

State Department of Corrections

	FY 2022 ACTUAL	FY 2023 ESTIMATE	FY 2024 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	9,566.0	9,569.0	9,569.0 ^{1/}
Correctional Officer Personal Services	31,629,700	410,568,300	406,500,300
Health Care Personal Services	150,500	4,142,800	4,142,800
All Other Personal Services	0	77,404,300	77,404,300
Personal Services Subtotal	31,780,200	492,115,400	488,047,400
Employee Related Expenditures	12,263,300	293,672,600	292,655,600
Personal Services and Employee Related Expenditures for Overtime/Compensatory Time	2,748,600	15,540,500	15,540,500
Other Operating Expenditures			
Professional and Outside Services	10,115,500	9,314,600	9,314,600
Travel - In State	327,100	169,000	169,000
Travel - Out of State	87,500	48,300	48,300
Food	32,182,900	37,218,800	37,218,800
Other Operating Expenditures	118,564,500	71,846,000	71,219,200
Equipment	30,460,600	24,122,100	21,479,400
Other Operating Expenditures Subtotal	191,738,100	142,718,800	139,449,300
OPERATING SUBTOTAL	238,530,200 ^{2/}	944,047,300	935,692,800 ^{3/4/}
SPECIAL LINE ITEMS			
Community Corrections	4,384,800	27,681,200	27,681,200
Private Prison Per Diem	152,402,500	237,554,100	252,454,100 ^{5/}
Inmate Health Care Contracted Services	183,737,300	269,681,300	267,719,900 ^{6/7/}
Medical Staffing Augmentation	3,772,100	0	0
Substance Abuse Treatment	0	6,100,700	5,445,400
Community Treatment Program for Imprisoned Women	0	2,000,000	0
Onetime Vehicle Purchase	0	9,048,400	0
Named Claimants	16,000	0	0
AGENCY TOTAL	582,842,900 ^{2/}	1,496,113,000	1,488,993,400 ^{8/16/}
FUND SOURCES			
General Fund	545,086,300 ^{2/}	1,437,963,200	1,435,701,600
<u>Other Appropriated Funds</u>			
Alcohol Abuse Treatment Fund	15,000	555,800	555,800
Corrections Fund	30,312,400	30,967,800	30,312,500
Inmate Store Proceeds Fund	954,100	5,544,200	1,341,500
Penitentiary Land Fund	2,748,800	2,777,600	2,777,600 ^{17/}
Prison Construction and Operations Fund	0	12,500,100	12,500,100
State Charitable, Penal and Reformatory Institutions Land Fund	2,665,600	2,665,100	2,665,100 ^{18/}
State Education Fund for Correctional Education	579,300	738,900	738,900 ^{19/}
Transition Program Fund	481,400	2,400,300	2,400,300
SUBTOTAL - Other Appropriated Funds	37,756,600	58,149,800	53,291,800
SUBTOTAL - Appropriated Funds	582,842,900	1,496,113,000	1,488,993,400
Other Non-Appropriated Funds	61,599,300	73,438,400	73,438,400
Federal Funds	677,802,500 ^{2/}	10,702,000	7,990,600
TOTAL - ALL SOURCES	1,322,244,700	1,580,253,400	1,570,422,400

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 187 GF FTE Positions funded from Special Line Items in FY 2024.
- 2/ FY 2022 actual expenditures were partially offset by federal Coronavirus Relief Fund and Coronavirus State and Local Fiscal Recovery Fund monies.
- 3/ Of the amount appropriated in the operating lump sum, \$488,047,400 is designated for personal services, and \$292,655,600 is designated for employee-related expenditures AND \$15,540,500 IS DESIGNATED FOR OVERTIME 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)
- 4/ 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 Appropriation Act footnote)
- 5/ Private prison vendors who contract with this state may use staff vacancy savings to pay for overtime costs without incurring a penalty or staffing offset. (General Appropriation Act footnote)
- 6/ 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)
- 7/ On or before August 1, 2023 and February 1, 2024, 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 meet the performance measures. (General Appropriation Act footnote)
- 8/ 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)
- 9/ 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)
- 10/ On or before November 1, 2023, 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, 2022 and June 30, 2023 and the projected capacity for June 30, 2024, 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)
- 11/ If the department develops a plan after its November 1, 2023 report to open or close 100 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 Appropriation Act footnote)
- 12/ On or before August 1, 2023, 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 2023-2024. (General Appropriation Act footnote)

