

## State Department of Corrections

	FY 2019 ACTUAL	FY 2020 ESTIMATE	FY 2021 BASELINE
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	9,556.0	9,566.0	9,566.0 <sup>1/</sup>
Correctional Officer Personal Services	281,502,800	338,795,100	338,795,100
Health Care Personal Services	2,947,800	3,542,300	3,542,300
All Other Personal Services	64,128,900	66,575,700	66,575,700
<b>Personal Services Subtotal</b>	<b>348,579,500</b>	<b>408,913,100</b>	<b>408,913,100</b>
<b>Employee Related Expenditures</b>	<b>209,069,600</b>	<b>247,206,900</b>	<b>247,206,900</b>
<b>Personal Services and Employee Related Expenditures for Overtime/Compensatory Time</b>	<b>67,100,000</b>	<b>15,540,500</b>	<b>15,540,500</b>
<b>Other Operating Expenditures</b>			
Professional and Outside Services	6,992,000	9,188,000	9,188,000
Travel - In State	524,900	329,500	329,500
Travel - Out of State	104,600	104,000	104,000
Food	37,851,600	40,914,600	40,914,600
Other Operating Expenditures	107,792,900	109,161,700	109,161,700
Equipment	6,555,400	2,081,200	2,081,200
<b>Other Operating Expenditures Subtotal</b>	<b>159,821,400</b>	<b>161,779,000</b>	<b>161,779,000</b>
<b>OPERATING SUBTOTAL</b>	<b>784,570,500</b>	<b>833,439,500</b>	<b>833,439,500</b> <sup>2/</sup>
<b>SPECIAL LINE ITEMS</b>			
Community Corrections	19,551,500	20,747,400	20,747,400
Private Prison Per Diem	158,236,400	171,493,300	171,493,300 <sup>3/D/</sup>
Inmate Health Care Contracted Services	166,761,800	194,711,700	194,711,700 <sup>4/</sup>
Named Claimants	76,600	0	0
<b>AGENCY TOTAL</b>	<b>1,129,196,800</b>	<b>1,220,391,900</b>	<b>1,220,391,900</b> <sup>5/-12/D/</sup>
<b>FUND SOURCES</b>			
General Fund	1,088,900,300	1,167,111,300	1,167,111,300
<u>Other Appropriated Funds</u>			
Alcohol Abuse Treatment Fund	443,700	555,500	555,500
Corrections Fund	22,233,900	30,312,300	30,312,300
Inmate Store Proceeds Fund	282,400	1,341,300	1,341,300
Penitentiary Land Fund	2,361,700	2,780,300	2,780,300 <sup>13/</sup>
Prison Construction and Operations Fund	10,000,000	12,500,000	12,500,000
State Charitable, Penal and Reformatory Institutions Land Fund	3,046,300	2,661,800	2,661,800 <sup>14/</sup>
State Education Fund for Correctional Education	726,100	729,300	729,300 <sup>15/</sup>
Transition Program Fund	1,202,400	2,400,100	2,400,100
<b>SUBTOTAL - Other Appropriated Funds</b>	<b>40,296,500</b>	<b>53,280,600</b>	<b>53,280,600</b>
<b>SUBTOTAL - Appropriated Funds</b>	<b>1,129,196,800</b>	<b>1,220,391,900</b>	<b>1,220,391,900</b>
Other Non-Appropriated Funds	67,548,400	73,564,000	61,837,300
Federal Funds	8,649,100	9,147,600	8,618,900
<b>TOTAL - ALL SOURCES</b>	<b>1,205,394,300</b>	<b>1,303,103,500</b>	<b>1,290,848,100</b>

**AGENCY DESCRIPTION** — The Arizona Department of Corrections (ADC) maintains and administers a statewide system of prisons for adult and minor offenders legally committed to the department. The department is also responsible for the supervision of offenders on parole and other prison release mechanisms, as specified by law.

