

State Department of Corrections

	FY 2021 ACTUAL	FY 2022 ESTIMATE	FY 2023 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	9,566.0	9,566.0	9,566.0 ^{1/}
Correctional Officer Personal Services	322,746,300	356,924,800	351,085,300
Health Care Personal Services	3,563,700	3,542,300	3,542,300
All Other Personal Services	72,356,900	66,575,700	66,575,700
Personal Services Subtotal	398,666,900	427,042,800	421,203,300
Employee Related Expenditures	233,785,100	272,708,300	268,815,300
Personal Services and Employee Related Expenditures for Overtime/Compensatory Time	68,028,000	15,540,500	15,540,500
Other Operating Expenditures			
Professional and Outside Services	7,879,700	8,869,200	8,869,200
Travel - In State	143,600	169,000	169,000
Travel - Out of State	21,600	48,300	48,300
Food	36,699,000	39,503,000	37,218,800
Other Operating Expenditures	102,662,700	107,874,300	81,542,900
Equipment	4,544,200	21,479,400	21,479,400
Other Operating Expenditures Subtotal	151,950,800	177,943,200	149,327,600
OPERATING SUBTOTAL	852,430,800	893,234,800	854,886,700 ^{2/}
SPECIAL LINE ITEMS			
Community Corrections	18,911,600	23,684,000	23,684,000
Private Prison Per Diem	154,061,400	197,548,800	220,048,800
Inmate Health Care Contracted Services	177,657,900	203,173,100	199,634,500 ^{3/}
Medical Staffing Augmentation	0	15,000,000	0
Substance Abuse Treatment	0	5,000,600	0
Named Claimants	800	0	0
AGENCY TOTAL	1,203,062,500	1,337,641,300	1,298,254,000 ^{D/A-11/}
FUND SOURCES			
General Fund	1,162,398,100 ^{2/}	1,284,302,300	1,244,915,000
<u>Other Appropriated Funds</u>			
Alcohol Abuse Treatment Fund	17,800	555,700	555,700
Corrections Fund	30,238,700	30,312,400	30,312,400
Inmate Store Proceeds Fund	616,100	1,373,000	1,373,000
Penitentiary Land Fund	2,653,300	2,790,700	2,790,700 ^{12/}
Prison Construction and Operations Fund	4,000,000	12,500,000	12,500,000
State Charitable, Penal and Reformatory Institutions Land Fund	2,661,400	2,663,700	2,663,700 ^{13/}
State Education Fund for Correctional Education	0	743,300	743,300 ^{14/}
Transition Program Fund	477,100	2,400,200	2,400,200
SUBTOTAL - Other Appropriated Funds	40,664,400	53,339,000	53,339,000
SUBTOTAL - Appropriated Funds	1,203,062,500	1,337,641,300	1,298,254,000
Other Non-Appropriated Funds	84,459,600	60,415,900	60,415,900
Federal Funds	27,013,300	15,265,200	15,265,200
TOTAL - ALL SOURCES	1,314,535,400	1,413,322,400	1,373,935,100

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 2023.
- 2/ Of the amount appropriated in the operating lump sum, \$421,203,300 is designated for personal services and \$268,815,300 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, except that until January 1, 2023, if the department makes a transfer between two line items to maximize the use of federal monies, the department shall submit an expenditure plan that is not subject to review before spending those monies. (General Appropriation Act footnote)
- 3/ 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)
- ~~4/ On or before August 1, 2021 and February 1, 2022, 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. Each 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)~~
- 4/ 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)
- 5/ 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 Appropriation Act footnote)
- 6/ On or before November 1, 2022, the state department of corrections shall provide a report on bed capacity to the joint legislative budget committee ~~for 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, 2021 and June 30, 2022 and the projected capacity for June 30, 2023, 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. (General Appropriation Act footnote)
- 7/ If the department develops a plan ~~after its November 1 report~~ to open or close 100 OR MORE state-operated OR PRIVATE 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~~-CHANGES for review by the joint legislative budget committee before implementing these changes. (General Appropriation Act footnote)
- 8/ On or before August 1, 2022, 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 2022-2023. (General Appropriation Act footnote)
- 9/ On or before December 15, 2022 and July 15, 2023, 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 Appropriation Act footnote)
- 10/ **NEW** The department shall report actual fiscal year 2021-2022, estimated fiscal year 2022-2023, and requested fiscal year 2023-2024 expenditures as delineated in the prior year when the department submits its fiscal year 2023-2024 budget request pursuant to section 35-113, Arizona Revised Statutes. (General Appropriation Act footnote)
- 11/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