- 13/ On or before December 15, 2023 and July 15, 2024, 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)
- 14/ The department shall report actual fiscal year 2022-2023, estimated fiscal year 2023-2024, and requested fiscal year 2024-2025 expenditures as delineated in the prior year when the department submits its fiscal year 2024-2025 budget request pursuant to section 35-113, Arizona Revised Statutes. (General Appropriation Act footnote)
- 15/ **NEW** On or before July 15, 2023, the state department of corrections shall submit a report to the joint legislative budget committee detailing expenditures of monies appropriated in fiscal year 2021-2022 for medical staffing augmentation. The department shall continue to report on July 15 of each year until all monies have been expended. (General Appropriation Act footnote)
- 16/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- 17/ 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)
- 18/ 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)
- 19/ Before spending any state education fund for correctional education monies in excess of \$738,900, 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 \$(2,261,600) in FY 2024 for the following:

- \$7,226,800 for net increased costs associated with the third and final year of the phased closure of the Florence prison.
- \$(9,488,400) for the elimination of one-time funding.

Operating Budget

The Baseline includes \$935,692,800 and 9,382 FTE Positions in FY 2024 for the operating budget. These amounts consist of:

	FY 2024
General Fund	\$925,980,800
Alcohol Abuse Treatment Fund	250,300
Corrections Fund	3,001,000
Inmate Store Proceeds Fund	1,341,500
Penitentiary Land Fund	715,100
Prison Construction and Operations Fund	2,500,100
State Charitable, Penal and Reformatory Institutions Land Fund	1,165,100
State Education Fund for Correctional Education	738,900

Adjustments are as follows:

Florence Closure Savings

The Baseline includes a decrease of \$(5,711,800) from the General Fund in FY 2024 for state-funded prison operational savings resulting from the third year of the Florence closure plan.

Remove One-Time Body Scanner Funding

The Baseline includes a decrease of \$(2,642,700) from the Inmate Store Proceeds Fund in FY 2024 for the elimination of one-time funding to purchase body scanners.

Operating Budget Transfers

A General Appropriation Act footnote specifies that of the amount appropriated in the Operating Budget, \$488,047,400 is designated for Personal Services and \$292,655,600 is for Employee-Related Expenditures. The Baseline continues this footnote and further designates \$15,540,500 for overtime expenditures. The department is required to submit an expenditure plan to the Joint Legislative Budget Committee for review prior to spending these monies other than for Personal Services and Employee-Related Expenditures.

Community Corrections

The Baseline includes \$27,681,200 and 184 FTE Positions in FY 2024 for Community Corrections. These amounts consist of:

General Fund	24,975,400
Alcohol Abuse Treatment Fund	305,500
Transition Program Fund	2,400,300

These amounts are unchanged from FY 2023.

Background – Monies in this line item are used for several different community corrections programs as described below. In addition to the \$27,681,200 in FY 2024 appropriated funds, ADC projects that they will utilize an additional \$3,182,500 in non-appropriated funds for these activities in FY 2024.

As of December 14, 2022, ADC has responsibility for 5,126 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 2022 expenditures from the line item.

	<u>Approp.</u>	<u>Non-Approp.</u>	<u>Total</u>
Comm. Supervision	\$ 0	\$19,706,600	\$19,706,600
Transition Program	491,000	0	491,000
Maricopa Reentry	1,934,000	711,300	2,645,300
Pima Reentry	1,271,800	2,015,000	3,286,800
Mental Health	0	0	0
Transition Program			
Other/Overhead	<u>688,000</u>	<u>108,100</u>	<u>796,100</u>
Total	\$4,384,800	\$22,541,000	\$26,925,800

1/ Non-Appropriated Expenditures include the effect of the end of FY 2022 shift from the General Fund to the federal Coronavirus State and Local Fiscal Recovery Fund.

Private Prison Per Diem

The Baseline includes \$252,454,100 in FY 2024 for Private Prison Per Diem. This amount consists of:

General Fund	223,080,100
Corrections Fund	27,311,500
Penitentiary Land Fund	2,062,500

Adjustments are as follows:

Florence Replacement Beds

The Baseline includes an increase of \$14,900,000 from the General Fund in FY 2024 for the third and final year costs of new private prison beds to replace beds removed from service in the partial Florence prison closure. ADC expects to complete the Florence closure and fully utilize these new private prison beds by the end of FY 2023.

Background – This line item funds payments to private prison contractors for housing and providing medical care to Arizona inmates in 11,168 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. Of the 7 existing private prison contracts, 4 (Marana, Kingman, Phoenix West and Florence West) are solely for management services as the state owns those facilities.