## FOOTNOTES

- 1/ Includes 184 GF FTE Positions funded from Special Line Items in FY 2021.
- 2/ Of the amount appropriated in the operating lump sum, \$408,913,100 is designated for Personal Services and \$247,206,900 is designated for Employee Related Expenditures. The department shall submit an expenditure plan to the Joint Legislative Budget Committee for review before spending these monies other than for Personal Services or Employee Related Expenditures. (General Appropriation Act footnote)
- 3/ Of the amount appropriated for the Private Prison Per Diem line item, \$17,468,300 shall be used to make a debt service payment on the financing agreement authorized by Laws 2016, Chapter 119, Section 24. (General Appropriation Act footnote)
- D/ ~~The Private Prison Per Diem line item includes an increase of \$5,083,500 from the state General Fund in FY 2020 for a 10% salary increase for private prison correctional officers effective July 1, 2019. (General Appropriation Act footnote)~~
- 4/ Before implementing any changes in contracted rates for Inmate Health Care Contracted Services, the State Department of Corrections shall submit its expenditure plan for review by the Joint Legislative Budget Committee. (General Appropriation Act footnote)
- 5/ On or before August 1, 2020 and February 1, 2021, the State Department of Corrections shall submit a report to the Joint Legislative Budget Committee on the status of the performance measures tracked by the department as required by the *Parson v. Ryan* stipulation agreement, a copy of any court-ordered compliance reports filed by the department or a contracted provider during the reporting period and a copy of any report produced by a court-appointed monitor regarding the delivery of health services during each reporting period. The report shall include the number of performance measures in total and by facility with which the department is not in substantial compliance, an explanation for why the department is not in substantial compliance and the department's plans to comply with the measures. The report shall also list the measures the department is no longer required to track as a result of compliance with the stipulation. (General Appropriation Act footnote)
- 6/ Before placing any inmates in out-of-state provisional beds, the department shall place inmates in all available prison beds in facilities that are located in this state and that house Arizona inmates, unless the out-of-state provisional beds are of a comparable security level and price. (General Appropriation Act footnote)
- 7/ The State Department of Corrections shall forward to the President of the Senate, the Speaker of the House of Representatives, the Chairpersons of the Senate and House of Representatives Appropriations Committees and the Director of the Joint Legislative Budget Committee a monthly report comparing department expenditures for the month and year-to-date as compared to prior-year expenditures on or before the 30<sup>th</sup> of the following month. The report shall be in the same format as the prior fiscal year and include an estimate of potential shortfalls, potential surpluses that may be available to offset these shortfalls and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation. The report shall include the number of filled and vacant correctional officer and medical staff positions departmentwide and by prison complex. (General Appropriation Act footnote)
- 8/ On or before August 1, 2020, the State Department of Corrections shall provide a report on bed capacity to the Joint Legislative Budget Committee for its review. The report shall reflect the bed capacity for each security classification by gender at each state-run and private institution, divided by rated and total beds. The report shall include bed capacity data for June 30, 2019 and June 30, 2020 and the projected capacity for June 30, 2021, as well as the reasons for any change within that time period. Within the total bed count, the department shall provide the number of temporary and special use beds. The report shall also address the department's rationale for eliminating any permanent beds rather than reducing the level of temporary beds. If the department develops a plan after its August 1 report to open or close state-operated prison rated beds or cancel or not renew contracts for privately operated prison beds, the department shall submit a bed plan detailing the proposed bed closures for review by the Joint Legislative Budget Committee before implementing these changes. (General Appropriation Act footnote)
- 9/ On or before August 1, 2020, the State Department of Corrections shall transfer to the Public Safety Personnel Retirement System via the Arizona Department of Administration its estimated required annual contribution to the Corrections Officer Retirement Plan for FY 2021. (General Appropriation Act footnote)
- 10/ On or before August 31, 2020, and on or before the last day of November, February and May in FY 2021, the State Department of Corrections shall present a report for review by the Joint Legislative Budget Committee on the progress made in meeting the staffing needs for correctional officers. The report due on August 31, 2020 shall include the department's recommended benchmarks through June 30, 2021 and how the department plans to reach those benchmarks. Each quarterly report shall include the number of filled correctional officer positions, the number of vacant correctional officer positions, the number of people in training, the number of separations and the number of hours of overtime worked during the quarter. The report shall detail these amounts both departmentwide and by prison complex. (General Appropriation Act footnote)

- 11/ Any monies used for the replacement of the Adult Inmate Management System are subject to review by the Arizona Strategic Enterprise Technology Office and the Information Technology Authorization Committee pursuant to A.R.S. § 18-121. (General Appropriation Act footnote)
- ~~D/ Before spending any monies for the replacement of the Adult Inmate Management System, the Arizona Strategic Enterprise Technology office shall submit, on behalf of the State Department of Corrections, an expenditure plan to the Joint Legislative Budget Committee for review. The expenditure plan shall include the project cost, deliverables, timeline for completion and method of procurement consistent with the department's prior reports for its appropriations from the Automation Projects Fund pursuant to A.R.S. § 41-714. (General Appropriation Act footnote)~~
- 12/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- 13/ One hundred percent of land earnings and interest from the Penitentiary Land Fund shall be distributed to the State Department of Corrections in compliance with the Enabling Act and the Constitution of Arizona to be used for the support of state penal institutions. (General Appropriation Act footnote)
- 14/ Twenty-five percent of land earnings and interest from the State Charitable, Penal and Reformatory Institutions Land Fund shall be distributed to the State Department of Corrections in compliance with the Enabling Act and the Constitution of Arizona to be used to support state penal institutions. (General Appropriation Act footnote)
- 15/ Before spending any State Education Fund for Correctional Education monies in excess of \$729,300, the State Department of Corrections shall report the intended use of the monies to the Director of the Joint Legislative Budget Committee. (General Appropriation Act footnote)

**Summary**

The Baseline includes no change to the Arizona Department of Corrections (ADC)'s General Fund spending in FY 2021.

