

Arizona Department of Corrections

	FY 2024 ACTUAL	FY 2025 ESTIMATE	FY 2026 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	9,569.0	9,592.0	9,569.0
Personal Services	452,716,500	442,603,700	401,635,800
Employee Related Expenditures	158,103,100	258,766,600	233,154,700
Professional and Outside Services	12,974,300	10,869,200	10,869,200
Travel - In State	496,400	169,000	169,000
Travel - Out of State	244,000	48,300	48,300
Other Operating Expenditures	146,165,500	114,801,500	99,464,300
Equipment	1,844,600	16,768,300	16,768,300
OPERATING SUBTOTAL	772,544,400	844,026,600	762,109,600 ^{1/2/3/}
SPECIAL LINE ITEMS			
Overtime and Compensatory Time	92,029,200 ^{4/}	15,540,500	75,320,300 ^{5/}
Community Corrections	20,860,000	28,280,300	28,280,300
Private Prison Per Diem	269,454,500	275,716,800	275,716,800 ^{6/7/}
Inmate Health Care Contracted Services	315,559,500	367,557,100	367,557,100 ^{8/9/}
Substance Abuse Treatment	0	3,945,400	3,945,400
Non-Contract Medication	4,131,500 ^{10/}	55,000,000	55,000,000 ^{11/}
Injunction-Related IT Upgrades	683,500 ^{12/}	16,000,000	16,000,000 ^{13/}
AGENCY TOTAL	1,475,262,600	1,606,066,700	1,583,929,500 ^{14/-20/}
FUND SOURCES			
General Fund	1,418,456,800	1,537,433,400	1,527,944,500
<u>Other Appropriated Funds</u>			
Alcohol Abuse Treatment Fund	28,000	555,800	555,800
Corrections Fund	31,312,500	31,312,500	31,312,500
Inmate Store Proceeds Fund	149,300	1,280,800	1,280,800
Penitentiary Land Fund	5,208,200	3,466,000	3,466,000 ^{21/}
Prison Construction and Operations Fund	14,106,800	12,500,100	12,500,100
State Charitable, Penal and Reformatory Institutions Land Fund	5,346,700	3,733,100	3,733,100 ^{22/}
State Education Fund for Correctional Education	112,300	736,400	736,400 ^{23/}
Transition Program Fund	542,000	15,048,600	2,400,300
SUBTOTAL - Other Appropriated Funds	56,805,800	68,633,300	55,985,000
SUBTOTAL - Appropriated Funds	1,475,262,600	1,606,066,700	1,583,929,500
Other Non-Appropriated Funds	126,987,800	131,520,900	130,539,600
Federal Funds	14,021,300	8,754,800	6,049,400
TOTAL - ALL SOURCES	1,616,271,700	1,746,342,400	1,720,518,500

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/} The FY 2025 budget transfers \$75,000,000 in FY 2024 and \$40,000,000 annually beginning in FY 2025 from the Attorney General's opioid settlement monies to ADC's non-appropriated Opioid Remediation Fund. As ADC non-appropriated monies, these funds are not included in the Appropriated Funds displayed in this table.
- ^{2/} Of the amount appropriated in the operating lump sum, \$401,635,800 is designated for personal services and \$233,154,700 is designated for employee-related expenditures. The department shall submit an expenditure plan for review by the joint legislative budget committee before spending these monies other than for personal services or employee-related expenditures. (General Appropriations Act footnote)

