days and additional revenue (dependent on each facility's per diem) than what would result from normal operation. However, the additional state inmates' impact on the facilities'

breakeven point was less than one inmate. The Bolivar County facility reopened in June 2002.

The George County Regional Correctional Facility opened May 10, 2002. In PEER's opinion, this facility did not have a sufficient financial operating history (May 10, 2002, through June 30, 2002) to determine a representative cost per inmate day or breakeven point. Accordingly, PEER gathered general information regarding the George County Regional Correctional Facility for presentation in Appendix A, page 28, but did not determine the cost per inmate day or breakeven point for this facility.

Method

To determine the necessary per diem, per inmate costs associated with housing state inmates and to translate those costs into a daily census, PEER conducted the analysis in three steps.

Process for Analyzing Costs of Housing Inmates

- **Step One:** Determine the level of operations at which each regional correctional facility's revenues and costs are equal (i.e., *breakeven point*, discussed below) based on analysis of actual costs of housing state inmates. For the nine regional facilities examined, PEER used actual costs for October 1, 2001, the beginning of the fiscal year for the facilities, through June 30, 2002, which represents the most recent cost information and inmate population for the facilities at the time of PEER's review.

Since each facility's per diem increased during PEER's review period of October 1, 2001, through June 30, 2002, a *weighted average per diem* was calculated for presentation in this report. The weighted average per diem is impacted by the date the per diem increased and the number of inmates housed at the facility before and after the per diem increase.

- **Step Two:** Identify any unnecessary costs and re-compute the breakeven analysis using the adjusted values.
- **Step Three:** Compute the breakeven point and cost per day for non-state inmates. These calculations are intended to determine the non-state inmate census necessary to support non-state-related expenses given each facility's per diem for non-state entities.

Definitions Used in Cost Analysis

PEER's report of this cost analysis contains several critical definitions and assumptions, including *breakeven point* and *fixed and variable costs*.

Breakeven Point

The *breakeven point* is the point at which a correctional facility's revenues are equal to the costs incurred to house the inmates.

The *breakeven point* is the level of operations at which a facility's revenues and costs are equal. At the breakeven point, the facility neither makes a profit nor incurs a loss. In this analysis, "revenues" are any funds received by a facility for the housing and care of inmates and other revenues such as interest earned. The breakeven point is the point at which these revenues are equal to the costs incurred to house the inmates.

Fixed and Variable Costs

A *fixed cost* remains unchanged over a relevant range of volume. *Variable costs* change in proportion to changes in volume.

For the purposes of this study, a cost is classified as either fixed or variable. A *fixed cost* remains unchanged over a relevant range of volume. For example, debt service is a fixed cost and remains the same whether a regional facility houses 150 state inmates or 250 state inmates. However, the decision to increase the number of state inmates to 500 at a facility would require additional facilities to be constructed, which would require new debt to finance the additional facilities. The new debt would represent additional fixed costs.

Variable costs change in proportion to changes in volume. For example, food costs fluctuate with the number of inmates housed at a facility.

Cost Allocation

To determine the cost per diem of housing inmates at regional correctional facilities, PEER categorized costs into six components and allocated them on the basis of the ratio of state inmate days (i.e., the sum of daily censuses for a specified period) to non-state inmate days or the ratio of square footage for state inmates and non-state inmates. The categories of cost allocation are:

- **Housing and Visitation**--includes correctional officer salaries and benefits, commodities, and occupancy costs, such as utilities. PEER allocated correctional officer salaries and benefits and commodities by inmate days and allocated occupancy costs by square footage.
- **Program and Treatment Costs**--includes the cost of providing educational, religious, and drug and alcohol rehabilitation

courses to inmates. MISS. CODE ANN. §47-5-931 requires each facility to be designed, constructed, operated, and maintained in accordance with American Correctional Association (ACA) standards. This category also includes the cost of hiring consultants to help facilities obtain and maintain accreditation from the ACA. PEER assigned all educational and treatment program costs and ACA consultant costs to state inmates, because programs are not offered to non-state inmates and the state mandates compliance with ACA standards.

- **Food Service**--includes the cost of the food purchased for inmates, salaries of kitchen personnel, and kitchen supplies. PEER allocated food service costs based on the ratio of state inmate meals served to non-state inmate meals served except at the Carroll-Montgomery and Marion-Walthall facilities, which opted to use inmate days for allocation purposes.¹
- **Medical Services**--includes the unreimbursed cost of providing a nurse, medical supplies, and medical services to inmates. MDOC reimburses each regional facility a pro rata share of the nurse's salary, medical supplies, and medical services based on inmate days.

In PEER's 2001 report, "*Cost Analysis of Housing State Inmates in Regional and Private Correctional Facilities*," PEER did not allocate medical expenses for housing state inmates because MISS. CODE ANN. §47-5-933 specifies that the state has responsibility for the medical care of state offenders. However, during the 2002 review, PEER found the state's share of medical expenses based solely on inmate days exceeded the MDOC reimbursement amount due to disputed claims and timing differences. The regional facilities must pay any medical expenses not reimbursed by the state.

- **Administrative Costs**--includes personnel costs other than correctional officers (e.g., personnel costs of the regional facility warden, office staff, and attorney fees). Also included are costs for supporting the administrative function, such as telephone, office supplies, and document duplication. PEER allocated administrative costs on the basis of inmate days.
- **Debt Service**--includes the cost of repaying bonds issued to build a facility. Each regional facility's inmate housing agreement with the Mississippi Department of Corrections (MDOC) states that the bonds are payable by the county only from the revenues of the facility. Revenues are derived from the state, counties, municipalities, and the federal government, if the facility houses federal inmates. PEER allocated debt service based on square footage.

¹ PEER allowed facilities the choice of allocating food service costs on the basis of the ratio of state inmate days to non-state inmate days or the ratio of meals served to state inmates to meals served to non-state inmates. Due to differences in recordkeeping methods, some facilities preferred food service costs to be allocated on the ratio of state inmate days to non-state inmate days. PEER determined that each allocation method yielded acceptable results in determining food service costs.

Background: Regional Correctional Facilities

In the 1990s, the Legislature authorized establishment of private and regional correctional facilities to expedite the availability of inmate beds to meet projected needs.

Each regional facility receives an annual per diem increase of 3%. This would result in a per diem of \$43.66 in the twentieth year of operation.

Some counties have revenue pledges in their bond covenants, which would make repeal or amendment of the 3% annual increase problematic.

Historically, felons committed to the custody of the state were placed in state-owned facilities operated by MDOC. By 1994, the state had established three state correctional facilities, along with several work and restitution centers for non-violent offenders.

In response to an increasing inmate population and truth-in-sentencing legislation passed in the 1990s, the Legislature authorized establishment of private and locally owned regional correctional facilities to expedite the availability of inmate beds to meet projected needs. Exhibit 1, page 6, shows the location of the three state correctional facilities, the eleven regional facilities, and the five private facilities.²