**Operating Budget**

The Baseline includes \$833,439,500 and 9,382 FTE Positions in FY 2021 for the operating budget. This amount consists of:

	<b>FY 2021</b>
General Fund	\$823,738,500
Alcohol Abuse Treatment Fund	250,000
Corrections Fund	3,000,800
Inmate Store Proceeds Fund	1,341,300
Penitentiary Land Fund	717,800
Prison Construction and Operations Fund	2,500,000
State Charitable, Penal and Reformatory Institutions Land Fund	1,161,800
State Education Fund for Correctional Education	729,300

These amounts are unchanged from FY 2020.

A General Appropriation Act footnote would continue to state that of the amount appropriated in the operating lump sum, \$408,913,100 is designated for Personal Services and \$247,206,900 is designated for Employee Related Expenditures. The department is required to submit an expenditure plan to the Joint Legislative Budget Committee for review before spending these monies other than for Personal Services or Employee Related Expenditures.

**Community Corrections**

The Baseline includes \$20,747,400 and 184 FTE Positions in FY 2021 for Community Corrections. This amount consists of:

General Fund	18,041,800
Alcohol Abuse Treatment Fund	305,500
Transition Program Fund	2,400,100

These amounts are unchanged from FY 2020.

*Background* – Monies in this line item are used to monitor offenders on community supervision or parole, operate 2 reentry centers, pay for the Transition Program, coordinate with other state parole offices, and provide electronic monitoring for certain offenders. In addition to the \$20,747,400 in FY 2021 appropriated funds, ADC projects that they will utilize an additional \$7,938,200 in non-appropriated funds for these activities in FY 2021.

As of January 2, 2020, ADC has responsibility for 5,207 offenders overseen by community correctional officers. The majority of offenders are released after serving 85% of their sentence and serve a period under community supervision. A very small number of offenders sentenced prior to January 1, 1994 are released on parole at the discretion of the Board of Executive Clemency.

The monies in this line item pay for:

- ADC Staffing: The majority of the line item funds the staffing costs for correctional officers that oversee offenders on community supervision and staffing for the Reentry Centers. The department also uses the

appropriated monies for contracted drug testing, behavioral needs testing, and other programming. ADC utilizes additional non-appropriated monies for these costs as well.

- **Transition Program:** Offenders that meet statutory considerations and behavioral standards may be released 90 days prior to their community supervision release date and participate in the Transition Program, whose services are provided by a contracted vendor. Participants reside in homes or half-way houses across the state and receive substance abuse counseling and case management services. This program is funded by the Transition Program Fund, which receives revenue from a share of inmate wages and a required \$17 transfer from other ADC funds based on the number of bed days served by participants in a quarter. The funding included in the Community Corrections line item is dedicated to this programming. *(Please see the [Transition Program](#) section in Other Issues for more information.)*
- **Reentry Centers:** If offenders violate the terms of supervision, they may be returned to custody to serve out the remainder of their term. As an alternative to immediate return to custody, ADC operates the Maricopa Reentry Center (MRC) and the Pima Reentry Center (PRC), which provide beds for inmates and an intensive treatment program. At the Pima facility, ADC also houses homeless offenders that do not have a secure placement. ADC reported FY 2019 expenditures of \$2.3 million for the Maricopa Reentry Center and \$3.1 million for the Pima Reentry Center.

	<u>Approp.</u>	<u>Non-Approp.</u>	<u>Total</u>
Comm. Supervision	\$12,447,100	\$5,967,400	\$18,414,500
Transition	1,384,400	0	1,384,400
Pima Reentry	3,092,500	0	3,092,500
Maricopa Reentry	1,816,600	444,500	2,261,100
Other/Overhead	<u>810,900</u>	<u>0</u>	<u>810,900</u>
<b>Total</b>	<b>\$19,551,500</b>	<b>\$6,411,900</b>	<b>\$25,963,400</b>

**Private Prison Per Diem**

The Baseline includes \$171,493,300 in FY 2021 for Private Prison Per Diem. This amount consists of:

General Fund	142,119,300
Corrections Fund	27,311,500
Penitentiary Land Fund	2,062,500

These amounts are unchanged from FY 2020.