- 3/ After the department submits an expenditure plan to the joint legislative budget committee, the department may transfer personal services and employee-related expenditures savings from the operating budget to the private prison per diem line item for private prison staff stipends. The amount of any private prison staff stipend may not exceed the amount given to department staff. The expenditure plan is not subject to review by the joint legislative budget committee. (General Appropriations Act footnote)
- 4/ Prior to FY 2025, Overtime and Compensatory Time costs were displayed in the operating budget. The FY 2024 amounts have been displayed as part of this new line item for comparability.
- 5/ The department shall submit an expenditure plan for review by the joint legislative budget committee before spending monies appropriated for the overtime and compensatory time line item other than for personal services or employee-related expenditures. (General Appropriations Act footnote)
- 6/ The department shall use the amount appropriated in the private prison per diem line item to pay private prison contractors for housing and providing medical care to Arizona inmates. Before spending these monies for any other purpose, the department shall submit an expenditure plan for review by the joint legislative budget committee. (General Appropriations Act footnote)
- 7/ Private prison vendors that contract with this state may use staff vacancy savings to pay for overtime costs without incurring a penalty or staffing offset. (General Appropriations Act footnote)
- 8/ 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 Appropriations Act footnote)
- 9/ On or before August 1, 2025 and February 1, 2026, the state department of corrections shall submit a report to the joint legislative budget committee on the status of all inmate health care performance measures that are tracked by the department for contract monitoring purposes. Each report must include:
 1. The total number of performance measures, by facility, for which the department is not in substantial compliance.
 2. An explanation for each instance of noncompliance.
 3. The department's plan to comply with the performance measures. (General Appropriations Act footnote)
- 10/ The amount appropriated in the noncontract medication line item in fiscal year 2023-2024 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2025. (FY 2024 footnote as added by the FY 2025 General Appropriations Act).
- 11/ The department shall use the amount appropriated in the noncontract medication line item to purchase medications to treat hepatitis C and for medication-assisted treatment for substance use disorder. Before spending these monies for any other purpose, the department shall submit an expenditure plan for review by the joint legislative budget committee. (General Appropriations Act footnote)
- 12/ The amount appropriated in the injunction-related IT upgrades line item in fiscal year 2023-2024 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2025. (FY 2024 footnote as added by the FY 2025 General Appropriations Act).
- 13/ The amount appropriated in the injunction-related IT upgrades line item shall be used to address information technology improvements as required by the court in the *Jensen v. Thornell* inmate health care litigation. (General Appropriations Act footnote)
- 14/ 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 Appropriations Act footnote)
- 15/ 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 thirtieth 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 Appropriations Act footnote)
- 16/ On or before November 1, 2025, the state department of corrections shall provide a report on bed capacity to the joint legislative budget committee. 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, 2024 and June 30, 2025 and the projected capacity for June 30, 2026, 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. The report shall also include any plans to vacate beds but not permanently remove the beds from the bed count. If the department develops a plan after its November 1, 2025 report to open or close one hundred or more state operated or private prison rated beds, the department shall submit a plan detailing the proposed bed changes for review by the joint legislative budget committee before implementing these changes. (General Appropriations Act footnote)

- 17/ On or before August 1, 2025, the state department of corrections shall transfer to the public safety personnel retirement system via the department of administration its estimated required annual contribution to the corrections officer retirement plan for fiscal year 2025-2026. (General Appropriations Act footnote)
- 18/ On or before December 15, 2025 and July 15, 2026, the state department of corrections shall submit a report to the joint legislative budget committee on the progress made in meeting the staffing needs for correctional officers. Each 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 year-to-date. The report shall detail these amounts both departmentwide and by prison complex. (General Appropriations Act footnote)
- 19/ The department shall report actual fiscal year 2024-2025, estimated fiscal year 2025-2026 and requested fiscal year 2026-2027 expenditures as delineated in the prior year when the department submits its fiscal year 2026-2027 budget request pursuant to section 35-113, Arizona Revised Statutes. (General Appropriations Act footnote)
- 20/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- 21/ 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 to support state penal institutions. (General Appropriations Act footnote)
- 22/ 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 Appropriations Act footnote)
- 23/ Before spending any state education fund for correctional education monies in excess of \$736,400, the state department of corrections shall report the intended use of the monies to the director of the joint legislative budget committee. (General Appropriations Act footnote)

Operating Budget

The Baseline includes \$762,109,600 and 9,382 FTE Positions in FY 2026 for the operating budget. These amounts consist of:

	FY 2026
General Fund	\$752,489,600
Alcohol Abuse Treatment Fund	250,300
Corrections Fund	3,001,000
Inmate Store Proceeds Fund	1,280,800
Penitentiary Land Fund	686,800
Prison Construction and Operations Fund	2,500,100
State Charitable, Penal and Reformatory Institutions Land Fund	1,164,600
State Education Fund for Correctional Education	736,400

Adjustments are as follows:

Overtime Funding Shift

The Baseline includes a decrease of \$(59,779,800) from the General Fund in FY 2026 to shift operating budget funding to the Overtime and Compensatory Time line item. ADC has historically shifted funding from regular personal services to overtime, due to the department's correctional officer vacancies generating savings in the

agency's operating budget while also increasing the need for overtime to maintain adequate staffing levels.