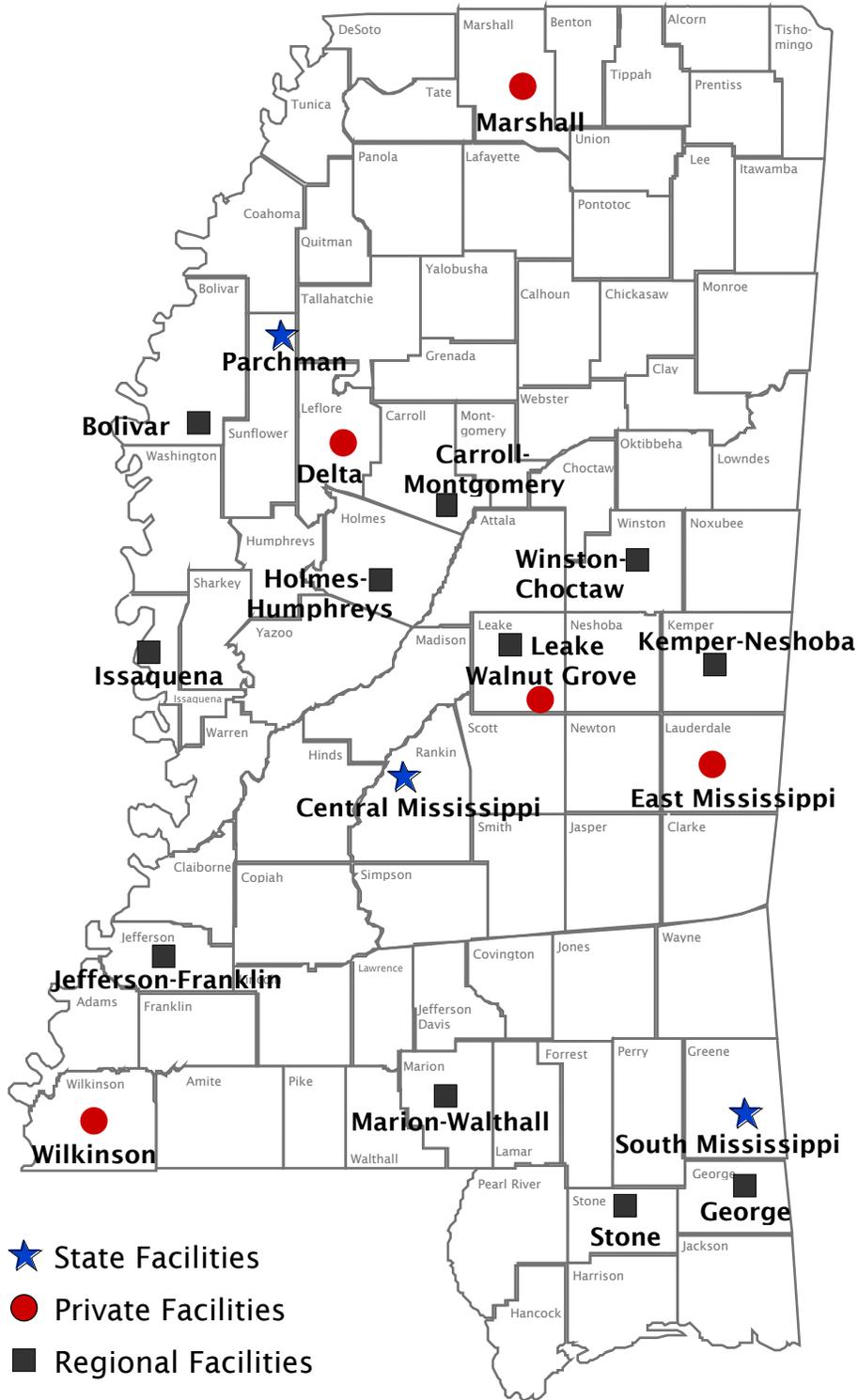
In 1995, the Legislature authorized the creation of county-owned regional correctional facilities, which would be allowed to house up to 250 medium-security state inmates each. (See Appendix A, page 28, for total prisoner capacity at each facility.) MISS. CODE ANN. Sections 47-5-931 through 47-5-938 authorized selected counties to establish regional correctional facilities jointly and also established a per inmate per diem of \$24.90 to be paid to each regional facility during its first year of operation. Per MISS. CODE ANN. § 47-5-933, each regional facility receives an annual per diem increase of three percent, beginning on the first anniversary of the facility's opening and continuing on each anniversary thereafter. This would result in a per diem of \$43.66 in the twentieth year of operation.

Should the Legislature choose to change this annual increase amount, some counties would be in violation of bond covenants. Some counties had issued revenue bonds to pay for construction of the prisons. Included in the bond covenants for these bonds was the pledge of revenues provided for in this section. This would make repeal or amendment of the 3% annual increase problematic for these counties.

In addition to state inmates, regional facilities also house inmates from cities and counties that enter into agreements with the regional facility and possibly also federal inmates through agreements with the federal government, with the number of beds available for non-state inmates ranging from 60 to 147 per regional facility. Exhibit 2, page 7, shows the eleven regional facilities, their opening dates, and the individual facility per diem as of June 30, 2002.

² At the time of this report, only four of the private facilities were operational. Delta Correctional Facility closed in September 2002.

Exhibit 1: Mississippi's State, Regional and Private Correctional Facilities (As of July 1, 2002)



SOURCE: MDOC, regional, and private facility information.

Exhibit 2: Regional Correctional Facilities in Operation and Per Diem as of June 30, 2002

<u>Facility Name</u>	<u>Date Opened</u>	<u>Per Diem (June 30, 2002)</u>
Issaquena County Correctional Facility	March 1997	\$28.87
Jefferson-Franklin County Correctional Facility	May 1997	\$28.87
Leake County Correctional Facility	October 1998	\$27.21
Marion-Walthall County Correctional Facility	March 1999	\$27.21
Winston-Choctaw County Correctional Facility	March 1999	\$27.21
Carroll-Montgomery County Correctional Facility	May 1999	\$27.21
Bolivar County Correctional Facility	December 1999	\$26.42
Kemper-Neshoba County Correctional Facility	October 2000	\$25.65
Holmes-Humphreys County Correctional Facility	November 2000	\$25.65
Stone County Correctional Facility	December 2000	\$25.65
George County Correctional Facility	May 2002	\$24.90

SOURCE: PEER analysis of regional facility information.

Analysis of Cost of Housing State Inmates in Regional Correctional Facilities

The number of inmates guaranteed by the MDOC Inmate Housing Agreement (200) exceeds the breakeven point associated with housing state inmates in six of the nine regional facilities reviewed.

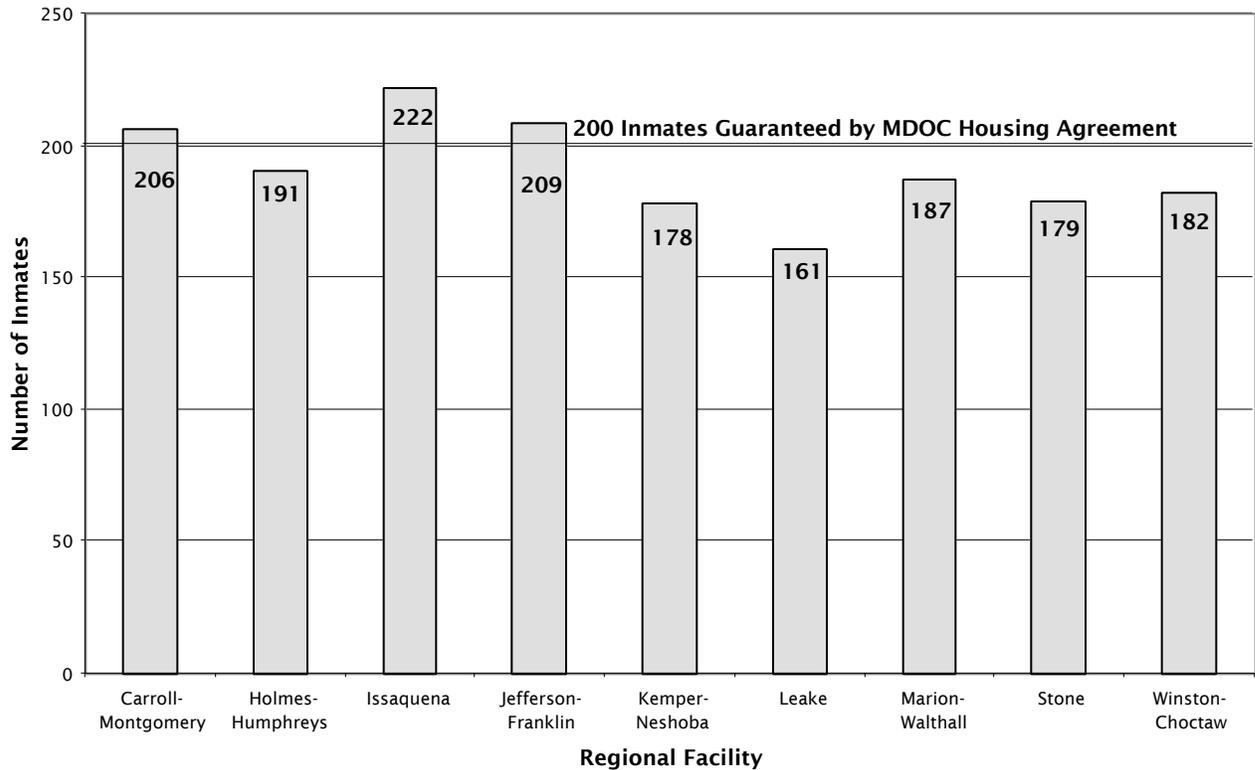
Step 1: Determine the required daily census for each regional facility to break even, using weighted average per diem rates and actual costs

The Carroll-Montgomery, Issaquena, and Jefferson-Franklin facilities have breakeven points above the 200 state inmates guaranteed by the MDOC Inmate Housing Agreement.

The three facilities with breakeven points above 200 have negative cash flows when they only house the guaranteed minimum of 200 state inmates.

The daily census needed for each regional correctional facility to break even using weighted average per diem rates and actual costs is presented as Exhibit 3, page 9. Six of the regional facilities have breakeven points below the 200 inmate level guaranteed by the MDOC Inmate Housing Agreement and generate a positive cash flow when housing 200 state inmates. The three facilities with breakeven points above 200 have negative cash flows when they only house the guaranteed minimum of 200 state inmates.

Exhibit 3: Daily State Inmate Census Needed to Break Even at Weighted Average Per Diem Rates and Actual Costs



SOURCE: PEER analysis of regional facility information.

Effect of Facility Operations on Allocation Ratios

PEER allocated facility costs on the basis of three ratios:

- state inmate days and non-state inmate days;
- meals served to state inmates and non-state inmates;
- the facility's square footage dedicated exclusively to state inmates, exclusively to non-state inmates, and shared areas, such as administrative offices.