Inmate Health Care Contracted Services

The Baseline includes \$267,719,900 in FY 2024 for Inmate Health Care Contracted Services. This amount consists of:

General Fund	256,219,900
Prison Construction and Operations Fund	10,000,000
State Charitable, Penal and Reformatory Institutions Land Fund	1,500,000

Adjustments are as follows:

Florence Closure Savings

The Baseline includes a decrease of \$(1,961,400) from the General Fund in FY 2024 for assumed contract savings from a reduced state-prison inmate population resulting from the third and final year of the partial closure of the Florence prison.

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 at an annual cost of \$279,700,000. The contract took effect in October 2022 and is for 5 years with a renewal option for an additional 5 years.

In addition to appropriated funding, ADC receives reimbursement from Medicaid for the costs of outside health care that can be utilized to pay vendor costs. In FY 2022, the department received \$12,559,300 in Medicaid reimbursement. If ADC receives the same level of Medicaid reimbursement in FY 2024, the Baseline is sufficient to fund \$280,279,200 in costs.

Substance Abuse Treatment

The Baseline includes \$5,445,400 and 3 FTE Positions from the General Fund in FY 2024 for Substance Abuse Treatment. Adjustments are as follows:

Remove One-Time Funding

The Baseline includes a decrease of \$(655,300) from the Corrections Fund in FY 2024 for the elimination of one-time equipment and startup funding.

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.

Community Treatment Program for Imprisoned Women

The Baseline includes no funding in FY 2024 for the Community Treatment Program for Imprisoned Women. Adjustments are as follows:

Remove One-Time Funding

The Baseline includes a decrease of \$(2,000,000) from the General Fund in FY 2024 for the elimination of one-time funding.

This line item provides funding for ADC to contract with a private vendor to house inmates that have given birth in prison, and to provide specialized treatment and services.

One-Time Vehicle Purchase

The Baseline includes no funding in FY 2024 for One-Time Vehicle Purchase. Adjustments are as follows:

Remove One-Time Funding

The Baseline includes a decrease of \$(9,048,400) in FY 2024 for vehicle purchases. This amount consists of:

General Fund	(7,488,400)
Inmate Store Proceeds Fund	(1,560,000)

Other Issues

This section includes information on the following topics:

- Transition Program
- Bed Capacity Issues
 - Inmate Growth Rate
 - Bed Capacity
 - Bed Surplus/Shortfall

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 2022, the program saved a total of 248,693 bed days. In that same year, the Transition Program Fund received revenue of about \$5,309,600 from all sources. Of this amount, \$4,227,800 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 2022 were on average \$2 per inmate per day, or \$491,000 total.

surplus became a 11,102-operating bed surplus. Because beds are divided by gender and security level, this figure may not fully reflect system capacity. (Please see *Table 3 for more information.*)

Bed Capacity Issues

Inmate Growth Rate

On June 30, 2022, the total inmate population was 33,371. This was a decrease of (2,583) inmates since the June 30, 2021 population of 35,954. *Table 2* shows the year-end populations from FY 2018 to FY 2023.

<u>Year</u>	<u>Population</u>
FY 2018	42,113
FY 2019	42,312
FY 2020	40,151
FY 2021	35,954
FY 2022	33,371
FY 2023 (as of December 14)	33,874

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 39,188 public and private beds on June 30, 2022, an increase of 216 beds since June 30, 2021.
- 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 2022, the department decreased its total operating capacity by (734) beds, from 45,207 to 44,473.

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 1,898 as of June 30, 2022, an increase of 61 from June 30, 2021.

Bed Surplus/Shortfall

At the end of FY 2022, the department had a total rated bed surplus of 5,817. After adjusting for the 5,285 temporary beds in the overall ADC system, the rated bed

