

Department of Juvenile Corrections

| | FY 2021 ACTUAL | FY 2022 ESTIMATE | FY 2023 BASELINE |
|--|-------------------|---------------------|-----------------------------------|
| OPERATING BUDGET | | | |
| <i>Full Time Equivalent Positions</i> | 738.5 | 738.5 | 738.5 |
| Personal Services | 23,107,300 | 22,787,800 | 22,787,800 |
| Employee Related Expenditures | 14,396,300 | 16,929,700 | 16,929,700 |
| Professional and Outside Services | 1,146,900 | 862,000 | 862,000 |
| Travel - In State | 194,800 | 297,000 | 297,000 |
| Travel - Out of State | 1,100 | 14,800 | 14,800 |
| Other Operating Expenditures | 5,554,300 | 4,717,900 | 4,717,900 |
| Equipment | 460,900 | 9,300 | 9,300 |
| AGENCY TOTAL | 44,861,600 | 45,618,500 | 45,618,500 ^{1/2/} |
| FUND SOURCES | | | |
| General Fund | 30,602,300 | 30,696,600 | 30,696,600 |
| <u>Other Appropriated Funds</u> | | | |
| Criminal Justice Enhancement Fund | 538,300 | 533,200 | 533,200 |
| Department of Juvenile Corrections Local Cost Sharing Fund | 8,450,900 | 8,450,900 | 8,450,900 |
| State Charitable, Penal and Reformatory Institutions Land Fund | 3,861,400 | 4,044,100 | 4,044,100 |
| State Education Fund for Committed Youth | 1,408,700 | 1,893,700 | 1,893,700 |
| SUBTOTAL - Other Appropriated Funds | 14,259,300 | 14,921,900 | 14,921,900 |
| SUBTOTAL - Appropriated Funds | 44,861,600 | 45,618,500 | 45,618,500 |
| Other Non-Appropriated Funds | 115,500 | 80,300 | 80,300 |
| Federal Funds | 1,185,300 | 986,500 | 986,500 |
| TOTAL - ALL SOURCES | 46,162,400 | 46,685,300 | 46,685,300 |

AGENCY DESCRIPTION — The Department of Juvenile Corrections (DJC) is responsible for the care and treatment of youth offenders adjudicated to be delinquent and remanded to the custody of the department. DJC has jurisdiction over youth until they are released from custody or reach age 18.

FOOTNOTES

- ^{1/} Twenty-five percent of land earnings and interest from the state charitable, penal and reformatory institutions land fund shall be distributed to the department of juvenile corrections, in compliance with section 25 of the enabling act and the Constitution of Arizona, to be used to support state juvenile institutions and reformatories. (General Appropriation Act footnote)
- ^{2/} General Appropriation Act funds are appropriated as a Lump Sum by Agency.

Operating Budget

The Baseline includes \$45,618,500 and 738.5 FTE Positions in FY 2023 for the operating budget. These amounts consist of:

| | |
|--|-----------|
| State Charitable, Penal and Reformatory Institutions Land Fund | 4,044,100 |
| State Education Fund for Committed Youth | 1,893,700 |
| These amounts are unchanged from FY 2023. | |

| | FY 2023 |
|--|----------------|
| General Fund | \$30,696,600 |
| Criminal Justice Enhancement Fund (CJEF) | 533,200 |
| Department of Juvenile Corrections Local Cost Sharing Fund | 8,450,900 |

Other Issues

Local Cost Sharing

The FY 2016 Criminal Justice Budget Reconciliation Bill (BRB) created the DJC Local Cost Sharing Fund with annual deposits from each county for their share of a portion of the operational costs of DJC. The FY 2020 Criminal Justice BRB repealed the requirement in statute for all counties (except Maricopa and Pima) to pay their proportional share of \$11,260,000 according to their population. The FY 2020 Criminal Justice BRB also suspended the \$8,450,900 in county cost sharing for Maricopa and Pima Counties on a one-time basis in FY 2020. The FY 2022 budget did not include the suspension, thereby requiring Maricopa and Pima Counties to make deposits into the DJC Local Cost Sharing Fund in FY 2022. Maricopa County will contribute \$6,724,000 while Pima County will contribute \$1,726,900. The Baseline continues to require Maricopa and Pima Counties to pay their proportional share in FY 2023.

(Please see the County Funding narrative for more information on state distributions to counties.)

Population Counts

Table 1 lists the DJC population by category since FY 2019. From FY 2019 to FY 2021, the housed population decreased from 198 to 182, or (8.1)%, while the parole population has increased.

During FY 2022, the housed population has decreased from 182 to 148, or (18.7)%. This decrease appears primarily due to reduced court activity during the

coronavirus pandemic. At the same time, the parole population decreased slightly.