Facilities with similar operating expenses but differing ratios can have widely varying breakeven points. For example, the Holmes-Humphreys facility's breakeven point for state inmates is 191 and

Leake County's breakeven point for state inmates is 161 (see Exhibit 4, page 11). The difference in the breakeven points between the two facilities is attributable to the difference in the inmate population, which affects the allocation ratios of the two facilities.

Facilities with similar operating expenses but differing ratios can have widely varying breakeven points.

Since state inmates comprise a larger percentage of the overall inmate population at the Holmes-Humphreys facility, a larger portion of expenses is designated as attributable to state inmates. Holmes-Humphreys housed an average of 209 state inmates and 62 non-state inmates during the review period, resulting in designating 77% of allocated expenses to state inmates and 23% to non-state inmates. The Leake County facility housed an average of 210 state inmates and 101 non-state inmates during the review period, resulting in designating 68% of allocated expenses to state inmates and 32% to non-state inmates.

The reader should keep in mind that differences between the facilities such as the ratio of state inmate days to non-state inmate days and differences in the weighted average per diem amounts impact each facility's breakeven point. However, Leake County was the only facility noted in which the number of non-state inmates had a significant impact on the breakeven point.

Actual Cost Itemization

Exhibit 4, page 11, provides a breakdown of actual state-generated costs into six cost categories and highlights the degree to which each facility's average daily census for the period studied met or exceeded the requirements to break even at weighted average per diem rates. As the exhibit shows, Issaquena County was the only facility not to have a sufficient number of state inmates to break even.

Exhibit 4: Cost Itemization with Weighted Average Per Diem and Actual Costs

	Carroll- Montgomery County	Holmes- Humphreys County	Issaquena County	Jefferson- Franklin County	Kemper- Neshoba County	Leake County	Marion- Walthall County	Stone County	Winston- Choctaw County
OPERATING REVENUES	\$ 26.74	\$ 25.65	\$ 28.62	\$ 28.32	\$ 26.64	\$ 27.30	\$ 26.95	\$ 25.55	\$ 26.82
State Inmate Days	57,147	57,039	56,668	60,256	63,991	57,293	57,536	57,466	57,915
State Inmate Days as a Percentage of Total Inmate Days	79%	77%	87%	85%	90%	68%	74%	77%	80%
Operating Costs Allocated to State Inmates	\$1,503,645	\$1,343,197	\$1,717,479	\$1,622,559	\$1,330,239	\$1,230,902	\$1,382,587	\$1,267,465	\$1,354,906
OPERATING COSTS:									
Basic housing and visitation	\$ 14.51	\$ 10.98	\$ 17.33	\$ 13.88	\$ 9.65	\$ 10.40	\$ 11.36	\$ 7.93	\$ 12.01
Programs	0.66	0.84	0.99	1.38	1.20	1.10	0.92	0.87	1.11
Food service	2.09	1.92	3.18	2.50	2.32	2.39	2.15	1.66	3.15
Medical	0.36	0.39	0.17	0.04	0.01	0.34	0.58	0.72	0.40
Administrative costs	3.14	2.79	3.53	4.02	2.40	2.31	3.66	5.87	1.90
Total Operating Cost per Inmate Day	\$ 20.76	\$ 16.91	\$ 25.20	\$ 21.83	\$ 15.58	\$ 16.54	\$ 18.68	\$ 17.05	\$ 18.56
DEBT SERVICE COSTS**	5.55	6.64	5.11	5.10	5.21	4.95	5.35	5.01	4.83
Total Costs	\$ 26.31	\$ 23.55	\$ 30.31	\$ 26.93	\$ 20.79	\$ 21.49	\$ 24.03	\$ 22.06	\$ 23.39
Daily Census Required to Break Even	206	191	222	209	178	161	187	179	182
Average State Inmates for Period	210	209	208	221	235	210	211	211	213
Number Over/(Under) Level Needed for Breakeven	4	18	-14	12	57	49	24	32	31

* Represents only the state's share of debt service costs.
Differences due to rounding

SOURCE: PEER analysis of regional facility information.

Effect of Inmate Days on Operating Costs

Total operating costs of facilities are greatly affected by the number of state inmate days at each facility. The number of inmate days is determined by MDOC's decisions on assignment of inmates.

Referring again to Exhibit 4, PEER notes an additional concern relating to interpretation of operating costs. The reader must take care in comparing "Total Operating Costs per Inmate Day" of facilities, because this number is greatly affected by the number of state inmate days for each facility. The number of inmate days at a facility is determined by MDOC's decisions on assignment of inmates.

For example, during the nine-month period ending June 30, 2002, the Issaquena County facility had state-inmate-related expenses of approximately \$1.72 million and the Jefferson-Franklin facility had state-inmate-related expenses of approximately \$1.62 million, or approximately 6% lower than the Issaquena County facility. However, the Jefferson-Franklin facility's cost per state inmate day was approximately 14% lower than the Issaquena County facility's cost per inmate day.

The difference in the computed per state inmate cost is attributable to the number of state inmate days provided to each facility. Jefferson-Franklin County provided 60,256 state inmate days compared to Issaquena County providing 56,668 state inmate days during the period under review. If both facilities had the same number of state inmate days under existing cost conditions, the two facilities would produce near-identical breakeven points.

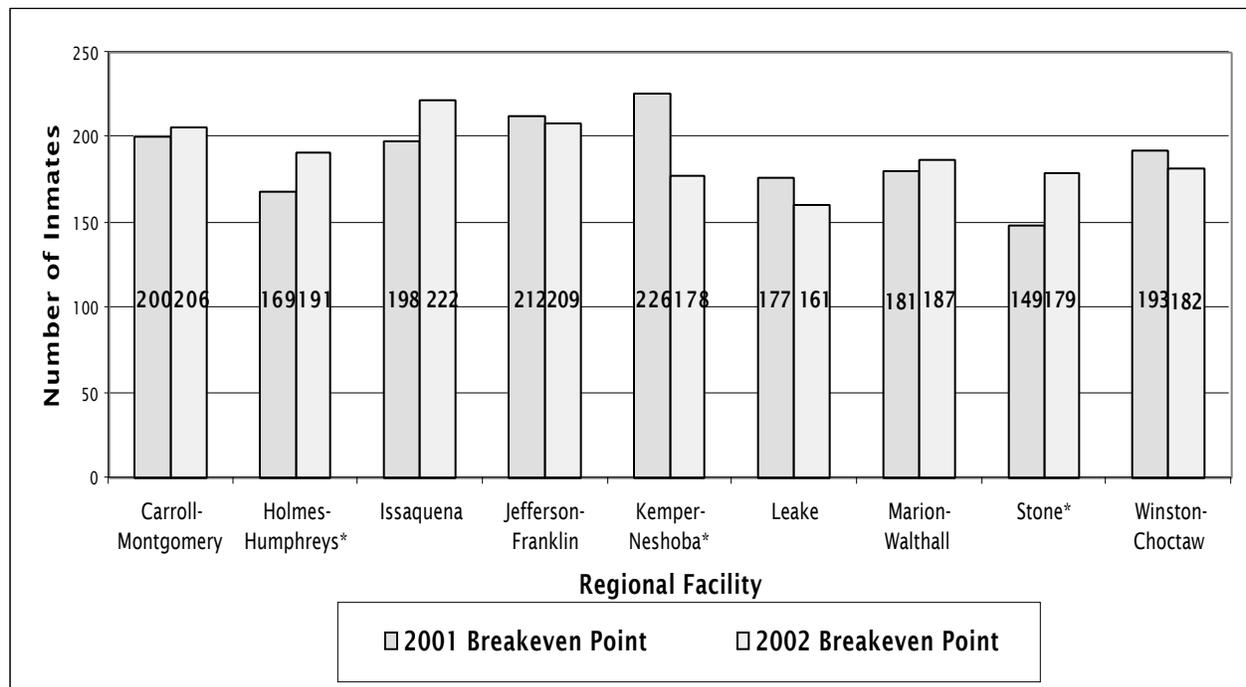
"Daily Census Required to Break Even" should receive the most consideration when comparing efficiencies among regional facilities, since it reflects the number of inmates needed to meet actual state-related costs at current reimbursement rates.

Because of the effect of state inmate days on "Total Operating Cost per Inmate Day" and "Total Costs," these figures are not the most accurate measures of relative efficiency. "Daily Census Required to Breakeven" is a more accurate measure of relative efficiency, since it reflects the number of inmates needed to meet actual state-related costs at current reimbursement rates. This is the figure that should receive the most consideration when comparing efficiencies among the regional facilities. Using the "Daily Census Required to Breakeven" figures for the period October 1, 2001, through June 30, 2002, the breakeven points for meeting actual state-related costs range from 161 inmates per day at Leake County to 222 inmates per day at Issaquena and average 191 inmates per day. Comparisons along this range provide a general indication of relative efficiency.

