

The Price of Prisons | Arkansas

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$288.6 million

DOC prison budget

\$326.1 million

Total state cost of prisons

\$24,391

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Arkansas Department of Correction (DOC) had \$288.6 million in prison expenditures. However, the state also had \$37.5 million in prison-related costs outside the department's budget. The total cost of Arkansas's prisons—to incarcerate an average daily population of 13,369—was therefore \$326.1 million, of which 11.5 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the DOC's budget included the following:

- > **RETIREE HEALTH CARE CONTRIBUTIONS.** The state of Arkansas made a payment of \$4.4 million for corrections employees in 2010.
- > **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state contributed 24 percent of the annual amount required to fully fund retiree health care benefits in the long run. The state will need to pay the remaining \$13.8 million, plus interest, to provide for the retiree health care benefits of corrections employees that are scheduled under current law.
- > **CAPITAL COSTS.** In 2010, the Arkansas General Improvement Fund spent \$9 million on debt service for the Department of Correction.
- > **INMATE EDUCATION AND TRAINING.** In 2010, \$8 million for adult basic education and vocational and technical education for adults in prison were funded outside the corrections budget.

Taxpayer Costs (dollars in millions)

DOC prison budget	\$288.6
Other state costs	
Retiree health care contributions	\$4.4
Underfunded retiree health care	\$13.8
Capital costs	\$9.0
Judgments and legal claims	\$0.2
Statewide administrative costs	\$2.4
Inmate education and training	\$8.0
Subtotal: Other state costs	\$37.5
TOTAL TAXPAYER COST	\$326.1

Source: Vera Institute of Justice, *True Cost of Prisons* survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Apparent discrepancies between subtotals and totals are the result of rounding.

Download the report, which fully explains the methodology, at www.vera.org/priceofprisons.