- 12/ 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 Appropriation Act footnote)
- 13/ 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)
- 14/ Before spending any state education fund for correctional education monies in excess of \$743,300, 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 decreases the Arizona Department of Corrections (ADC)'s General Fund spending by \$(39,387,300) in FY 2023 for the following:

- \$2,444,700 for net increased costs associated with year 2 of the phased closure of the Florence prison.
- \$(600,000) for rent savings.
- \$(41,232,000) for the elimination of one-time funding.

Operating Budget

The Baseline includes \$854,886,700 and 9,382 FTE Positions in FY 2023 for the operating budget. These amounts consist of:

	<u>FY 2023</u>
General Fund	\$845,127,400
Alcohol Abuse Treatment Fund	250,200
Corrections Fund	3,000,900
Inmate Store Proceeds Fund	1,373,000
Penitentiary Land Fund	728,200
Prison Construction and Operations Fund	2,500,000
State Charitable, Penal and Reformatory Institutions Land Fund	1,163,700
State Education Fund for Correctional Education	743,300

FY 2023 adjustments are as follows:

Remove One-Time Radio Replacement Funding

The Baseline includes a decrease of \$(17,329,500) from the General Fund in FY 2023 for the elimination of one-time funding for radio replacements.

Remove One-Time Vest Funding

The Baseline includes a decrease of \$(3,851,900) from the General Fund in FY 2023 for the elimination of one-time funding for new ballistic and stab-proof vests.

Remove One-Time Equipment

The Baseline includes a decrease of \$(50,000) from the General Fund in FY 2023 for the elimination of one-time equipment for the expansion of the Braille Transcription Program.

Florence Closure Savings

The Baseline includes a decrease of \$(16,516,700) from the General Fund in FY 2023 for state-funded prison operational savings resulting from the second year of the Florence closure plan. (See the Florence Prison section in Other Issues)

Rent Savings

The Baseline includes a decrease of \$(600,000) from the General Fund in FY 2023 for rent savings. Beginning in FY 2023, ADC will consolidate its office space and relocate to less square feet at 701 E. Jefferson in downtown Phoenix. This decrease was enacted by the FY 2022 budget's 3-year spending plan.

Retirement Savings

The FY 2022 budget's 3-year spending plan included a FY 2021 supplemental of \$500,000,000 from the General Fund to PSPRS to reduce unfunded pension liability in the ADC CORP Employer Group. The Baseline reduces ongoing General Fund spending by \$(52,037,300) beginning in FY 2023 due to lower employer contributions. These savings will be allocated to the ADC budget in the FY 2023 General Appropriation Act.

The Baseline includes a new General Appropriation Act footnote that would require the department to report actual FY 2022, estimated FY 2023, and requested FY 2024 expenditures as delineated in the prior year when the department submits its FY 2024 budget request. This requirement was previously included in the Criminal Justice Budget Reconciliation Bill.

Community Corrections

The Baseline includes \$23,684,000 and 184 FTE Positions in FY 2023 for Community Corrections. These amounts consist of:

General Fund	20,978,300
Alcohol Abuse Treatment Fund	305,500
Transition Program Fund	2,400,200

These amounts are unchanged from FY 2022.

Background – Monies in this line item are used for several different community corrections programs as described below. In addition to the \$23,684,000 in FY 2023 appropriated funds, ADC projects that they will utilize an additional \$5,791,100 in non-appropriated funds for these activities in FY 2023.