*Background* – This line item funds payments to private prison contractors for housing and providing medical care to Arizona inmates in 8,562 beds. Administrative expenses related to monitoring private prison contracts are included in the department’s operating budget.

ADC will usually own the facilities after a specified amount of time (typically 20 years) because the per diem rate includes a portion of the facilities’ purchase cost. Two private prison contracts (Marana and Kingman) are solely for management services. The state owns the Marana facility outright. The Kingman facility is being lease-purchased by the state. In order to more accurately display the level of spending related to private prison facilities, the \$17,468,300 FY 2021 debt service amount paid by the state is shown in the Private Prison Per Diem line item rather than in the department’s operating budget.

**Inmate Health Care Contracted Services**

The Baseline includes \$194,711,700 in FY 2021 for Inmate Health Care Contracted Services. This amount consists of:

General Fund	183,211,700
Prison Construction and Operations Fund	10,000,000
State Charitable, Penal and Reformatory Institutions Land Fund	1,500,000

These amounts are unchanged from FY 2020.

*Background* – ADC previously provided health care to inmates in state facilities based on a variable per diem rate. As of July 1, 2019, the contract is based on a fixed inmate population of 33,777 and guarantees the vendor approximately \$205 million per year. In addition to the appropriated funds, ADC also receives reimbursement from Medicaid for the costs of outside health care that can be utilized to pay vendor costs. In FY 2019, the department received \$9.8 million in Medicaid reimbursement. The Baseline assumes ADC will receive \$10.0 million in Medicaid reimbursement in FY 2021. The line item funds the costs of the contract; ADC expenditures for monitoring the contracted services are included within the department’s operating budget. A General Appropriation Act footnote continues to require review of any changes to the per diem. The current contract can be amended for changes to scope, and the vendor may request adjustments for inflation.

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## Other Issues

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This section includes information on the following topics:

- Statutory Changes
- Transition Program
- Bed Capacity Issues
  - Inmate Growth Rate
  - Bed Capacity
  - Bed Surplus/Shortfall
- Correctional Officer Staffing
- Capital Issues

### Statutory Changes

The Baseline would, as session law, continue to require the department to report actual FY 2020, estimated FY 2021, and requested FY 2022 expenditures as delineated in the prior year when the department submits its FY 2022 budget request pursuant to A.R.S. § 35-113.

### Transition Program

A.R.S. § 31-254 requires that 5% of non-Driving Under the Influence inmate wages be deposited to the Transition Program Fund to operate the program. Additionally, A.R.S. § 31-285 requires that \$17 per bed day saved be transferred to the Transition Program Fund to pay for the vendor costs of the program. Statute does not specify from which fund. ADC has transferred money from the State DOC Revolving Fund to meet this requirement. In FY 2019, the program saved a total of 117,053 bed days.

In FY 2019, the Transition Program Fund received revenue of about \$3.1 million. Of this amount, about \$1.1 million came from the inmate wage allocation, and \$2.0 million came from the \$17 transfer. According to AOC, the vendor costs to run the program in FY 2019 were on average \$12 per inmate per day. This cost to ADC has decreased compared to FY 2018 due to a contract amendment with the vendor which requires them to first seek Medicaid/AHCCCS coverage prior to billing ADC.

The Transition Program allows inmates meeting the conditions outlined in statute and by the department the opportunity to be released from prison 90 days prior to their release date. Transition Program participants are generally lower risk, sentenced for non-violent crimes, and classified to lower levels than the overall ADC population.

## Bed Capacity Issues

### Inmate Growth Rate

On June 30, 2019, the total inmate population was 42,312. This is an increase of 199 inmates since the June 30, 2018 population of 42,113. *Table 2* shows the year-end populations from FY 2015 to FY 2019 and the ADC population as of January 2, 2020.

**Table 2**  
**Year-End Population, FY 2015 - FY 2020**

<u>Year</u>	<u>Population</u>
FY 2015	42,611
FY 2016	42,902
FY 2017	42,200
FY 2018	42,113
FY 2019	42,312
FY 2020 (as of January 2, 2020)	42,427

Based on recent history, the Baseline assumes comparable population estimates through FY 2021.

### Bed Capacity

In measuring ADC's ability to house its inmate population, there are 2 methods of defining bed capacity:

- "Rated" beds are permanent and were originally designed for housing prisoners. This amount was 38,872 public and private beds on June 30, 2019, an increase of 217 from the 38,655 on June 30, 2018.
- Operating Capacity represents "rated" beds plus temporary beds. The latter may be located in areas not originally intended for housing prisoners or double-bunked beds in areas intended for single bed cells. During FY 2019, the department increased its total operating capacity by 1,053 beds, from 44,038 to 45,091. In December 2019, ADC reopened the Papago Unit in the Douglas Prison to add 340 minimum security beds for female inmates. This change increased the FY 2020 total operating capacity to 45,431.