Comparison of 2002 Breakeven Results and 2001 Breakeven Results

In 2001, PEER performed a similar review of regional and selected private facilities and issued the results in PEER report #419 entitled *"Cost Analysis of Housing State Inmates in Regional and Private Correctional Facilities."* Exhibit 5, page 13, offers a comparison of each regional facility's 2001 breakeven point and its 2002 breakeven point.

Exhibit 5: Comparison of 2001 Breakeven Points with 2002 Breakeven Points



*2001 breakeven point based on 90 days of operation.
 SOURCE: PEER analysis of regional facility information.

The reader should be cautious in drawing any conclusions based solely on the information presented in Exhibit 5. At the time of PEER's 2001 review, Stone, Kemper-Neshoba, and Holmes-Humphreys were new facilities with less than six months of financial history. The 2001 breakeven points for these facilities were based on ninety days of operation. The 2002 breakeven points for these facilities are based on nine months of operation and in PEER's opinion offer a much more accurate picture of the breakeven point for these facilities.

Factors such as the ratio of state inmate days to non-state inmate days and management efficiency impact each facility's breakeven point.

For the remaining six facilities, factors such as the ratio of state inmate days to non-state inmate days and management efficiency impact each facility's breakeven point. For example, in the 2001 review, Leake County's breakeven point was 177 and in the 2002 review, Leake County's breakeven point is 161. However, in the 2001 review, state inmates comprised 75% of Leake County's inmate population and in the 2002 review, state inmates comprise 68% of Leake County's inmate population. Accordingly, PEER allocated a smaller percentage of Leake County's expenses to state inmates in 2002 than in 2001, which contributes to a decrease in the 2002 breakeven point.

Step 2: Identify and exclude any unnecessary costs and re-compute the breakeven analysis

PEER identified \$541,440 in costs that, if eliminated, would reduce the number of inmates required to break even at eight of the nine regional facilities. The inmate breakeven point, excluding costs above the amount PEER determined to be reasonable, averages 186, which is below the 200 currently guaranteed in the Inmate Housing Agreement between MDOC and the regional facilities.

Types of Costs Identified

In order to determine the necessary per diem as required by Senate Bill 3163, PEER identified and excluded \$541,440 in the following annual costs beyond the level PEER determined to be reasonable:

<u>Cost Item</u>	<u>Amount Above Level PEER Determined as Reasonable</u>
Attorneys' salaries and fees	\$243,940
Program and accreditation fees	\$158,400
Payments to sheriffs	<u>\$139,100</u>
Total	<u>\$541,440</u>

Attorneys' Salaries and Fees

In conducting this analysis, PEER determined that regional facilities were paying for legal services for representation of the facility. MISS. CODE ANN. §47-5-937 authorizes the sheriff of a county where a facility is located to:

...employ counsel to represent the facility to be paid a salary within the range allowed for a legal assistant to a district attorney with the employment to continue for a period of time not to exceed the duration of the indebtedness incurred for construction of the facility. The county or counties shall pay this cost and other costs incurred in the operation of the facility from the proceeds of the funds derived from the financing of the project and the housing of offenders.

The exclusion of attorney costs beyond the annual \$12,000 amount would yield total annual savings of \$243,940.

PEER observed that legal services were provided through varying methods at varying costs (see Exhibit 6, below). PEER compared costs among the eleven facilities and selected \$12,000 as a sufficient payment level for legal representation because three of the eleven facilities receive legal services at or below this amount. The exclusion of attorney costs beyond the \$12,000 level would represent an annual savings of \$243,940.

Exhibit 6: Computation of Facilities' Attorney Compensation

Facility	Prison Attorney	Attorney Salary/Fees	PEER Allocation	Above PEER Allocation
Bolivar	Charles Weissinger	\$ 54,000	\$ 12,000	\$ 42,000
Carroll-Montgomery	Devo Lancaster	33,750	12,000	21,750
George	Mark Maples	24,000	12,000	12,000
Holmes-Humphreys	Charles Weissinger	36,000	12,000	24,000
Issaquena	Charles Weissinger	67,500	12,000	55,500
Jefferson Franklin	Charles Weissinger	49,690	12,000	37,690
Kemper-Neshoba	Henry Palmer	0 †	0	0
Leake	Charles Weissinger	30,000	12,000	18,000
Marion-Walthall	Thomas McNeese	12,000 ^	12,000	0
Stone	Albert Necaize	45,000	12,000	33,000
Winston-Choctaw	Hugh Hathorn	4,800 ^	12,000	0
Total Savings				\$ 243,940

^ The attorney's agreement specifies that he may bill at \$125 per hour above the monthly retainer if the retainer is not sufficient to cover the amount of work required.

† Mr. Palmer serves as county board attorney and does not bill the Kemper-Neshoba facility for legal work.

SOURCE: PEER analysis of regional facility information.

Under MISS. CODE ANN. §47-5-937, a sheriff in a county where a facility is located may employ an attorney for the facility for a period not to exceed the duration of the indebtedness incurred for construction of the facility. Each regional facility was financed with twenty-year revenue bonds payable by the owning county. Therefore, under state law, a sheriff may employ legal counsel for a twenty-year period.

A recent Attorney General's opinion states that sheriffs who are not parties to the original contracts with attorneys may void the contracts.

Last year PEER raised concerns about the provision of MISS. CODE ANN. § 47-5-937 that authorizes the sheriffs of counties with a regional correctional facility to contract with an attorney for the life of the outstanding indebtedness. The authorized salary for such attorneys is within range of that of a district attorney's legal assistant. PEER considered some of the salaries paid to attorneys to be unreasonably high. In a 2001 Attorney General's Opinion to Sheriff Ballard 2001-0617, the Attorney General opined that Section 47-5-937 authorizes a sheriff to hire an attorney; it does not authorize a sheriff to bind his successors in office. Consequently, sheriffs who are successors in office may void contracts for legal services executed by their predecessors; sheriffs who are not parties to the original contracts with attorneys may void the contracts.

The Bolivar, Issaquena, and Jefferson-Franklin facilities have twenty-year contracts and the Holmes-Humphreys and Leake facilities have four-year contracts with Mr. Charles Weissinger, Jr., totaling \$237,190 annually. The Stone County facility has a seventeen-year contract expiring in November 2019 with Mr. Albert Necaise at \$45,000 annually. The contracts of the Bolivar, Issaquena, Jefferson-Franklin, and Stone facilities expire in conjunction with the bond debt associated with each facility.

The Marion-Walthall and Winston-Choctaw facilities employ local attorneys as legal counsel through a monthly retainer arrangement. The Kemper-Neshoba facility currently utilizes the county board attorney as counsel and has incurred no legal expenses. The Carroll-Montgomery and George facilities employ local attorneys on an annual salary basis. See Appendix A, page 28, for more details regarding employment of legal counsel.

PEER believes that paying \$12,000 for a part-time legal position is a reasonable amount.

The regional facilities need counsel for legal advice and representation. However, PEER believes legal representation of one facility is not a full-time job. This position is supported by the fact that one person serves as counsel simultaneously for five facilities and the remaining six facilities have attorneys on retainer or use the county board attorney. PEER believes that paying \$12,000 for a part-time legal position is a reasonable amount.

American Correctional Association Accreditation and Program Consultant Fees

MISS. CODE ANN. §47-5-931 requires that each facility be operated and maintained in accordance with ACA standards. Also, in accordance with MDOC requirements and ACA standards, each regional facility offers state inmates educational, religious, and drug and alcohol rehabilitation courses, referred to as program and treatment services.

Each regional facility employs a consultant to assist it in achieving and maintaining ACA accreditation. The ACA consultant also

coordinates and provides the program and treatment services in eight of the regional facilities. At the Marion-Walthall and Carroll-Montgomery facilities, the warden oversees and coordinates provision of the program and treatment services. At the Holmes-Humphreys facility, a Training Manager/Program Coordinator provides training to the facility's staff and oversees the facility's program and treatment services.

The exclusion of ACA and program consultant expenses beyond the \$60,000 annual amount would yield an annual savings of \$158,400 for the regional facilities.

PEER realizes the need for an ACA accreditation and program consultant. In PEER's opinion, \$60,000 is sufficient for providing ACA compliance and education and treatment programs at each facility. Currently, the Stone County facility receives ACA compliance and education and treatment programs for \$60,000 annually. Officials at the Marion-Walthall facility pay \$48,000 annually for ACA compliance and estimate the annual expense of providing education and treatment programs is \$12,000 annually. (See Exhibit 7, page 17.) The exclusion of ACA and program consultant expenses beyond the \$60,000 level would represent an annual savings of \$158,400.