As of December 17, 2021, ADC has responsibility for 5,429 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.

	Approp.	Non-Approp.	Total
Comm. Supervision	\$14,155,200	\$3,691,500	\$17,846,700
Transition	495,000	0	495,000
Maricopa Reentry	1,099,800	425,400	1,525,200
Pima Reentry	2,444,500	0	2,444,500
Other/Overhead	717,100	0	717,100
Total	\$18,911,600	\$4,116,900	\$23,028,500

Private Prison Per Diem

The Baseline includes \$220,048,800 in FY 2023 for Private Prison Per Diem. This amount consists of:

General Fund	190,674,800
Corrections Fund	27,311,500
Penitentiary Land Fund	2,062,500

FY 2023 adjustments are as follows:

Florence Replacement Beds

The Baseline includes an increase of \$22,500,000 from the General Fund in FY 2023 for the second-year costs of new private prison beds to replace beds removed from service in the partial Florence prison closure. (See the *Florence Prison section.*)

Background – This line item funds payments to private prison contractors for housing and providing medical care to Arizona inmates in 11,268 beds after the increase in new private prison 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 as the state owns those facilities.

Inmate Health Care Contracted Services

The Baseline includes \$199,634,500 in FY 2023 for Inmate Health Care Contracted Services. This amount consists of:

General Fund	188,134,500
Prison Construction and Operations Fund	10,000,000
State Charitable, Penal and Reformatory Institutions Land Fund	1,500,000

FY 2023 adjustments are as follows:

Florence Closure Savings

The Baseline includes a decrease of \$(3,538,600) from the General Fund in FY 2023 for assumed contract savings from a reduced state-prison inmate population resulting from the second year of the partial closure of the Florence prison. (See the *Florence Prison* section.)

Background – The state contracts with a private company to provide health care to inmates in state-operated prisons. In June 2021, ADC exercised the first of 3 one-year extensions to the current contract for FY 2022. The line item funds the costs of the contract; ADC expenditures for monitoring the contracted services are included within the department’s operating budget. The current contract can be amended for changes to scope, and the vendor may request adjustments for inflation. A General Appropriation Act footnote continues to require review of any changes to the per diem.

ADC also receives reimbursement from Medicaid for the costs of outside health care that can be utilized to pay vendor costs. In FY 2021, the department received \$14,371,000 in Medicaid reimbursement.

In previous years a General Appropriation Act footnote required ADC to report semi-annually on the status of healthcare performance measures. The Baseline removes this requirement as ADC is currently involved in ongoing litigation regarding health care services which could affect future funding and reporting requirements.

Medical Staffing Augmentation

The Baseline includes no funding from the General Fund in FY 2023 for Medical Staffing Augmentation. FY 2023 adjustments are as follows:

Remove One-Time Funding

The Baseline includes a decrease of \$(15,000,000) from the General Fund in FY 2023 for the elimination of one-time funding.

This line item provides ADC with flexible funding to address performance measures related to the ongoing inmate healthcare litigation.

Substance Abuse Treatment

The Baseline includes no funding from the General Fund in FY 2023 for Substance Abuse Treatment. FY 2023 adjustments are as follows:

Remove One-Time Funding

The Baseline includes a decrease of \$(5,000,600) from the General Fund in FY 2023 for the elimination of one-time funding.

This funding is used to contract with a private company to provide additional substance abuse treatment services to inmates.

Other Issues

This section includes information on the following topics:

- Long-Term Budget Impacts
- Transition Program
- Bed Capacity Issues
 - Inmate Growth Rate
 - Bed Capacity
 - Bed Surplus/Shortfall
- Auditor General Report
- Florence Prison

Long-Term Budget Impacts

As part of the FY 2023 budget’s 3-year spending plan, ADC’s General Fund costs are projected to increase by \$7,226,800 in FY 2024 above FY 2023 for increased costs of the Florence closure plan. The actual costs in FY 2023 and subsequent years will depend on the outcome of the procurement process. (See the *Florence Prison* section.)