In addition, special use beds are employed for investigative detention, disciplinary isolation, maximum behavior control, mental health observation, or medical inpatient care. Due to their short-term usage, these beds are not counted as part of ADC's operational capacity. The number of special use beds in public and private prisons was 1,837 as of June 30, 2019, 17 more beds than on June 30, 2018.

(Please see the [September](#) and [December 2019 JLBC meeting agenda](#) for more information on ADC's bed capacity.)

### Bed Surplus/Shortfall

At the end of FY 2019, the department had a total rated bed shortfall of (3,440). After adjusting for the 6,219 temporary beds in the overall ADC system, the rated bed shortfall became a 2,779-bed surplus. Male beds make up 2,705 or 97% of the surplus as shown in *Table 3*.

<b>Male Operational Bed Capacity</b>	
<b>June Surplus/(Shortfall)</b>	
<b>Custody</b>	<b>FY 2019</b>
Minimum	1,107
Medium	237
Close	1,091
Maximum	164
Reception	<u>106</u>
<b>Total</b>	<b>2,705</b>

Beyond reopening the Papago Unit, the department does not plan to make any further bed capacity changes during FY 2020. Assuming flat population growth, the rated bed shortfall is projected to be (3,190) and the operating capacity surplus is projected to be 3,119 in FY 2020 as shown in *Table 4*.

The department may be able to use temporary beds or reallocate beds to meet unanticipated growth.

### **Correctional Officer Staffing**

The FY 2020 budget included an increase to ADC of \$35.5 million for staff salary increases. Of that amount, about \$33.5 million was for correctional officers (COs). In addition to that amount, ADC planned to utilize \$13.0 million in existing vacancy savings for a total of \$46.5 million in salary increases for COs. This amount was estimated to provide a 10% salary increase for all COs, including vacant positions, and increase the average base salary from \$39,300 to \$43,200 per year, excluding overtime.

The FY 2020 budget required ADC to set a benchmark for hiring CO positions. By June 2020, ADC is seeking to hire 812 new CO positions above their June 2019 staff level. As of October 28, 2019, ADC has lost a net of (40) COs relative to June 2019.

In order to maintain staffing levels in prisons, ADC utilizes overtime for existing officers. In May 2019, ADC raised the overtime cap from 24 hours to 32 hours per week to allow for additional overtime. ADC reported that the change resulted in a roughly 30% increase in average overtime worked per employee. On average, COs earned \$7,200 in overtime in FY 2019. ADC projects average overtime earnings in FY 2020 will be \$9,700 per CO.

In their FY 2021 budget request, ADC requested funding for additional CO salary increases without specifying a percent increase or funding amount. The JLBC Staff estimates that it would cost about \$5.1 million for every 1% increase to ADC CO salaries.

### **Capital Issues**

Capital funding needs are typically requested annually through the Capital Improvement Plan (CIP) process. ADC annually submits a CIP to the Arizona Department of Administration (ADOA) in the summer for the following fiscal year. ADOA evaluates the requests and modifies them as necessary. ADOA submits their consolidated proposal to the Governor's Office by October 15.

ADC's FY 2021 CIP includes a total of \$380 million for the 10 state prisons and the Correctional Officer Training Academy (COTA) in Tucson.

As part of their FY 2021 CIP, ADC proposed a 10-year funding plan that would fund between \$30.6 million and \$45.9 million annually from FY 2020 to FY 2029 to fund the entire \$380 million request. ADC's FY 2021 CIP includes:

- \$35.2 million for additional locking projects (non-Lewis and Yuma)
- \$115.6 million for evaporative cooling upgrades
- \$203.0 million for all other projects

ADC's FY 2021 request included \$26.2 million to complete the Lewis and Yuma lock/HVAC/fire system project. ADC has since reported the cost to complete the project has increased to \$31.7 million, of which \$4.3 million would be funded with non-appropriated monies in FY 2020, leaving \$27.4 million unfunded.