Exhibit 7: Computation of Facilities' Accreditation and Program Consultant Compensation

Facility	Consultant	Consultant Fees	PEER Allocation	Above PEER Allocation
Bolivar	Corrections Management Services, Inc. Edward Hargett, President	\$96,000 #	\$60,000	\$36,000
Carroll-Montgomery	Mississippi Correctional Management, Inc. Irb Benjamin, President	48,000 †	60,000	0
George	Corrections Management Services, Inc. Edward Hargett, President	72,000 #	60,000	12,000
Holmes-Humphreys	Contemporary Corrections, Inc. Lake Lindsey, President	48,000 †	60,000	0
Issaquena	Corrections Management Services, Inc. Edward Hargett, President	84,000 #	60,000	24,000
Jefferson Franklin	Corrections Management Services, Inc. Edward Hargett, President	76,800 #	60,000	16,800
Kemper-Neshoba	Corrections Management Services, Inc. Edward Hargett, President	96,000 #	60,000	36,000
Leake	Corrections Management Services, Inc. Edward Hargett, President	76,800 #	60,000	16,800
Marion-Walthall	Mississippi Correctional Management, Inc. Irb Benjamin, President	48,000 †	60,000	0
Stone	Corrections Management Services, Inc. Edward Hargett, President	60,000 #	60,000	0
Winston-Choctaw	Corrections Management Services, Inc. Edward Hargett, President	76,800 #	60,000	16,800
Total Savings				\$158,400

Contract is for ACA compliance consulting work and education and treatment services.

† Contract is for ACA compliance consulting work only. The facility bears expenses related to education and treatments services.

SOURCE: PEER analysis of regional facility information.

The Bolivar, George, Issaquena, Jefferson-Franklin, Kemper-Neshoba, Leake, Stone, and Winston-Choctaw facilities have contracted with Corrections Management Services, Inc., Mr. Edward Hargett, President, to serve as the ACA and program consultant at a contracted total of \$638,400 annually. As program coordinator for these facilities, Mr. Hargett provides and bears the expense of education and treatment programs at each facility.

Contemporary Corrections, Inc., Mr. Lake Lindsey, President, serves as the ACA accreditation consultant for the Holmes-Humphreys County Correctional Facility for an annual contract of \$48,000. Mr. Lindsey does not provide the educational and treatment programs for the facility. The Training Manager/Program Coordinator at the Holmes-Humphreys facility oversees and has responsibility for providing the program and treatment services at the facility.

Mississippi Correctional Management Inc., Mr. Irb Benjamin, President, serves as the ACA consultant to the Marion-Walthall and Carroll-Montgomery facilities for an annual contract of \$48,000 at each facility. Mr. Benjamin does not provide the educational and treatment programs for the facilities. The wardens of the Marion-Walthall facility and the Carroll-Montgomery facility oversee and have responsibility for providing the program and treatment services at the facilities.

Since PEER's 2001 review of the regional facilities' costs, three facilities renegotiated their contracts with Corrections Management Services for a total annual savings of \$57,600 for the three facilities.

Compliance with ACA standards and providing program and treatment services to state inmates are important components of the regional facilities' operations. Since PEER's 2001 review of the regional facilities' costs, Jefferson-Franklin, Leake, and Winston-Choctaw renegotiated their contracts with Corrections Management Services, Inc., from \$96,000 annually per facility to \$76,800 annually per facility, a total annual savings of \$57,600 for the three facilities. PEER believes additional savings would be possible through continued renegotiations of these contracts in the future.

Payments to Sheriffs

MISS. CODE ANN. §47-5-935 designates the sheriff of a county where a regional facility is located as the Chief Corrections Officer of the facility with responsibility for management of the facility and for providing care and control of the state inmates housed therein. MISS. CODE ANN. §47-5-935 provides that sheriffs of the counties where a regional facility is located shall receive \$15,600 annually for their duties as Chief Corrections Officer, in addition to the salary received as sheriff of the county.

In conducting this analysis, PEER determined nine of the eleven sheriffs eligible for the additional compensation are receiving payments ranging from \$15,000 to \$15,600 annually. The sheriffs

of Marion County and Greene County have not requested payment as Chief Corrections Officer of the regional facilities located within their counties.

If the warden of each facility were designated Chief Corrections Officer, with no additional compensation, the elimination of payments to sheriffs would represent an annual savings of \$139,100.

In excluding costs beyond the level PEER determined to be reasonable, PEER allocated no funds for sheriff payments because the warden of each regional facility is responsible for the day-to-day management and operation of each regional facility. (See Exhibit 8, below.) Therefore, if the warden of each facility were designated Chief Corrections Officer, with no additional compensation, the exclusion of payments to the sheriffs would represent an annual savings of \$139,100.

Exhibit 8: Computation of Facilities' Compensation to Sheriffs

Facility	Sheriff's Salary	PEER Allocation	Above PEER Allocation
Bolivar	\$ 15,600	\$ 0	\$ 15,600
Carroll-Montgomery	15,000	0	15,000
George	0	0	0
Holmes-Humphreys	15,600	0	15,600
Issaquena	15,500	0	15,500
Jefferson-Franklin	15,600	0	15,600
Kemper-Neshoba	15,000	0	15,000
Leake	15,600	0	15,600
Marion-Walthall	0	0	0
Stone	15,600	0	15,600
Winston-Choctaw	15,600	0	15,600
Total Savings			\$ 139,100

SOURCE: PEER analysis of regional facility information.

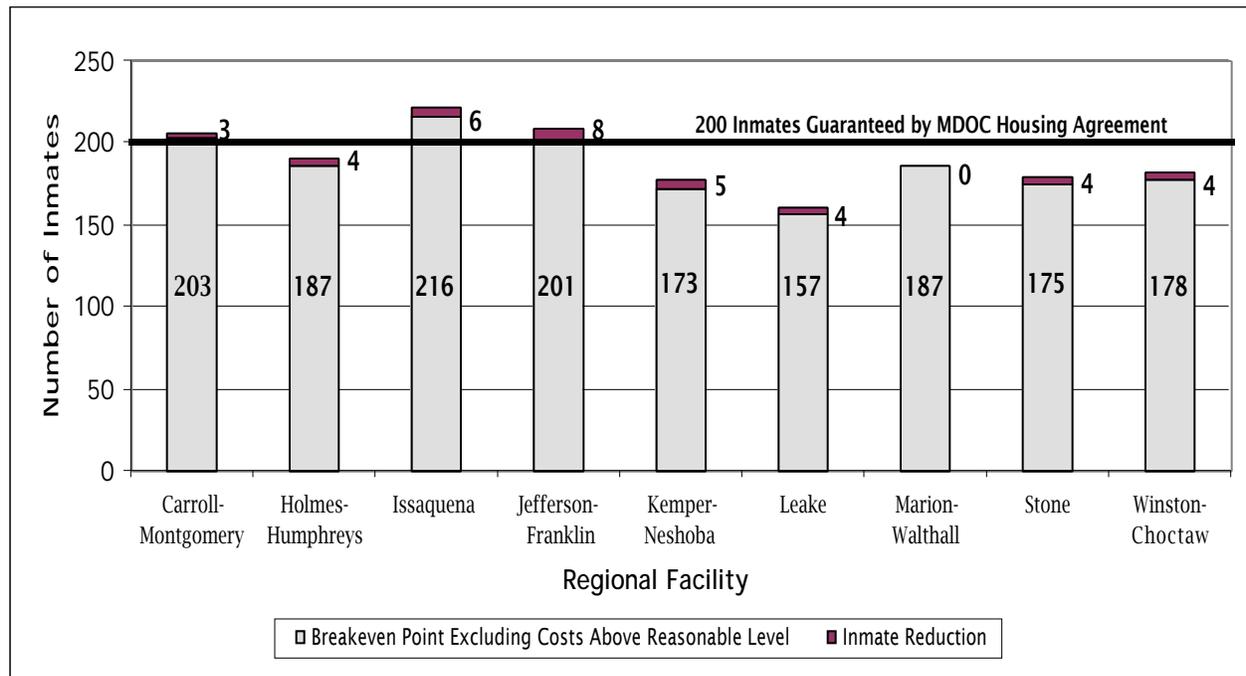
Calculation of Inmate Breakeven Point Excluding Costs Above the Level PEER Determined to Be Reasonable

The exclusion of costs beyond the level PEER determined to be reasonable lowers the state inmate breakeven point for each facility, with the exception of the Marion-Walthall facility.

In calculating the necessary per diem as required by Senate Bill 3163, PEER excluded costs beyond the level determined as reasonable, as outlined above, and calculated the associated breakeven point for the nine facilities open for the period October 1, 2001, through June 30, 2002. The state inmate breakeven points for these facilities are presented in Exhibit 9, below.

The exclusion of costs beyond the level PEER determined to be reasonable lowers the state inmate breakeven point for each facility, with the exception of the Marion-Walthall facility. Exhibit 10, page 21, provides a breakdown of expenses with the exclusion of costs above the level determined to be reasonable.

Exhibit 9: State Inmate Breakeven Point When Excluding \$541,440 In Costs Above the Level PEER Determined to Be Reasonable



SOURCE: PEER analysis of regional facility information.