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. ADC has transferred money from the State DOC Revolving Fund to meet this requirement.

In FY 2021, the program saved a total of 81,082 bed days. In that same year, the Transition Program Fund received revenue of about \$1,990,800 from all sources. Of this amount, \$1,378,400 came from the statutory \$17 transfer and the remainder came from DUI inmate wages. According to ADC, the vendor costs to run the program in FY 2021 were on average \$6 per inmate per day, or \$495,000 total.

Bed Capacity Issues

Inmate Growth Rate

On June 30, 2021, the total inmate population was 35,954. This was a decrease of (4,197) inmates since the June 30, 2020 population of 40,151. *Table 2* shows the year-end populations from FY 2017 to FY 2022.

<u>Year</u>	<u>Population</u>
FY 2017	42,200
FY 2018	42,113
FY 2019	42,312
FY 2020	40,151
FY 2021	35,954
FY 2022 (as of December 17)	34,114

The decline in the ADC population in FY 2020 through FY 2022 may be 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 38,972 public and private beds on June 30, 2021, unchanged from June 30, 2020.
- 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 2021, the department increased its total operating capacity by 16 beds, from 45,191 to 45,207.

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 1,821 as of June 30, 2021, a decrease of (16) from June 30, 2020.

Bed Surplus/Shortfall

At the end of FY 2021, the department had a total rated bed surplus of 3,018. After adjusting for the 6,235 temporary beds in the overall ADC system, the rated bed shortfall became a 9,253-bed surplus.

ADC plans to close most of the Florence prison by the end of FY 2022 and replace these beds with new private beds. The net impact of this change would add 39 new beds to the operating capacity. (See *Table 5*.)

Auditor General Report

In October 2021 the Auditor General published 2 ADC audits: a performance audit and sunset review and a review of specific self-improvement or treatment programs provided by the department.

Performance Audit and Sunset Review

The report evaluated whether the department met its statutory requirements. In terms of budget-related issues, the report found that in some instances the department did not release inmates to the Transition Program as required by statute, and as a result some inmates were in custody longer than required. The report also found that the department had not yet programmed all eligibility requirements for the Transition Program into the inmate management system, which likely led to the error.

Review of Specific Self-Improvement or Treatment Programs

The report reviewed 4 specific programs offered by the department: cognitive restructuring, moderate substance abuse (SA) treatment, intensive SA treatment, and driving-under-the-influence (DUI) treatment.

The report found that the department was not able to provide treatment to all inmates who needed it. *Table 3* details the participation and completion rates for inmates released by the department between January 2017 and November 2019.

	<u>Need Met</u>	<u>Completion Rate</u>
Cognitive Restructuring	43%	78%
Moderate or Intensive SA Treatment	17%	63%
DUI Treatment	79%	87%

The report identified staffing limitations as a contributor to the lack of treatment capacity. The report also noted that transfers to other prisons while enrolled in a program

contributed to lower completion rates and said the department was taking steps to reduce those noncompletions.

The Auditor General's key recommendations were that ADC:

- Continue to increase capacity in these 4 programs by requesting additional resources, particularly for substance abuse treatment.
- Continue efforts to reduce noncompletions.
- Use enrollment data to research causes for noncompletions and utilize data to change enrollment process.

Florence Prison

The FY 2022 budget included a net increase of \$18,650,200 from the General Fund in FY 2022 for the first-year costs of the Executive's plan to close the Florence prison and partially replace the Florence beds with new private prison beds. The 3-year spending plan included an additional net increase of \$2,444,700 from the General Fund in FY 2023 for the second-year costs and \$7,226,800 in FY 2024.