In FY 2024, the budget included \$15,540,500 of funding for ADC overtime expenses. After the agency processed line item transfers during FY 2024, ADC ultimately reported overtime spending of \$92,029,200 in FY 2024.

The FY 2025 enacted budget retained the base level of \$15,540,500 for ADC overtime funding. As of October 2024, ADC has processed a transfer with the General Accounting Office to shift \$59,779,800 from the operating budget to the Overtime and Compensatory Time line item in FY 2025. To better align the budget with current ADC spending patterns, the Baseline includes this shift in FY 2026 by removing this amount from the ADC operating budget. (Also see the *Overtime and Compensatory Time line item below*).

Remove One-Time Injunction-Related Staffing

The Baseline includes a decrease of \$(6,800,000) and (23) FTE Positions from the General Fund in FY 2026 to remove one-time staffing funding to address injunction-related requirements. This funding was added in FY 2025, but the 3-year budget plan did not continue it beyond FY 2025.

Remove One-Time Other Injunction Costs

The Baseline includes a decrease of \$(2,688,900) from the General Fund in FY 2026 to remove one-time funding for injunction-related costs such as pest control and enhanced sanitation.

Remove One-Time Food Contract Increase

The Baseline includes a decrease of \$(12,648,300) in FY 2026 from the Transition Program Fund to remove one-time funding for the increased cost of the new food contract.

Overtime and Compensatory Time

The Baseline includes \$75,320,300 from the General Fund in FY 2026 for Overtime and Compensatory Time. Adjustments are as follows:

Overtime Funding Shift

The Baseline includes an increase of \$59,779,800 from the General Fund in FY 2026 to shift operating budget funding to the Overtime and Compensatory Time line item. This would align the budget with current ADC spending patterns. (See the Operating Budget narrative above for more detail).

Background – Beginning with the FY 2025 budget, this line item funds overtime and compensatory time primarily for correctional officers to make up for vacant positions. FY 2024 actual expenditures for overtime are displayed in this line item instead of the operating budget.

Community Corrections

The Baseline includes \$28,280,300 and 184 FTE Positions in FY 2026 for Community Corrections. These amounts consist of:

General Fund	25,574,500
Alcohol Abuse Treatment Fund	305,500
Transition Program Fund	2,400,300

These amounts are unchanged from FY 2025.

Background – Monies in this line item are used for several different community corrections programs as described below. In addition to the \$28,280,300 in FY 2026 appropriated funds, ADC projects that they will utilize an additional \$6,283,300 in non-appropriated funds for these activities in FY 2026.

As of October 31, 2024, ADC has responsibility for 5,392 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 line item funds the staffing costs for correctional officers that oversee offenders on community supervision. The department also uses the appropriated monies for contracted drug testing, behavioral needs testing, and other programming.
- **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. (See the Transition Program section in Other Issues.)
- **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, ADC operates the Maricopa and Pima Reentry Centers, 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.
- **Mental Health Transition Program:** Starting in FY 2022, offenders that have been diagnosed as seriously mentally ill and are eligible for AHCCCS benefits upon release may receive 90-days of mental health transition services. Statute requires ADC to place up to 500 inmates in the program each year.

See Table 1 for detail on the FY 2024 expenditures from the line item.

	<u>Approp.</u>	<u>Non-Approp.</u>	<u>Total</u>
Comm. Supervision	\$14,111,300	\$10,390,200	\$24,501,500
Transition Program	565,300	0	565,300
Maricopa Reentry	2,000,200	535,300	2,535,500
Pima Reentry	2,764,300	0	2,764,300
Mental Health	797,500	0	797,500
Transition Program			
Other/Overhead	<u>621,400</u>	<u>0</u>	<u>621,400</u>
Total	\$20,860,000	\$10,925,500	\$31,785,500

Private Prison Per Diem

The Baseline includes \$275,716,800 in FY 2026 for Private Prison Per Diem. This amount consists of:

General Fund	245,342,800
Corrections Fund	28,311,500
Penitentiary Land Fund	2,062,500

These amounts are unchanged from FY 2025.