Exhibit 10: Weighted Average Per Diem and Without Costs PEER Determined to Be Above a Reasonable Level

	Carroll- Montgomery County	Holmes- Humphreys County	Issaquena County	Jefferson- Franklin County	Kemper- Neshoba County	Leake County	Marion- Walthall County	Stone County	Winston- Choctaw County
Operating Revenues*	\$ 26.74	\$ 25.65	\$ 28.62	\$ 28.32	\$ 26.64	\$ 27.30	\$ 26.95	\$ 25.55	\$ 26.82
OPERATING COSTS:									
Basic housing and visitation Programs	\$ 14.55	\$ 11.06	\$ 17.74	\$ 14.02	\$ 9.68	\$ 10.47	\$ 11.36	\$ 8.03	\$ 12.04
Food service	0.66	0.84	0.67	0.94	0.78	0.88	0.92	0.87	0.89
Medical	2.09	1.92	3.19	2.51	2.32	2.40	2.15	1.66	3.15
Administrative costs	0.36	0.39	0.18	0.05	0.02	0.34	0.58	0.73	0.40
Total Operating Costs	\$ 2.73	\$ 2.29	\$ 2.72	\$ 3.30	\$ 2.20	\$ 1.93	\$ 3.66	\$ 5.27	\$ 1.71
DEBT SERVICE COSTS**	5.55	6.64	5.11	5.10	5.21	4.95	5.35	5.01	4.83
Total Costs Excluding Costs Above Reasonable Level	\$ 25.94	\$ 23.15	\$ 29.60	\$ 25.92	\$ 20.21	\$ 20.96	\$ 24.03	\$ 21.57	\$ 23.02
Total Costs Including All Costs	\$ 26.31	\$ 23.55	\$ 30.31	\$ 26.93	\$ 20.79	\$ 21.48	\$ 24.03	\$ 22.06	\$ 23.39
Cost Reduction	\$ 0.38	\$ 0.40	\$ 0.70	\$ 1.01	\$ 0.58	\$ 0.52	\$ -	\$ 0.49	\$ 0.38
Daily Census Required Excluding Costs Above Reasonable Level	203	187	216	201	173	157	187	175	178
Daily Census Required Including All Costs	206	191	222	209	178	161	187	179	182
Breakeven Inmate Reduction	3	4	6	8	5	4	-	4	4

* Represents average per diem received during the period.

** Represents only the state's share of debt service costs.

SOURCE: PEER analysis of regional facility information.

Regional Facility Costs for Housing Non-State Inmates

Step 3: Determine the breakeven point and cost per day for non-state inmates.

None of the nine regional facilities reviewed received sufficient per diems from local government entities to reach the breakeven point for housing non-state inmates. Regional facilities use revenues generated from housing state inmates to defray the costs of housing non-state inmates.

All regional facilities were below their respective breakeven points for housing non-state inmates.

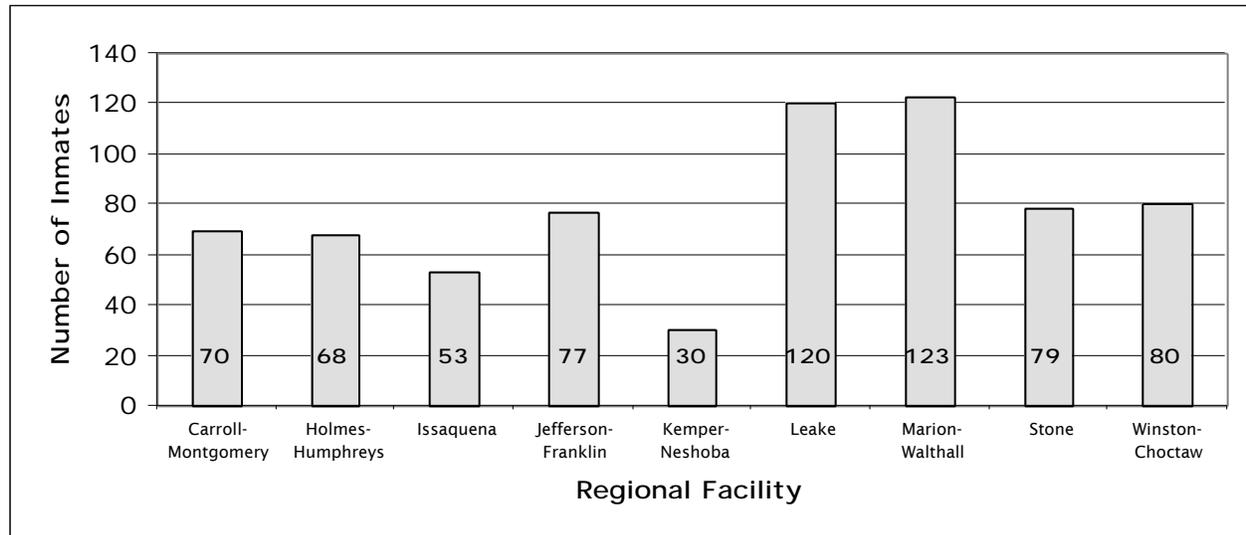
As stated earlier, SB 3163 required that the PEER Committee determine the necessary per diem, per inmate costs associated with housing state inmates at each of the regional correctional facilities. PEER's analysis provides important insight into the state's obligation relative to the cost of operating a regional facility. There are, however, other important operating costs that are the responsibility of local governments. In addition to state inmates, regional correctional facilities may also house non-state inmates from the counties, municipalities, and the federal government.

Although not in its SB 3163 mandate, PEER also determined the costs associated with the housing of non-state inmates during the process of determining costs associated with the housing of state inmates. PEER found that none of the regional prisons had a sufficient number of non-state inmates to reach the breakeven point for non-state inmates given the current per diems received from local government entities and that the per diem rates received from most non-state entities are not sufficient to support the costs associated with housing non-state inmates.

The daily census of non-state inmates needed for each regional correctional facility to break even using weighted average per diem rates and actual costs is presented as Exhibit 11, page 23, and Exhibit 12, page 24. Per diems paid by local government entities are presented in Appendix A, page 28.

Per diem rates paid by local government entities for non-state inmates range from \$0.00 per inmate day for Issaquena County inmates (Issaquena County had 212 inmate days from October 1, 2001, through June 30, 2002) to \$35.00 per inmate day for the municipalities of Starkville and Weir. Bolivar County pays \$780,000 annually to house county inmates at the Bolivar County facility and Holmes County pays \$75,000 annually to house

Exhibit 11: Daily Non-State Inmate Census Needed to Break Even at Weighted Average Per Diem Rates and Actual Costs



SOURCE: PEER analysis of regional facility information.

county inmates at the Holmes County facility. See Appendix A, page 28, for a listing of the per diem rates paid by local government entities.

PEER allocated costs to non-state inmates under the same methodology as was applied to the allocation of costs to state inmates. PEER allocated a larger percentage of costs to non-state inmates in the facilities where non-state inmates comprised a larger percentage of the total inmate population. If a facility receives a relatively low per diem from local entities but a relatively large portion of the inmate population is comprised of non-state inmates, these two factors combine to increase a facility's non-state inmate breakeven point dramatically.

For example, at the Leake County facility, non-state inmates comprised 32% of the inmate population, which was the highest percentage of non-state inmates at the nine facilities reviewed. A relatively low weighted average per diem from local government entities of \$16.27 pushes the Leake County facility's breakeven point to 120 non-state inmates, well beyond the facility's non-state inmate capacity of 80.

As with the determination of cost per day for state inmates, the cost per day for non-state inmates is greatly impacted by the number of non-state inmate days. For example, Carroll-Montgomery had approximately \$390,000 allocated to non-state inmates and Issaquena County had approximately \$315,000

Exhibit 12: Daily Non-State Inmate Census Needed to Break Even at Weighted Average Per Diem Rates and Actual Costs