The Executive plan includes several components:

- Florence Closure Savings: This includes savings from reduced overtime, healthcare costs, food, and other costs.
- Remaining Florence Unit Costs: The Executive plans to keep the Globe and Florence South units at least partially open through FY 2024. The Globe unit is a satellite unit with 250 beds for minimum security inmates. The South unit has operating capacity for 965 medium security inmates and currently houses sex offenders. After accounting for these units, the Executive's plan would eliminate (2,766) net beds.
- Private Prison Bed Costs: The Executive's plan would replace these beds with new private prison beds. The majority of these beds would come from a new private prison contract for 2,412 beds with an assumed per diem of \$85. The new private beds would be phased in over several years. ADC's budget caps some private prison contracts at 97% of capacity. The Executive plan restores this funding, which would add 294 beds. In total, the Executive plans to add 2,706 beds.

See Table 4 for the full 3-year funding plan.

Table 4			
Florence Prison Closure 3-Year Budget Plan			
	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
<u>Florence Closure Savings</u>			
Overtime	\$(9,105,700)	\$(18,211,300)	\$(18,211,300)
Healthcare Population Reduction	(3,538,600)	(7,077,200)	(9,038,600)
Food	(2,284,100)	(4,568,300)	(4,568,300)
Operating Costs	(4,500,000)	(9,000,000)	(9,000,000)
Attrition Savings	<u>(626,800)</u>	<u>(1,253,700)</u>	<u>(1,880,500)</u>
<i>Florence Closure Savings Subtotal</i>	<i>\$(20,055,200)</i>	<i>\$(40,110,500)</i>	<i>\$(42,698,700)</i>
<u>Florence Open Unit Costs</u>			
Keep Globe Unit Open	\$3,100,000	\$3,100,000	\$3,100,000
Keep Florence South Unit Open	<u>10,170,000</u>	<u>10,170,000</u>	<u>5,085,000</u>
<i>Florence Open Unit Costs Subtotal</i>	<i>\$13,270,000</i>	<i>\$13,270,000</i>	<i>\$8,185,000</i>
Total Savings	\$(6,785,200)	\$(26,840,500)	\$(34,513,700)
<u>Private Prison Bed Costs</u>			
New Contract Beds (2,412*365*85) ^{1/}	\$22,400,000	\$44,900,000	\$59,800,000
Kingman Funding Restoration (210 beds)	1,410,400	1,410,400	1,410,400
Red Rock Funding Restoration (60 beds)	1,493,600	1,493,600	1,493,600
Red Rock Additional Capacity (24 beds)	<u>131,400</u>	<u>131,400</u>	<u>131,400</u>
<i>Private Prison Bed Costs</i>	<i>\$25,435,400</i>	<i>\$47,935,400</i>	<i>\$62,835,400</i>
Net Project Cost	\$18,650,200	\$21,094,900	\$28,321,700
Costs above prior year	-	\$2,444,700	\$7,226,800

^{1/} The full cost of the new contract beds will be phased in over at least 4 years. Based on the assumed \$85 per diem, the total cost once fully phased in would be \$74,832,300. The actual cost will depend on the results of the procurement process.