Background – This line item funds payments to private prison contractors for housing and providing medical care to Arizona inmates in 11,168 total contracted beds. The amount appropriated assumes a certain number of vacancies that typically occur during the course of the year. 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. Of the 6 existing private prison contracts, 3 (Kingman, Phoenix West and Florence West) are solely for management services as the state owns those facilities.

Of the current funding level, the FY 2025 budget's 3-year spending plan labeled \$55,283,500 (\$54,283,500 from the General Fund and \$1,000,000 from the Corrections Fund) as one-time and included that amount through FY 2027. As a result, the FY 2026 Baseline's long-term spending projections exclude this funding in FY 2028.

Inmate Health Care Contracted Services

The Baseline includes \$367,557,100 in FY 2026 for Inmate Health Care Contracted Services. This amount consists of:

General Fund	354,271,900
Penitentiary Land Fund	716,700
Prison Construction and Operations Fund	10,000,000
State Charitable, Penal and Reformatory Institutions Land Fund	2,568,500

These amounts are unchanged from FY 2025.

Background – The state contracts with a private company to provide health care to inmates in state-operated prisons. In May 2022 ADC awarded a new inmate health care contract that contract took effect in October 2022 and is for 5 years with a renewal option for an additional 5 years. (Please see the *Inmate Health Care Issues* section in the *FY 2025 Baseline ADC* section for additional information.)

The current contract does not include the cost of medications for either hepatitis C treatment and or medication-assisted treatment of substance use disorders (see the *Non-Contract Medication* line item below).

Substance Abuse Treatment

The Baseline includes \$3,945,400 and 3 FTE Positions from the General Fund in FY 2026 for Substance Abuse Treatment. These amounts are unchanged from FY 2025.

This line item provides ADC with specified funding for substance abuse treatment. This includes funding for ADC programs and to contract with private vendors to provide treatment.

Non-Contract Medication

The Baseline includes \$55,000,000 from the General Fund in FY 2026 for Non-Contract Medication. This amount is unchanged from FY 2025.

A General Appropriation Act footnote requires the department to use the amount appropriated in the non-contract medication line item to purchase medications to treat hepatitis C and for medication-assisted treatment for substance use disorder. These costs are not part of the contract with the state's private health care provider (as funded in the *Inmate Health Care Contracted Services* line item).

Injunction-Related IT Upgrades

The Baseline includes \$16,000,000 from the General Fund in FY 2026 for Injunction-Related IT Upgrades. This amount is unchanged from FY 2025.

A General Appropriation Act footnote requires the department to use these monies to address information technology improvements as required by the court in the *Jensen v. Thornell* inmate health care litigation.

Other Issues

This section includes information on the following topics:

- Opioid Settlement Transfer
- Auditor General Report
- Transition Program
- Bed Capacity Issues
 - Inmate Growth Rate
 - Bed Capacity
 - Bed Surplus/Shortfall

Opioid Settlement Transfer

The FY 2025 budget included an FY 2024 supplemental that reduced the ADC operating General Fund appropriation by \$(75,000,000). The budget replaced that funding with a transfer of \$75,000,000 in opioid settlement funding from the Attorney General in FY 2024, resulting in no net change in overall funding to ADC.

The FY 2025 budget reduced the transfer of opioid settlement monies from the Attorney General to ADC from \$75,000,000 to \$40,000,000 beginning in FY 2025 and retains this funding on an ongoing basis.

The opioid settlement transfers are not displayed within the appropriated ADC budget as the transferred monies will be deposited in the non-appropriated ADC Opioid Remediation Fund established pursuant to A.R.S. § 35-142.

The Baseline continues an Attorney General footnote specifying that ADC shall use the opioid settlement funding only for past and current department costs for care, treatment, programs and other expenditures for individuals with opioid use disorder and any co-occurring substance use disorder or mental health conditions or for any other approved purposes as prescribed in a court order, a settlement agreement or the one Arizona distribution of opioid settlement funds agreement that is entered into by this state and other parties to the opioid litigation. *(Please see the Attorney General section for additional information.)*

Auditor General Report

In July 2024, the Auditor General published its annual performance audit evaluating whether ADC met various statutory requirements. In terms of budget implications, the Auditor General found that in some instances inmates were not released to the Transition Program as required by statute, and as a result some inmates were in custody longer than required.