Table 4

## Fiscal Year-End Operating Capacity

State	FY 2019 Actual			FY 2020 Estimate			FY 2021 Estimate		
	Rated	Temporary	Operating Capacity	Rated	Temporary	Operating Capacity	Rated	Temporary	Operating Capacity
Douglas	1,805	343	2,148	2,055	433	2,488	2,055	433	2,488
Eyman	3,984	1,793	5,777	3,984	1,793	5,777	3,984	1,793	5,777
Florence	3,284	697	3,981	3,284	697	3,981	3,284	697	3,981
Perryville	4,214	141	4,355	4,214	141	4,355	4,214	141	4,355
Phoenix	552	168	720	552	168	720	552	168	720
Lewis	5,104	870	5,974	5,104	870	5,974	5,104	870	5,974
Safford	1,453	416	1,869	1,453	416	1,869	1,453	416	1,869
Tucson	4,600	493	5,093	4,600	493	5,093	4,600	493	5,093
Winslow	1,626	216	1,842	1,626	216	1,842	1,626	216	1,842
Yuma	4,350	420	4,770	4,350	420	4,770	4,350	420	4,770
<b>Subtotal</b>	<b>30,972</b>	<b>5,557</b>	<b>36,529</b>	<b>31,222</b>	<b>5,647</b>	<b>36,869</b>	<b>31,222</b>	<b>5,647</b>	<b>36,869</b>
<b>Private (Per Diem)</b>									
Kingman (\$41.78)	3,400	108	3,508	3,400	108	3,508	3,400	108	3,508
Phoenix West (\$51.00)	400	100	500	400	100	500	400	100	500
Marana (\$49.10)	500	-	500	500	-	500	500	-	500
Florence West (\$46.55 - 57.74)	600	150	750	600	150	750	600	150	750
Florence II (\$69.57)	1,000	280	1,280	1,000	280	1,280	1,000	280	1,280
Red Rock (\$68.20)	2,000	24	2,024	2,000	24	2,024	2,000	24	2,024
<b>Subtotal 1/</b>	<b>7,900</b>	<b>662</b>	<b>8,562</b>	<b>7,900</b>	<b>662</b>	<b>8,562</b>	<b>7,900</b>	<b>662</b>	<b>8,562</b>
<b>Total - All Beds 2/</b>	<b>38,872</b>	<b>6,219</b>	<b>45,091</b>	<b>39,122</b>	<b>6,309</b>	<b>45,431</b>	<b>39,122</b>	<b>6,309</b>	<b>45,431</b>
<b>State Prison Population</b>									
Female	4,326		4,326	4,326		4,326	4,326		4,326
Male	29,687		29,687	29,687		29,687	29,687		29,687
<b>Subtotal</b>	<b>34,013</b>		<b>34,013</b>	<b>34,013</b>		<b>34,013</b>	<b>34,013</b>		<b>34,013</b>
<b>Private Prison Population</b>									
Male	8,299		8,299	8,299		8,299	8,299		8,299
<b>Total Population 3/</b>	<b>42,312</b>		<b>42,312</b>	<b>42,312</b>		<b>42,312</b>	<b>42,312</b>		<b>42,312</b>
<b>Bed Surplus/(Shortfall)</b>									
Male	(3,440)		2,779	(3,190)		3,119	(3,190)		3,119
Female	(67)		74	183		414	183		414
<b>Bed Surplus/(Shortfall) (% of Beds)</b>	<b>-9%</b>		<b>6%</b>	<b>-8%</b>		<b>7%</b>	<b>-8%</b>		<b>7%</b>

1/ The base rate for the private (per diem) bed rate for each facility is listed. ADC may be charged a lower rate due to amendments or contract provisions that grant lower rates for temporary beds or beds used over an occupancy threshold. Marana and Kingman are management only contracts.

2/ Excludes special use beds totaling 1,837 as of June 30, 2019.

3/ The chart excludes prisoners awaiting transfer from county jail.

SUMMARY OF FUNDS	FY 2019 Actual	FY 2020 Estimate
<b>Alcohol Abuse Treatment Fund (DCA2204/A.R.S. § 31-255)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> The lesser of \$0.50 per hour or 67% of wages earned by inmates convicted of driving under the influence (DUI) offenses.		
<b>Purpose of Fund:</b> To provide alcohol abuse treatment and rehabilitation services for DUI inmates.		
<b>Funds Expended</b>	443,700	555,500
<b>Year-End Fund Balance</b>	1,167,300	998,600