Auditor General Reports

Use of Temporary Stabilization Units

In June 2021, the Auditor General published an audit regarding the department's use of temporary stabilization units (TSUs). TSUs are short-term isolation units used to stabilize and de-escalate youth behavior that represents a danger to themselves or others. The audit found that the department has not followed its policy and procedures for referring youth to TSUs, and that youth isolation can potentially have negative consequences and undermine the department's mission to rehabilitate youth. It recommends that DJC follow its policy and procedure requirements for referring youth to TSUs and ensure that TSU referrals comply with policy and procedure.

Youth Treatment Programming Evaluation

In October 2021, the Auditor General published an audit regarding the department's processes for evaluating the treatment programming it provides to youth. The audit recommended that the department:

- Ensure it delivers treatment interventions for youth with fidelity to the interventions' original research designs and correct any identified deficiencies by conducting ongoing monitoring.
- Implement its revised policy and procedures for using the Evidence-Based Correctional Program Checklist (CPC) to ensure it addresses all actionable CPC evaluation report recommendations, and further revise and implement these procedures to include requirements for addressing areas needing improvement.

Table 1

| | DJC Census | | | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|---|
| | <u>FY 2019 Average Population</u> | <u>FY 2020 Average Population</u> | <u>FY 2021 Average Population</u> | <u>Population as of November 30, 2021</u> |
| Housed Population | | | | |
| Adobe Mountain | 198 | 223 | 182 | 148 |
| Parole Population | | | | |
| Parole | 36 | 41 | 62 | 45 |
| Interstate Compact (Inside Arizona) ^{1/} | <u>77</u> | <u>75</u> | <u>68</u> | <u>70</u> |
| Total Parole Population | <u>113</u> | <u>116</u> | <u>130</u> | <u>115</u> |
| Total DJC Population | 311 | 339 | 312 | 263 |

^{1/} The Interstate Compact is an agreement between states to supervise parolees in each other's state. "Inside Arizona" means parolees from other states living in Arizona and "Outside Arizona" means Arizona parolees living in other states. There was an average of 1 Arizona parolee outside of Arizona in FY 2021 and 0 parolees as of November 30, 2021.

- Develop and implement a plan to identify opportunities, methods, external assistance, and resources for developing additional outcome measures and conducting outcome evaluations of treatment programming; establish and track additional outcome measures and prioritize and conduct outcome evaluations, as appropriate.

The Auditor General believes the recommendation that DJC conduct outcome evaluations has potential budget implications on the department. DJC reported that designing and conducting outcome evaluations is complex and requires extensive planning to ensure appropriate data is available to produce valid information. Although the department did not identify a lack of resources for conducting outcome evaluations, the report found that this may require additional resources in the future.

Performance and Sunset Review Audit

In October 2021, the Auditor General also published a performance audit and sunset review to determine the extent to which the department has complied with statute and its policies in several areas, including supervision of youth on parole, monitoring youth placed in exclusion, measuring and reporting youth recidivism, and safeguarding its information technology (IT) systems and data. The report recommended that DJC:

- Continue to implement its revised youth work experience policies and written plan for implementing its newly developed IT security policies.
- Evaluate and revise its method for measuring and reporting recidivism to further align it with additional practices recommended by literature and modify and implement its policies regarding youth exclusion.
- Follow its time frames for reviewing and resolving youth grievances and develop and implement youth grievance supervisory review policies and procedures.

| SUMMARY OF FUNDS | FY 2021 Actual | FY 2022 Estimate |
|--|-------------------|-------------------------|
| Criminal Justice Enhancement Fund (DJA2281/A.R.S. § 41-2401) | | Appropriated |
| Source of Revenue: Receives 1.84% of state Criminal Justice Enhancement Fund (CJEF) revenues. CJEF consists of a 42% assessment added on to every fine, penalty and forfeiture collected by the courts for criminal offenses, and civil penalties imposed for traffic violations and motor vehicle violations. | | |
| Purpose of Fund: For treatment and rehabilitation of youth who have committed drug-related offenses. | | |
| Funds Expended | 538,300 | 533,200 |
| Year-End Fund Balance | 913,000 | 923,300 |
| Department of Juvenile Corrections Local Cost Sharing Fund (DJA3007/A.R.S. § 41-2833) | | Appropriated |
| Source of Revenue: Maricopa and Pima Counties are required to pay a proportional share of \$8,450,900 based on their share of the state population according to the 2010 decennial census. | | |
| Purpose of Fund: To fund the operational costs of DJC. | | |
| Funds Expended | 8,450,900 | 8,450,900 |
| Year-End Fund Balance | 118,700 | 118,700 |
| DJC Restitution Fund (DJA2476/A.R.S. § 41-2826) | | Non-Appropriated |
| Source of Revenue: Federal, state, and local appropriations distributed by the director from the DJC Career Technical Education Fund, in addition to grants, gifts, and other donations from any public or private source. | | |
| Purpose of Fund: For the payment of restitution and monetary assessments by youths who are ordered to make such payments but who are financially unable to pay. In a committed youth work program or a community work program, youth participate and receive payment through the Restitution Fund, a portion of which is distributed in the form of restitution payments to victims or the court. | | |
| Funds Expended | 3,100 | 0 |
| Year-End Fund Balance | 145,900 | 200,000 |
| Employee Recognition Fund (DJA2449/A.R.S. § 41-709) | | Non-Appropriated |
| Source of Revenue: Gifts and donations from public and private entities. | | |
| Purpose of Fund: Employee recognition programs that recognize and award the performance, achievement, longevity or major life event of department employees. | | |
| Funds Expended | 1,200 | 0 |
| Year-End Fund Balance | 800 | 2,800 |