Table 5									
Fiscal Year-End Operating Capacity									
State	FY 2021 Actual			FY 2022 Estimate			FY 2023 Estimate		
	Rated	Temp.	Operating Capacity	Rated	Temp.	Operating Capacity	Rated	Temp.	Operating Capacity
Douglas	1,905	343	2,248	1,905	343	2,248	1,905	343	2,248
Eyman	3,984	1,793	5,777	3,984	1,833	5,817	3,984	1,833	5,817
Florence	3,284	697	3,981	794	473	1,267	794	473	1,267
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	509	5,109	4,600	516	5,116	4,600	516	5,116
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
Subtotal	31,072	5,573	36,645	28,582	5,396	33,978	28,582	5,396	33,978
Private (Per Diem)									
Kingman (\$48.09)	3,400	108	3,508	3,400	108	3,508	3,400	108	3,508
Phoenix West (\$57.37)	400	100	500	400	100	500	400	100	500
Marana (\$53.98)	500	-	500	500	-	500	500	-	500
Florence West (\$52.82 - 64.01)	600	150	750	600	150	750	600	150	750
Florence II (\$76.22)	1,000	280	1,280	1,000	280	1,280	1,000	280	1,280
Red Rock (\$75.07)	2,000	24	2,024	2,000	24	2,024	2,000	24	2,024
New RFP)\$85.00)	-	-	-	2,706	-	2,706	2,706	-	2,706
Subtotal ^{1/}	7,900	662	8,562	10,606	662	11,268	10,606	662	11,268
Total - All beds ^{2/}	38,972	6,219	45,191	39,188	6,058	45,246	39,188	6,058	45,246
State Prison Population									
Female	3,387		3,387	3,387		3,387	3,500		3,500
Male	25,372		25,372	25,372		25,372	25,000		25,000
Subtotal	28,759		38,759	28,759		28,759	28,500		28,500
Private Prison Population									
Male	7,195		7,195	7,195		7,195	9,300		9,300
Total Population ^{3/4/}	35,954		35,954	35,594		35,954	37,800		37,800
Bed Surplus/(Shortfall)									
Male	3,018		9,253	3,234		9,292	1,388		7,446
Female	2,080		8,174	2,112		8,213	379		6,480
	938		1,079	1,122		1,353	1,009		1,240
Bed Surplus/(Shortfall) (% of Beds)	8%		20%	8%		21%	4%		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. Marana and Kingman are management only.

^{2/} Excludes special use beds totaling 1,821 as of June 30,2021.

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

^{4/} The chart assumes the inmate population in FY 2022 remains unchanged from FY 2021 and a 5% population growth in FY 2023.

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 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	17,800	555,700
Year-End Fund Balance	1,398,000	1,180,800
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	34,947,600	38,893,000
Year-End Fund Balance	12,657,100	5,996,700
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. Laws 2012, Chapter 208 permits the department to implement a fee for participation in a drug testing program; the department has not yet implemented the fee.		
Purpose of Fund: To pay for costs related to community corrections.		
Funds Expended	427,100	405,000
Year-End Fund Balance	485,700	546,400
Coronavirus Relief Fund (DCA2975/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Monies received by the state from the federal COVID-19 response legislation. Arizona received \$1.86 billion from the Coronavirus Relief Fund established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act based on the state's share of the population.		
Purpose of Fund: Monies are allocated by the Governor to supplement costs of the state's COVID-19 response, including necessary expenditures incurred by the state due to the public health emergency from March 1, 2020 to December 30, 2020.		
Funds Expended	22,562,700	0
Year-End Fund Balance	0	0
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	30,238,700	30,312,400
Year-End Fund Balance	14,861,000	12,291,200
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 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	4,407,400	793,800

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
Federal Funds (DCA2000/A.R.S. § 35-142 and A.R.S. § 41-1605)		Non-Appropriated
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	4,450,600	15,265,200
Year-End Fund Balance	575,500	759,200
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	716,800	450,900
Year-End Fund Balance	1,859,800	2,687,700
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	616,100	1,373,000
Year-End Fund Balance	8,209,800	7,491,000
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	5,187,100	4,377,000
Year-End Fund Balance	8,209,800	7,491,000
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	34,927,500	4,931,600
Year-End Fund Balance	4,933,300	41,500
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	2,653,300	2,790,700
Year-End Fund Balance	5,448,500	3,620,700
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	4,000,000	12,500,000
Year-End Fund Balance	17,283,600	3,539,800

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
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	6,797,200	8,033,100
Year-End Fund Balance	10,546,800	6,285,900
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	2,661,400	2,663,700
Year-End Fund Balance	4,147,100	2,609,500
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	1,322,000	3,212,500
Year-End Fund Balance	5,147,100	6,043,100
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	0	743,300
Year-End Fund Balance	1,060,200	770,900
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	134,300	112,800
Year-End Fund Balance	78,500	90,400
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	477,100	2,400,200
Year-End Fund Balance	6,174,500	6,070,800