SUMMARY OF FUNDS	FY 2019 Actual	FY 2020 Estimate
<b>Arizona Correctional Industries Revolving Fund (DCA4002/A.R.S. § 41-1624)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Sale of Arizona Correctional Industries (ACI) goods and services and interest earnings.		
<b>Purpose of Fund:</b> To compensate state employees and inmates employed at ACI; purchase materials for the manufacture of goods for resale, equipment, and supplies; maintain and repair ACI's buildings and equipment; and pay other associated ACI operational costs. A.R.S. § 41-1624 authorizes an annual \$1,000,000 transfer into the Department of Corrections Building Renewal Fund. This amount is reflected in the balance, but is not shown in expenditures to avoid double-counting.		
<b>Funds Expended</b>	47,731,800	46,003,400
<b>Year-End Fund Balance</b>	10,601,500	9,704,700
<b>Community Corrections Enhancement Fund (DCA2395/ARS § 31-418)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> A portion (30%) of a monthly supervision fee of at least \$65 paid by the prisoner. The departments may require payment of a lesser amount. Beginning in FY 2013, revenues also include a monthly drug testing fee pursuant to Laws 2012, Chapter 208. The department has not yet implemented the fee.		
<b>Purpose of Fund:</b> To pay for costs related to community corrections.		
<b>Funds Expended</b>	576,700	422,500
<b>Year-End Fund Balance</b>	354,100	310,300
<b>Corrections Donations Fund (DCA3147/A.R.S. § 41-1605)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Private grants and monies received from the disposal of donated properties.		
<b>Purpose of Fund:</b> To be used as specified by the particular donation.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	5,900	5,900
<b>Corrections Fund (DCA2088/A.R.S. § 41-1641)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Luxury taxes on alcohol and tobacco products. The fund receives 20% of the monies collected from spirituous liquor and 50% of the monies collected from vinous and malt liquors are deposited in the Corrections Fund. A.R.S. § 42-3104 designates that the fund receive 50% of all general tax rate collections from the tax on tobacco products.		
<b>Purpose of Fund:</b> For the construction, major maintenance, lease-purchase or lease of correctional or state-operated juvenile facilities. The Legislature may also appropriate monies in this fund for the operation of these facilities. A.R.S. § 41-1641 authorizes an annual transfer of \$2,500,000 from the Corrections Fund to the Department of Corrections Building Renewal Fund. This amount is reflected in the balance, but is not shown in expenditures to avoid double-counting.		
<b>Funds Expended</b>	22,233,900	30,312,300
<b>Year-End Fund Balance</b>	15,808,400	8,142,400
<b>Department of Corrections Building Renewal Fund (DCA2551/A.R.S. § 41-797)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Monies transferred annually from the following funds: Inmate Store Proceeds Fund (\$500,000), Special Services Fund (\$500,000), Arizona Correctional Industries Revolving Fund (\$1,000,000), and Corrections Fund (\$2,500,000). Also includes monies from a visitation background check fee and a 1% fee on inmate deposits. Expenditures from this fund are reported in the Capital section.		
<b>Purpose of Fund:</b> For capital projects and preventive maintenance (up to 8% of the annual expenditures).		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	2,988,100	249,200
<b>Federal Funds (DCA2000/A.R.S. § 35-142 and A.R.S. § 41-1605)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Law enforcement related federal grants.		
<b>Purpose of Fund:</b> For inmate education and school breakfast and lunch programs. The amounts do not include General Fund reimbursements for the incarceration of illegal aliens from the State Criminal Alien Assistance Program.		
<b>Funds Expended</b>	8,649,100	9,147,600
<b>Year-End Fund Balance</b>	(110,600)	103,500



SUMMARY OF FUNDS	FY 2019 Actual	FY 2020 Estimate
<b>Indirect Cost Recovery Fund (DCA9000/A.R.S. § 41-1604)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Charges made to interagency agreements and monies transferred from the department's appropriated and non-appropriated funds.		
<b>Purpose of Fund:</b> To pay departmentwide administrative and overhead costs.		
<b>Funds Expended</b>	392,700	2,272,500
<b>Year-End Fund Balance</b>	2,970,800	1,307,400
<b>Inmate Store Proceeds Fund (DCA2505/A.R.S. § 41-1604.02)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Profit resulting from the privatization of inmate stores.		
<b>Purpose of Fund:</b> To fund inmate education. Please see the Non-Appropriated portion of the fund for additional information.		
<b>Funds Expended</b>	282,400	1,341,300
<b>Year-End Fund Balance</b>	5,098,000	5,379,500
<b>Inmate Store Proceeds Fund (DCA2505/A.R.S. § 41-1604.02)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Profit resulting from the privatization of inmate stores.		
<b>Purpose of Fund:</b> For inmate activities, incentive pay increases for Corrections Officers, equipment to enhance safety for both department personnel and inmates or other official needs as required, at the discretion of the Director of ADC. A.R.S. § 41-1604.02 authorizes an annual \$500,000 transfer into the Department of Corrections Building Renewal Fund. Please see the Appropriated portion of the fund for additional information.		
<b>Funds Expended</b>	7,577,600	5,574,800
<b>Year-End Fund Balance</b>	5,098,000	5,379,500
<b>Interagency Service Agreement Fund (DCA2500/A.R.S. § 41-1604)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Intergovernmental agreements between ADC and other state and local entities.		
<b>Purpose of Fund:</b> To be used as specified in the grant or agreement.		
<b>Funds Expended</b>	56,100	66,400
<b>Year-End Fund Balance</b>	3,894,500	200
<b>Penitentiary Land Fund (DCA3140/A.R.S. § 37-525)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Interest on the Penitentiary Land Fund, as established through Arizona's Enabling Act, Section 25, and monies derived from the rental of these lands and property.		
<b>Purpose of Fund:</b> To provide a continuous source of monies for the benefit and support of state penitentiaries. The department uses appropriations from this fund for building maintenance.		
<b>Funds Expended</b>	2,361,700	2,780,300
<b>Year-End Fund Balance</b>	3,064,200	2,887,800
<b>Prison Construction and Operations Fund (DCA2504/A.R.S. § 41-1651)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Assessment (ranging from \$500 to \$1,500) paid by persons convicted of DUI offenses.		
<b>Purpose of Fund:</b> To pay for any costs related to prison overcrowding and department support and maintenance.		
<b>Funds Expended</b>	10,000,000	12,500,000
<b>Year-End Fund Balance</b>	3,287,300	1,187,300