The Auditor General also found that the department had data discrepancies related to inmate programming similar to those identified in previous audits, which the report noted could require IT system updates. The department agreed to all of the Auditor General's findings and is implementing the recommendations.

Transition Program

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. Participants reside in homes or halfway houses across the state and receive substance abuse counseling and case management services.

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 from an earlier release be transferred to the Transition Program Fund to pay for the vendor costs of the program. Statute does not specify from which fund these monies are transferred. ADC has transferred money from the State DOC Revolving Fund to meet this requirement.

In FY 2024, the program saved a total of 341,846 bed days. In that same year, the Transition Program Fund received revenue of \$5,928,800 from all sources. Of this amount, \$5,811,400 came from the statutory \$17 transfer and the remainder came from non-DUI inmate wages. The vendor is required to seek Medicaid payment for services like substance abuse treatment prior to billing ADC. Because Medicaid pays for much of the costs, the department's vendor costs to run the program in FY 2024 were on average \$1.59 per inmate per day, or \$542,000 total.

Bed Capacity Issues

Inmate Growth Rate

On June 30, 2024, the total inmate population was 35,138. This was an increase of 761 inmates from the June 30, 2023 population of 34,377. *Table 2* shows the year-end populations from FY 2020 to FY 2025.

<u>Year</u>	<u>Population</u>
FY 2020	40,151
FY 2021	35,954
FY 2022	33,371
FY 2023	34,377
FY 2024	35,138
FY 2025 (as of October 31)	35,511

The decline in the ADC population from FY 2020 through FY 2022 was likely related to the pandemic.

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 38,593 public and private beds on June 30, 2024, a decrease of (560) beds since June 30, 2023. This reduction includes the elimination of (500) rated beds due to the closure of the Marana prison.
- 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 2024, the department decreased its total operating capacity by (560) beds, from 44,369 to 43,809.

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 1,792 as of June 30, 2024, an increase of 5 from June 30, 2023.

Bed Surplus/Shortfall

At the end of FY 2024, the department had a total rated bed surplus of 3,455. After adjusting for the 5,216 temporary beds in the overall ADC system, the rated bed surplus became a 8,671-operating bed surplus. Because beds are divided by gender and security level, this figure may not fully reflect system capacity. (Please see *Table 4 for more information.*)

Table 4

Fiscal Year-End Operating Capacity

State	FY 2024 Actual			FY 2025 Estimate			FY 2026 Estimate		
	Rated	Temp.	Operating Capacity	Rated	Temp.	Operating Capacity	Rated	Temp.	Operating Capacity
Douglas	1,905	140	2,045	1,805	140	1,945	1,805	140	1,945
Eyman	4,493	2,211	6,704	4,493	2,139	6,632	4,493	2,139	6,632
Perryville	4,214	129	4,343	4,214	129	4,343	4,214	129	4,343
Phoenix	552	213	765	552	213	765	552	213	765
Lewis	5,104	879	5,983	4,960	879	5,839	4,960	879	5,839
Safford	1,703	160	1,863	1,703	160	1,863	1,703	160	1,863
Tucson	4,540	582	5,122	4,540	582	5,122	4,540	582	5,122
Winslow	1,626	0	1,626	1,626	0	1,626	1,626	0	1,626
Yuma	4,350	340	4,690	4,350	340	4,690	4,350	340	4,690
Subtotal	28,487	4,654	33,141	28,243	4,582	32,825	28,243	4,582	32,825
Private (Per Diem) ^{1/}									
Kingman (\$62.69)	3,400	108	3,508	3,400	108	3,508	3,400	108	3,508
Phoenix West (\$89.95)	400	-	400	400	-	400	400	-	400
Florence West (\$74.50)	600	150	750	600	150	750	600	150	750
Florence II (\$84.03)	1,000	280	1,280	1,000	280	1,280	1,000	280	1,280
Red Rock (\$80.83)	2,000	24	2,024	2,000	24	2,024	2,000	24	2,024
La Palma (\$88.62)	2,706	-	2,706	2,706	-	2,706	2,706	-	2,706
Subtotal	10,106	562	10,668	10,106	562	10,668	10,106	562	10,668
Total - All Beds ^{2/}	38,593	5,216	43,809	38,349	5,144	43,493	38,349	5,144	43,493
State Prison Population									
Male	22,212		22,212	22,600		22,600	22,900		22,900
Female	3,227		3,227	3,250		3,250	3,300		3,300
Subtotal	25,439		25,439	25,850		25,850	26,200		26,200
Private Prison Population									
Male	9,699		9,699	10,000		10,000	10,200		10,200
Total Population ^{3/4/}	35,138		35,138	35,850		35,850	36,400		36,400
Bed Surplus/(Shortfall)									
Male	3,455		8,671	2,499		7,643	1,949		7,093
Female	2,357		7,444	1,524		6,539	1,024		6,039
Female	1,098		1,227	975		1,104	925		1,054
Bed Surplus/(Shortfall) (% of Beds)	9%		20%	7%		18%	5%		16%