	Carroll- Montgomery County	Holmes- Humphreys County	Issaquena County	Jefferson- Franklin County	Kemper- Neshoba County	Leake County	Marion- Walthall County	Stone County	Winston- Choctaw County
Operating Revenues - Non-State Inmates	\$ 20.96	\$ 21.85	\$ 22.90	\$ 15.73	\$ 22.09	\$ 16.27	\$ 13.86	\$ 19.24	\$ 17.83
Non-State Inmate Days	15,393	16,739	8,665	10,792	7,001	27,357	20,331	16,828	14,721
Non-state Inmate Days as a Percentage of Total Inmate Days	21%	23%	13%	15%	10%	32%	26%	23%	20%
Operating Costs Allocated to Non-state Inmates	\$ 390,145	\$ 400,760	\$ 314,777	\$ 302,599	\$ 178,409	\$ 519,009	\$ 438,147	\$ 400,673	\$ 362,205
OPERATING COSTS:									
Basic housing and visitation Programs	\$ 14.20	\$ 11.02	\$ 20.25	\$ 14.81	\$ 11.81	\$ 9.94	\$ 10.37	\$ 8.60	\$ 12.88
Food service	0	0	0	0	0	0	0	0	0
Medical	2.09	2.02	3.02	2.31	1.13	2.16	2.15	1.47	2.85
Administrative costs	0.91	0.89	0.65	0.51	0.51	0.34	1.03	1.16	0.84
Total Operating Costs	\$ 3.14	\$ 2.79	\$ 3.53	\$ 4.02	\$ 2.40	\$ 2.31	\$ 3.66	\$ 5.87	\$ 1.90
DEBT SERVICE COSTS	5.00	7.23	8.88	6.39	9.63	4.22	4.34	6.71	6.13
Total Costs	\$ 25.35	\$ 23.94	\$ 36.33	\$ 28.04	\$ 25.48	\$ 18.97	\$ 21.55	\$ 23.81	\$ 24.60
Daily Census Required to Break Even	70	68	53	77	30	120	123	79	80
Average Non-State Inmates for Period	57	62	32	40	26	101	75	62	54
Number Over/(Under) Level Needed for Breakeven	(13)	(6)	(21)	(37)	(4)	(19)	(48)	(17)	(26)

SOURCE: PEER analysis of regional facility information.

allocated to non-state inmates. However, Issaquena County's cost per day for non-state inmates of \$36.33 is much higher than Carroll-Montgomery's cost per non-state inmate of \$25.35 because Carroll-Montgomery's costs were spread over 15,393 non-state inmate days and Issaquena County's costs were allocated over 8,665 non-state inmate days.

Another factor contributing to Issaquena County's high cost per day for non-state inmates is that occupancy expenses, such as utilities and insurance, are calculated on the basis of square footage and non-state inmate days. (Issaquena County has the

second lowest number of non-state inmate days). Also, the facility's debt service expenses are derived from square footage and non-state inmate days. Issaquena's percentage dedicated to non-state inmates was 17%, which was slightly less than the average of 18% for all regional facilities. However, in determining cost per day for non-state inmates, these costs are divided by the number of non-state inmate days. Since Issaquena County has a relatively low number of non-state inmate days in comparison to the other regional facilities, the cost per day for non-state inmates is driven upward.

Regional facilities have the option of reviewing housing agreements with local entities and increasing per diems to ensure that all parties are paying a per diem rate sufficient to support the housing of local inmates.

In summary, local reimbursements for the cost of housing local inmates often do not meet the costs allocated for housing those inmates. PEER would note that regional facilities have the option of reviewing housing agreements with local entities and increasing per diems to ensure that all parties are paying a per diem rate sufficient to support the housing of local inmates, thus allowing the regional facility to reach the breakeven point for its local commitment.

Recommendations

Designation of Chief Corrections Officer

The Legislature should amend MISS. CODE ANN. Section 47-5-935 to allow counties to designate a regional facility's warden as Chief Corrections Officer, without additional compensation for performing these duties. The Legislature should amend the section to delete the requirement that sheriffs receive \$15,600 compensation for duties as Chief Corrections Officer.

If the warden is designated as Chief Corrections Officer, the Legislature should amend MISS. CODE ANN. §47-5-937 to allow the warden to hire legal counsel for the regional facility, with the legal counsel contract term not to exceed the term of the sitting board of supervisors.

Local Government Per Diem

Regional correctional facilities should increase per diems of local government entities at least to the level of the state's first year per diem amount of \$24.90 at the time contracts with local government entities are renewed or new agreements are reached with local government entities.

Appendix A and B

Appendix A presents general information concerning all regional facilities, including the Bolivar County and Greene County facilities, for which the breakeven points were not calculated. The information in Appendix A is presented for informative and comparative purposes.

Appendix B presents financial information as reported to PEER by the regional facilities for which the breakeven points were calculated. The financial information is presented in categories that are common to all regional facilities, such as corrections officers' salaries. The information in Appendix B is presented for informative and comparative purposes.

**Appendix A: Regional Facility Comparison
General Information by Facility
October 1, 2001 through June 30, 2002**

Category	Bolivar	Carroll-Montgomery	George	Holmes-Humphreys	Issaquena	Jefferson-Franklin
Date Facility Opened	December 15, 1999	May 11, 1999	May 10, 2002	November 10, 2000	March 1, 1997	May 16, 1997
State Per diem June 30, 2002	\$26.42	\$27.21	\$24.90	\$25.65	\$28.87	\$28.87
Date Per diem Increases	December 2002	May 2003	May 2003	November 2002	March 2003	May 2003
Total Prisoner Capacity	397	342	308	322	328	310
Total Facility Square Footage	40,642	50,662	43,490	41,691	42,364	38,242
Total Amount of Bond Issue	\$6,405,000	\$5,800,000	\$5,800,000	\$5,800,000	\$5,100,000	\$5,100,000
Total Interest	\$4,524,217	\$4,061,182	\$4,311,051	\$4,328,367	\$3,716,080	\$3,810,160
Total Debt Service	\$10,929,217	\$9,861,182	\$10,111,051	\$10,128,367	\$8,816,080	\$8,910,160
Prison Attorney	Charles Weissinger	Devo Lancaster	Mark Maples	Charles Weissinger	Charles Weissinger	Charles Weissinger
Prison Attorney Salary	\$ 54,000	\$ 33,750	\$ 24,000	\$36,000	\$67,500	\$49,690
Contract Expiration Date	July 1, 2019	January 4, 2004	January 4, 2004	September 7, 2004	October 9, 2015	August 2, 2015
ACA and Programs Consultant	CMS#, Edward Hargett, President	MCM### Irb Benjamin, President	CMS#, Edward Hargett, President	CCI##, Lake Lindsey, President	CMS#, Edward Hargett, President	CMS#, Edward Hargett, President
ACA and Programs Consultant Fees	\$96,000*	\$48,000**	\$72,000*	\$48,000*	\$84,000*	\$76,800*
Contract Expiration Date	December 15, 2003	September 30, 2003	May 10, 2009	Agreement letter††	March 1, 2004	March 1, 2003
Sheriff's Salary	\$15,600	\$15,000	\$15,800	\$15,600	\$15,500	\$15,600
Total Corrections Officers	35	21	25	23	30	28
Total Corrections Officer Supervisors	6	8	4	4	4	6
Total Part-time Corrections Officers	4	13	0	6	1	0
Total Facility Corrections Officers	45	42	29	33	35	34
Average Corrections Officer Salary	\$18,720	\$20,000	\$16,000	\$16,907	\$19,251	\$19,115
Average Corr. Officer Supervisor Salary	\$20,800	\$22,000	\$17,000	\$20,263	\$22,446	\$22,550
State Per-diem Prisoner Days	N/A	57,147	N/A*	57,039	56,668	60,256
Other Prisoner Days	N/A	15,393	N/A*	16,739	8,665	10,792
Total Prisoner Days	N/A	72,540	N/A*	73,778	65,333	71,048
Average Number of State Inmates	N/A	209	N/A*	209	208	221
Average Number of Other Inmates	N/A	57	N/A*	61	32	40
Total Average Number of Inmates	N/A	266	N/A*	270	240	261
Per-diem for Owner County Prisoners	Bolivar - \$780,000 annually	Montgomery & Carroll - \$20.00 for 1st 10 prisoners \$0 for 2nd 10 prisoners \$15.00 for remaining prisoners	George - \$12.50	Holmes - \$75,000 annually Humphreys - \$20.00	\$0.00	Jefferson - \$12.00 Franklin - \$15
Per-diem for City Prisoners	Alligator, Drew, Mound Bayou, Shelby, - \$24.90 Beulah, Gunnison, Merigold, Shaw, Indianola - \$25.65 Benoit, Boyle, Cleveland, Pace, Renova, Winstonville - \$26.42	North Carrollton, Winona, Vaiden, Duck Hill, Kilmichael - \$25	N/A	Durant, Lexington, Pickens, West, Tchula, Goodman - \$24.90	Vicksburg, Rolling Fork, & Anguilla - \$30.00	Fayette - \$15.00
Per-diem for Non-owner County prisoners	Washington - \$16.00 Coahoma & Sunflower: \$25.65	Leflore & Holmes - \$25	Greene - \$12.50	N/A	Sharkey - \$15.00 for first 15 inmates; \$30.00 for over 15. Warren - \$30.00	N/A

† As County Board Attorney, Mr. Palmer does not bill the Kemper-Neshoba facility for legal work.
^ The attorney's agreement with the facility specifies that he may bill at \$125 per hour above the monthly retainer if the retainer is not sufficient to cover the amount of work required.
†† Agreement letter which may be terminated by either party at any time.
Corrections Management Services, Inc.
Contemporary Corrections, Inc.
Mississippi Correctional Management, Inc.
* Includes maintaining accreditation with the American Correctional Association and providing educational programs.
** Only includes maintaining accreditation with the American Correctional Association. Educational programs are coordinated by facility staff.
N/A Bolivar County was closed for the majority of the review period.
N/A* George County opened in May 2002.
SOURCE: Compiled by PEER.