| SUMMARY OF FUNDS | FY 2021 Actual | FY 2022 Estimate |
|---|-------------------|-------------------------|
| Federal Funds (DJA2000/A.R.S. § 35-142) | | Non-Appropriated |
| Source of Revenue: Federal Grants. | | |
| Purpose of Fund: For the National School Breakfast and Lunch Program, Special Education, Career Technology Education, substance abuse, and other federal programs. | | |
| Funds Expended | 1,185,300 | 986,500 |
| Year-End Fund Balance | 192,400 | 195,300 |
| Indirect Cost Recovery Fund (DJA9000/A.R.S. § 35-142) | | 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 | 0 | 0 |
| Year-End Fund Balance | 206,600 | 206,600 |
| Instructional Improvement Fund (DJA2492/A.R.S. § 15-979) | | Non-Appropriated |
| Source of Revenue: Shared revenue from Indian gaming received through the Arizona Department of Education (ADE). The ADE Instructional Improvement Fund receives 56% of total shared revenue, as authorized by Proposition 202 from the 2002 General Election. (See ADE section for more information.) | | |
| Purpose of Fund: To fund teacher compensation increases, class size reduction, dropout prevention, and instructional improvement. | | |
| Funds Expended | 7,400 | 0 |
| Year-End Fund Balance | 0 | 0 |
| Juvenile Corrections Fund (DJA3024/A.R.S. § 41-2810) | | Non-Appropriated |
| Source of Revenue: Donations by individuals and businesses, proceeds from vending machines, and fund-raising efforts. | | |
| Purpose of Fund: For additional supplies and department conferences, for purposes agreed upon by donors and the agency Director, or for special student activities. | | |
| Funds Expended | 12,700 | 0 |
| Year-End Fund Balance | 34,000 | 47,500 |
| State Charitable, Penal and Reformatory Institutions Land Fund (DJA3029/A.R.S. § 37-525) | | Appropriated |
| Source of Revenue: Earnings on state lands and interest on the investment of the Permanent Land Fund. As approved by voters in May 2016, Proposition 123 increased the Treasurer's annual distribution rate from the Permanent Land Fund from 2.5% to 6.9% from FY 2016 to FY 2025. | | |
| Purpose of Fund: To help defray costs of operating juvenile correctional facilities. | | |
| Funds Expended | 3,861,400 | 4,044,100 |
| Year-End Fund Balance | 3,988,700 | 851,700 |
| State Education Fund for Committed Youth (DJA2323/A.R.S. § 15-1371) | | Appropriated |
| Source of Revenue: The state's statutory K-12 Basic State Aid formula provides funding based on the DJC population. | | |
| Purpose of Fund: To help provide for the education of committed youth. | | |
| Funds Expended | 1,408,700 | 1,893,700 |
| Year-End Fund Balance | 222,100 | (560,700) |

| SUMMARY OF FUNDS | FY 2021 Actual | FY 2022 Estimate |
|--|-------------------|-------------------------|
| State Education System for Committed Youth Classroom Site Fund (DJA2487/A.R.S. § 15-1373) | | Non-Appropriated |
| Source of Revenue: Classroom Site Fund monies received from the ADE, pursuant to A.R.S. § 15-977. The Classroom Site Fund receives monies from a 0.6% sales tax approved by the voters in the November 2000 General Election (Proposition 301). | | |
| Purpose of Fund: To provide additional funding for teacher compensation increases based on performance (40%); teacher base salary increases and employment related expenses (20%); and class size reduction, teacher compensation increases, AIMS intervention programs, teacher development, dropout prevention, and teacher liability insurance premiums (40%). | | |
| Funds Expended | 90,500 | 80,300 |
| Year-End Fund Balance | 407,200 | 465,900 |
| Statewide Donations Fund (DJA2025/A.R.S. § 35-142) | | Non-Appropriated |
| Source of Revenue: Gifts and donations from public and private entities. | | |
| Purpose of Fund: Employee recognition programs or for the specified purpose for which they were donated. | | |
| Funds Expended | 600 | 0 |
| Year-End Fund Balance | 100 | 1,100 |