^{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. Kingman, Florence West and Phoenix West are management only.

^{2/} Excludes special use beds totaling 1,792 as of June 30, 2024.

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

^{4/} The chart reflects the actual inmate population at the end of FY 2024 and assumes a 2.0% population growth in FY 2025 over FY 2024 and 1.5% growth in FY 2026 over FY 2025.

SUMMARY OF FUNDS	FY 2024 Actual	FY 2025 Estimate
Alcohol Abuse Treatment Fund (DCA2204/A.R.S. § 31-255)		Appropriated
Source of Revenue: The lesser of \$0.50 per hour or 67% of wages earned by inmates convicted of driving under the influence (DUI) offenses.		
Purpose of Fund: To provide alcohol abuse treatment and rehabilitation services for DUI inmates.		
Funds Expended	28,000	555,800
Year-End Fund Balance	380,400	192,300
Arizona Correctional Industries Revolving Fund (DCA4002/A.R.S. § 41-1624)		Non-Appropriated
Source of Revenue: Sale of Arizona Correctional Industries (ACI) goods and services and interest earnings.		
Purpose of Fund: 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.		
Funds Expended	44,911,700	46,781,900
Year-End Fund Balance	22,367,700	13,335,800
Community Corrections Enhancement Fund (DCA2395/ARS § 31-418)		Non-Appropriated
Source of Revenue: 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.		
Purpose of Fund: To pay for costs related to community corrections.		
Funds Expended	546,600	495,200
Year-End Fund Balance	350,600	185,400
Corrections Fund (DCA2088/A.R.S. § 41-1641)		Appropriated
Source of Revenue: 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.		
Purpose of Fund: 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.		
Funds Expended	31,312,500	31,312,500
Year-End Fund Balance	4,275,400	6,501,500
Department of Corrections Building Renewal Fund (DCA2551/A.R.S. § 41-797)		Appropriated
Source of Revenue: 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 Outlay - Arizona Department of Corrections section.		
Purpose of Fund: For capital projects and preventive maintenance (up to 8% of the annual expenditures).		
Funds Expended	0	0
Year-End Fund Balance	7,947,900	13,534,500
Federal Funds (DCA2000/A.R.S. § 35-142 and A.R.S. § 41-1605)		Federal Funds
Source of Revenue: Law enforcement related federal grants.		
Purpose of Fund: 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.		
Funds Expended	14,021,300	8,754,800
Year-End Fund Balance	116,100	2,486,500