**Appendix A: Regional Facility Comparison
General Information by Facility
October 1, 2001 through June 30, 2002**

Category	Kemper-Neshoba	Leake	Marion-Walthall	Stone	Winston-Choctaw
Date Facility Opened	October 27, 2000	October 15, 1998	March 2, 1999	December 6, 2000	March 18, 1999
State Per-diem June 30, 2002	\$25.65	\$27.21	\$27.21	\$25.65	\$27.21
Date Per-diem Increases	November 2002	October 2002	March 2003	December 2002	March 2003
Total Prisoner Capacity	316	330	373	364	304
Total Facility Square Footage	37,907	41,633	43,461	42,692	38,601
Total Amount of Bond Issue	\$5,800,000	\$5,800,000	\$5,800,000	\$5,800,000	\$6,000,000
Total Interest	\$4,223,213	\$4,313,816	\$4,310,200	\$4,346,283	\$3,673,068
Total Debt Service	\$10,023,213	\$10,113,816	\$10,110,200	\$10,146,283	\$9,673,068
Prison Attorney	Henry Palmer	Charles Weissinger	Thomas McNeese	Albert Necaise	Hugh Hathorn
Prison Attorney Salary	County Board Attorney †	\$30,000	\$12,000^	\$45,000	\$4,800^
Contract Expiration Date	N/A	January 1, 2004	Agreement Letter††	November 1, 2019	Agreement Letter††
ACA and Programs Consultant	CMS#, Edward Hargett, President	CMS#, Edward Hargett, President	MCM### Irb Benjamin, President	CMS#, Edward Hargett, President	CMS#, Edward Hargett, President
ACA and Programs Consultant Fees	\$96,000*	\$76,800*	\$48,000**	\$60,000*	\$76,800*
Contract Expiration Date	December 31, 2003	October 15, 2005	July 5, 2003	September 29, 2007	June 30, 2003
Sheriff's Salary	\$15,000	\$15,600	\$0.00	\$15,600	\$15,600
Total Corrections Officers	19	28	25	24	16
Total Corrections Officer Supervisors	9	7	10	5	8
Total Part-time Corrections Officers	0	4	0	0	0
Total Facility Corrections Officers	28	39	35	29	24
Average Corrections Officer Salary	\$18,025	\$16,910	\$14,934	\$16,500	\$17,439
Average Corr. Officer Supervisor Salary	\$20,426	\$20,363	\$18,160	\$17,600	\$19,278
State Per-diem Prisoner Days	63,991	57,293	57,536	57,466	57,915
Other Prisoner Days	7,001	27,357	20,331	16,828	14,721
Total Prisoner Days	70,992	84,650	77,867	74,294	72,636
Average Number of State Inmates	234	210	212	211	212
Average Number of Other Inmates	26	101	74	62	54
Total Average Number of Inmates	260	311	286	273	266
Per-diem for Owner County Prisoners	Kemper - \$24.90	Leake - \$12.00	Marion - \$12.00	Stone - \$12.00	Winston and Choctaw - \$15.00
Per-diem for City Prisoners	DeKalb - \$15.00 Scooba - \$18.00	Walnut Grove and Carthage - \$15.00	Columbia - \$15.00	Wiggins - \$20.00	Louisville - \$15.00 Starkville & Weir - \$35.00 Noxapater & Ackerman \$15.00
Per-diem for Non-owner County prisoners	N/A	Scott -\$15 for first 10 inmates and \$22.00 for inmates above 10.	N/A	Lamar - \$20.00 Pearl River - \$15.00	N/A
Other Prisoners	Federal - \$24.90				

Appendix B: Regional Facility Comparison					
Expenditures by Facility					
October 1, 2001 through June 30, 2002					
	Carroll-Montgomery	Holmes-Humphreys	Issaquena	Jefferson-Franklin	Kemper-Neshoba
Salaries and Benefits					
Correctional Officer Salaries and Benefits	\$ 820,859	\$ 566,316	\$ 820,548	\$ 649,546	\$ 459,263
Administration Salaries and Benefits	220,282	162,695	181,658	217,452	171,803
Other Salaries and Benefits ^ †	119,536	123,367	164,916	171,506	116,573
Sub-Total	\$ 1,160,677	\$ 852,378	\$ 1,167,122	\$ 1,038,504	\$ 747,639
Inmate Care					
Food and kitchen supplies	\$ 131,307	\$ 131,346	\$ 166,045	\$ 155,435	\$ 137,813
Medical Fees, Supplies, and Medicine	27,785	19,582	301	-	-
Inmate uniforms and dry goods	8,315	11,892	14,455	32,497	23,345
Sub-Total	\$ 167,407	\$ 162,820	\$ 180,801	\$ 187,932	\$ 161,158
Facility Expenses					
Utilities	\$ 85,663	\$ 74,341	\$ 83,132	\$ 119,144	\$ 72,344
General liability insurance	12,701	32,453	131,294	60,500	25,993
Building repairs, maintenance, and hardw	22,427	22,191	3,180	6,031	12,694
Office supplies and material	14,792	13,369	11,303	7,899	8,850
Custodial supplies	7,760	10,367	17,408	15,870	26,081
Officer uniforms	9,639	5,293	1,764	1,043	5,203
Telephone and Communications	6,626	4,108	5,150	17,658	6,351
Sub-Total	\$ 159,607	\$ 162,122	\$ 253,232	\$ 228,144	\$ 157,516
Other Expenses					
Bond principal and interest*	\$ 383,339	\$ 385,284	\$ 358,004	\$ 358,052	\$ 394,971
Other facility debt	10,610	114,537	8,549	18,184	6,060
All Other expenses	24,419	58,183	53,956	85,372	35,892
Depreciation reserve	37,500	37,500	37,500	37,500	37,500
Sub-Total	\$ 455,868	\$ 595,504	\$ 458,009	\$ 499,108	\$ 474,423
Total Facility Expenses	\$ 1,943,560	\$ 1,772,825	\$ 2,059,164	\$ 1,953,687	\$ 1,540,736
^ Attorney, Nurse, ACA consultant and programs.					
† The nurse's salary for Leake is paid through the sherriff's department and not the facility.					
* Debt service is the annual principal and interest payments pro-rated for the nine-month period covered by this review.					
SOURCE: PEER analysis of regional facility financial information.					
<i>Numbers may not add due to rounding.</i>					

Appendix B: Regional Facility Comparison				
Expenditures by Facility				
October 1, 2001 through June 30, 2002				
	Leake	Marion- Walthall	Stone	Winston-Choctaw
Salaries and Benefits				
Correctional Officer Salaries and Benefits	\$ 659,224	\$ 590,406	\$ 402,362	\$ 562,760
Administration Salaries and Benefits	171,282	270,511	367,436	140,458
Other Salaries and Benefits ^ †	98,770	148,106	150,797	111,568
Sub-Total	\$ 929,275	\$ 1,009,022	\$ 920,595	\$ 814,786
Inmate Care				
Food and kitchen supplies	\$ 152,404	\$ 125,112	\$ 98,871	\$ 204,315
Medical Fees, Supplies, and Medicine	28,737	4,399	45,025	27,719
Inmate uniforms and dry goods	13,464	14,486	18,257	31,090
Sub-Total	\$ 194,606	\$ 143,996	\$ 162,152	\$ 263,124
Facility Expenses				
Utilities	\$ 97,888	\$ 75,527	\$ 63,065	\$ 84,133
General liability insurance	34,427	37,388	12,358	98,750
Building repairs, maintenance, and hardware	10,703	19,075	12,886	24,433
Office supplies and material	6,372	11,961	12,416	3,540
Custodial supplies	16,438	15,919	18,639	11,004
Officer uniforms	1,929	4,336	3,279	6,244
Telephone and Communications	8,471	11,610	7,740	6,163
Sub-Total	\$ 176,229	\$ 175,815	\$ 130,382	\$ 234,267
Other Expenses				
Bond principal and interest*	\$ 388,877	\$ 383,877	\$ 387,106	\$ 370,282
Other facility debt	9,882	12,454	13,668	-
All Other expenses	44,760	83,601	41,887	31,650
Depreciation reserve	37,500	37,500	37,500	37,500
Sub-Total	\$ 481,019	\$ 517,432	\$ 480,161	\$ 439,432
Total Facility Expenses	\$ 1,781,129	\$ 1,846,266	\$ 1,693,290	\$ 1,751,609
^ Attorney, Nurse, ACA consultant and programs.				
† The nurse's salary for Leake is paid through the sherriff's department and not the facility.				
* Debt service is the annual principal and interest payments pro-rated for the nine-month period covered by this review.				
SOURCE: PEER analysis of regional facility financial information.				
<i>Numbers may not add due to rounding.</i>				

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