Table 3

Fiscal Year-End Operating Capacity

State	FY 2022 Actual			FY 2023 Estimate			FY 2024 Estimate		
	Rated	Temp.	Operating Capacity	Rated	Temp.	Operating Capacity	Rated	Temp.	Operating Capacity
Douglas	1,905	140	2,045	1,905	140	2,045	1,905	140	2,045
Eyman	3,984	1,833	5,817	3,984	1,753	5,737	3,984	1,833	5,817
Florence	794	421	1,215	794	421	1,215	794	421	1,215
Perryville	4,214	141	4,355	4,214	141	4,355	4,214	141	4,355
Phoenix	552	202	754	552	202	754	552	202	754
Lewis	5,104	870	5,974	5,104	870	5,974	5,104	870	5,974
Safford	1,453	160	1,613	1,453	160	1,613	1,453	160	1,613
Tucson	4,600	516	5,116	4,600	516	5,116	4,600	516	5,116
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	28,582	4,623	33,205	28,582	4,543	33,125	28,582	4,623	33,205
Private (Per Diem)									
Kingman (\$53.75)	3,400	108	3,508	3,400	108	3,508	3,400	108	3,508
Phoenix West (\$65.02 – 89.95)	400	100	500	400	-	400	400	-	500
Marana (\$59.35)	500	-	500	500	-	500	500	-	500
Florence West (\$59.29 – 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 ^{1/}	10,606	662	11,268	10,606	562	11,168	10,606	562	11,268
Total - All beds ^{2/}	39,188	5,285	44,473	39,188	5,105	44,293	39,188	5,285	44,473
State Prison Population									
Female	3,063		3,063	3,200		3,200	3,300		3,300
Male	22,331		22,331	21,200		21,200	21,800		21,600
Subtotal	25,394		25,394	24,400		24,400	25,100		24,900
Private Prison Population									
Male	7,977		7,977	9,800		9,800	9,900		9,900
Total Population ^{3/4/}	33,371		33,371	34,200		34,200	35,000		35,000
Bed Surplus/(Shortfall)									
	5,817		11,102	4,988		10,093	4,188		9,293
Male	4,555		8,213	3,863		8,827	3,163		8,127
Female	1,262		1,353	1,125		1,266	1,025		1,166
Bed Surplus/(Shortfall) (% of Beds)	15%		25%	13%		23%	11%		21%

^{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 1,898 as of June 30, 2022.

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

^{4/} The chart reflects the inmate population under an assumption of a 2.5% population growth in FY 2023 over FY 2022 and 2.0% growth in FY 2024 over FY 2023.

SUMMARY OF FUNDS	FY 2022 Actual	FY 2023 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	15,000	555,800
Year-End Fund Balance	1,742,300	1,582,500
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	39,707,500	45,740,300
Year-End Fund Balance	18,246,400	23,006,100
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	272,600	405,000
Year-End Fund Balance	814,100	909,900
Coronavirus Relief Fund (DCA2975/A.R.S. § 35-142)		Federal Funds
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	10,467,600	0
Year-End Fund Balance	0	0
Coronavirus State and Local Fiscal Recovery Fund (DCA2985/U.S. P.L. 117-2)		Federal Funds
Source of Revenue: Federal monies appropriated in the American Rescue Plan Act (P.L. 117-2).		
Purpose of Fund: To provide emergency support to households, small businesses, nonprofits, workers performing essential work, and certain industries negatively impacted by the COVID-19 pandemic. To extend government services that received a reduction in revenue as a result of the COVID-19 pandemic. To make investments in water, sewer, and broadband infrastructure.		
Funds Expended	664,654,000	1,204,200
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	30,312,400	30,967,800
Year-End Fund Balance	15,523,500	16,147,600

SUMMARY OF FUNDS	FY 2022 Actual	FY 2023 Estimate
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	9,620,100	15,183,000
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	2,680,900	9,497,800
Year-End Fund Balance	894,900	1,900,000
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	22,800	516,100
Year-End Fund Balance	1,319,700	1,979,200
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	954,100	5,544,200
Year-End Fund Balance	14,696,900	13,803,500
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	7,640,400	5,280,300
Year-End Fund Balance	14,696,900	13,803,500
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	1,905,200	9,291,500
Year-End Fund Balance	9,261,800	5,313,200
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	2,748,800	2,777,600
Year-End Fund Balance	6,249,400	6,598,300

SUMMARY OF FUNDS	FY 2022 Actual	FY 2023 Estimate
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	0	12,500,100
Year-End Fund Balance	27,980,200	25,880,100
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	7,903,900	8,251,400
Year-End Fund Balance	11,542,100	8,370,500
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	2,665,600	2,665,100
Year-End Fund Balance	4,205,700	5,376,100
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	4,015,000	3,830,200
Year-End Fund Balance	5,296,300	5,651,200
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	579,300	738,900
Year-End Fund Balance	846,100	525,200
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	131,900	123,600
Year-End Fund Balance	57,700	54,100

SUMMARY OF FUNDS	FY 2022 Actual	FY 2023 Estimate
Transition Program Fund (DCA2379/A.R.S. § 31-284 and A.R.S. § 31-254)		Appropriated
<p>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.</p> <p>Purpose of Fund: To pay for costs related to the administration of the Transition Program and for transition program services.</p>		
Funds Expended	481,400	2,400,300
Year-End Fund Balance	9,160,200	10,102,600