SUMMARY OF FUNDS	FY 2024 Actual	FY 2025 Estimate
Indirect Cost Recovery Fund (DCA9000/A.R.S. § 41-1604)		Non-Appropriated
Source of Revenue: Charges made to interagency agreements and monies transferred from the department's appropriated and non-appropriated funds.		
Purpose of Fund: To pay departmentwide administrative and overhead costs.		
Funds Expended	3,164,800	19,500
Year-End Fund Balance	5,300	510,700
Inmate Store Proceeds Fund (DCA2505/A.R.S. § 41-1604.02)		Appropriated
Source of Revenue: Profit resulting from the privatization of inmate stores.		
Purpose of Fund: To fund inmate education. Please see the Non-Appropriated portion of the fund for additional information.		
Funds Expended	149,300	1,280,800
Year-End Fund Balance	7,613,800	9,464,100
Inmate Store Proceeds Fund (DCA2505/A.R.S. § 41-1604.02)		Non-Appropriated
Source of Revenue: Profit resulting from the privatization of inmate stores.		
Purpose of Fund: 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.		
Funds Expended	6,694,200	5,087,300
Year-End Fund Balance	7,613,800	9,464,100
Interagency Service Agreement Fund (DCA2500/A.R.S. § 41-1604)		Non-Appropriated
Source of Revenue: Intergovernmental agreements between ADC and other state and local entities.		
Purpose of Fund: To be used as specified in the grant or agreement.		
Funds Expended	3,480,900	1,598,100
Year-End Fund Balance	3,363,300	1,802,400
Penitentiary Land Fund (DCA3140/A.R.S. § 37-525)		Appropriated
Source of Revenue: 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.		
Purpose of Fund: 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.		
Funds Expended	5,208,200	3,466,000
Year-End Fund Balance	1,516,800	1,511,200
Prison Construction and Operations Fund (DCA2504/A.R.S. § 41-1651)		Appropriated
Source of Revenue: Assessment (ranging from \$500 to \$1,500) paid by persons convicted of DUI offenses.		
Purpose of Fund: To pay for any costs related to prison overcrowding and department support and maintenance.		
Funds Expended	14,106,800	12,500,100
Year-End Fund Balance	16,509,800	14,297,200
Special Services Fund (DCA3187/A.R.S. § 41-1604.03)		Non-Appropriated
Source of Revenue: Revenues that are generated by the inmate use of technology, including telephone systems, kiosks and tablets.		
Purpose of Fund: 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.		
Funds Expended	8,275,300	8,354,300
Year-End Fund Balance	5,025,500	5,099,300

SUMMARY OF FUNDS	FY 2024 Actual	FY 2025 Estimate
State Charitable, Penal and Reformatory Institutions Land Fund (DCA3141/A.R.S. § 37-525)		Appropriated
Source of Revenue: 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.		
Purpose of Fund: To provide a continuous source of monies for the benefit and support of state penal institutions.		
Funds Expended	5,346,700	3,733,100
Year-End Fund Balance	1,375,500	1,037,700
State Department of Corrections Opioid Remediation Fund (DCA2573/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Monies transferred by the Attorney General from the Consumer Remediation Subaccount of the Consumer Restitution and Remediation Revolving Fund. Revenue comes from monies deposited in the subaccount pursuant to opioid claims-related litigation or settlements.		
Purpose of Fund: For past and current department costs for care, treatment, programs and other expenditures for individuals with opioid use disorder and any co-occurring substance use disorder or mental health conditions or for any other approved purposes as prescribed in a court order, a settlement agreement or the One Arizona Distribution of Opioid Settlement Funds Agreement that is entered into by this state and other parties to the opioid litigation.		
Funds Expended	51,760,100	63,240,000
Year-End Fund Balance	23,239,900	(100)
State DOC Revolving Fund (DCA2515/A.R.S. § 42-3106)		Non-Appropriated
Source of Revenue: The fund receives 3% of tax revenue collected on spirituous liquors and 7% of tax revenue collected on vinous and malt liquor.		
Purpose of Fund: To provide support for rehabilitation programs and counseling for inmates who have a history of substance abuse and are released on parole.		
Funds Expended	8,001,700	5,788,100
Year-End Fund Balance	95,500	(1,417,800)
State Education Fund for Correctional Education (DCA2107/A.R.S. § 15-1372)		Appropriated
Source of Revenue: "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.		
Purpose of Fund: To provide education to inmates under the age of 18 years and inmates with disabilities who are age 21 or younger.		
Funds Expended	112,300	736,400
Year-End Fund Balance	765,500	265,100
Statewide Employee Recognition Gifts/Donations Fund (DCA2449/A.R.S. § 41-709)		Non-Appropriated
Source of Revenue: Gifts and donations from public and private entities.		
Purpose of Fund: For employee recognition programs that recognize and award the performance, achievement, longevity, or major life event of department employees.		
Funds Expended	152,500	156,500
Year-End Fund Balance	34,300	27,600
Transition Program Fund (DCA2379/A.R.S. § 31-284 and A.R.S. § 31-254)		Appropriated
Source of Revenue: 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.		
Purpose of Fund: To pay for costs related to the administration of the Transition Program and for transition program services.		
Funds Expended	542,000	15,048,600
Year-End Fund Balance	15,407,800	5,669,800