SUMMARY OF FUNDS	FY 2019 Actual	FY 2020 Estimate
<b>Special Services Fund (DCA3187/A.R.S. § 41-1604.03)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Revenues that are generated by the inmate use of technology, including telephone systems, kiosks and tablets.		
<b>Purpose of Fund:</b> For the benefit, education, and welfare of committed offenders, and to pay the costs of implementing, operating and maintaining technologies and programs for inmate use. A major portion of the Special Services Fund is maintained in banks outside the state treasury system, and the transactions are not processed through the Arizona Financial Information System. As a result, the information for this fund is reported on an accrual accounting basis. A.R.S. § 41-1604.03 authorizes an annual \$500,000 transfer into the Department of Corrections Building Renewal Fund; this transfer is reported as an expenditure. This amount is reflected in the balance, but is not shown in expenditures to avoid double-counting.		
<b>Funds Expended</b>	7,623,900	14,213,100
<b>Year-End Fund Balance</b>	9,900,000	5,126,900
<b>State Charitable, Penal and Reformatory Institutions Land Fund (DCA3141/A.R.S. § 37-525)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Twenty-five percent of monies received from interest on the State Charitable, Penal, and Reformatory Institutions Land Fund, as established through Arizona's Enabling Act, Section 25; and 25% of monies derived from the rental of these lands and property.		
<b>Purpose of Fund:</b> To provide a continuous source of monies for the benefit and support of state penal institutions.		
<b>Funds Expended</b>	3,046,300	2,661,800
<b>Year-End Fund Balance</b>	2,347,400	2,215,000
<b>State DOC Revolving Fund (DCA2515/A.R.S. § 42-3106)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> The fund receives 3% of tax revenue collected on spirituous liquors and 7% of tax revenue collected on vinous and malt liquor.		
<b>Purpose of Fund:</b> To provide support for rehabilitation programs and counseling for inmates who have a history of substance abuse and are released on parole.		
<b>Funds Expended</b>	3,536,600	4,889,200
<b>Year-End Fund Balance</b>	2,045,900	1,024,400
<b>State Education Fund for Correctional Education (DCA2107/A.R.S. § 15-1372)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> "Basic State Aid" funding that ADC receives from the Arizona Department of Education based on the number of Average Daily Membership pupils attending ADC education programs pursuant to A.R.S. § 15-1372.		
<b>Purpose of Fund:</b> To provide education to inmates under the age of 18 years and inmates with disabilities who are age 21 or younger.		
<b>Funds Expended</b>	726,100	729,300
<b>Year-End Fund Balance</b>	806,600	606,300
<b>Statewide Employee Recognition Gifts/Donations Fund (DCA2449/A.R.S. § 41-709)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Gifts and donations from public and private entities.		
<b>Purpose of Fund:</b> For employee recognition programs that recognize and award the performance, achievement, longevity, or major life event of department employees.		
<b>Funds Expended</b>	53,000	122,100
<b>Year-End Fund Balance</b>	44,500	22,400
<b>Transition Program Fund (DCA2379/A.R.S. § 31-284 and A.R.S. § 31-254)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Revenue from 5% allocation of wages (if available after other obligations) from inmates not convicted of DUI earning under \$2.00 per hour and from the cost savings from the implementation of a transition program as calculated by A.R.S § 31-285. The source of revenue for the cost savings is the State DOC Revolving Fund that receives a share of tax revenue collected from liquor, and the expenditures of these monies are reported from this fund.		
<b>Purpose of Fund:</b> To pay for costs related to the administration of the Transition Program and for transition program services.		
<b>Funds Expended</b>	1,202,400	2,400,100
<b>Year-End Fund Balance</b>	3,787,100	3,681,900