## *Department of Juvenile Corrections*

| | FY 2025 ACTUAL | FY 2026 ESTIMATE | FY 2027 BASELINE |
|---|---|---|---|
| **OPERATING BUDGET** | | | |
| *Full Time Equivalent Positions* | 738.5 | 738.5 | 738.5 |
| Personal Services | 25,000,400 | 27,481,800 | 26,839,600 |
| Employee Related Expenditures | 8,478,500 | 9,888,900 | 9,888,900 |
| Professional and Outside Services | 853,800 | 1,227,800 | 1,227,800 |
| Travel - In State | 370,200 | 556,200 | 556,200 |
| Travel - Out of State | 68,000 | 15,200 | 15,200 |
| Other Operating Expenditures | 6,296,200 | 5,496,300 | 5,596,300 |
| Equipment | 496,000 | 17,400 | 17,400 |
| **AGENCY TOTAL** | **41,563,100** | **44,683,600** | **44,141,400** 1/ 2/ |
| **FUND SOURCES** | | | |
| General Fund | 29,749,400 | 31,085,800 | 31,443,600 |
| Other Appropriated Funds | | | |
| Criminal Justice Enhancement Fund | 515,600 | 528,000 | 428,000 |
| Department of Juvenile Corrections Local Cost Sharing Fund | 6,724,000 | 6,724,000 | 6,724,000 |
| State Charitable, Penal and Reformatory Institutions Land Fund | 3,219,800 | 4,854,400 | 4,054,400 |
| State Education Fund for Committed Youth | 1,354,300 | 1,491,400 | 1,491,400 |
| SUBTOTAL - Other Appropriated Funds | 11,813,700 | 13,597,800 | 12,697,800 |
| **SUBTOTAL - Appropriated Funds** | **41,563,100** | **44,683,600** | **44,141,400** |
| Other Non-Appropriated Funds | 126,200 | 117,200 | 117,200 |
| Federal Funds | 1,320,700 | 3,368,600 | 725,400 |
| **TOTAL - ALL SOURCES** | 43,010,000 | 48,169,400 | 44,984,000 |

**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 Appropriations Act footnote)

2/ General Appropriations Act funds are appropriated as a Lump Sum by Agency.

### *Operating Budget*

The Baseline includes $44,141,400 and 738.5 FTE Positions in FY 2027 for the operating budget. These amounts consist of:

| | FY 2027 |
|---|---|
| General Fund | $31,443,600 |
| Criminal Justice Enhancement Fund (CJEF) | 428,000 |
| Department of Juvenile Corrections Local Cost Sharing Fund | 6,724,000 |
| State Charitable, Penal and Reformatory Institutions Land Fund | 4,054,400 |
| State Education Fund for Committed Youth | 1,491,400 |

Adjustments are as follows:

**Operating Budget Fund Shift**

The Baseline includes an increase of $900,000 from the General Fund in FY 2027 and a corresponding decrease of $(800,000) from the Land Trust Fund and $(100,000) from the Criminal Justice Enhancement Fund for a fund shift.

The FY 2025 and FY 2026 budgets included this temporary shift in operating costs, and the Baseline restores the General Fund Appropriation.

**Remove One-Time Correctional Officer Stipend**

The Baseline includes a decrease of $(542,200) from the General Fund in FY 2027 to remove one-time funding for a stipend for correctional officers equal to 4% of their annual salary. An FY 2026 footnote required that this amount be distributed throughout each pay period in FY 2026.

## *Other Issues*

This section includes information on the following topics:

- Long-Term Budget Impacts
- CORP Employer Contribution Increase
- Population Counts

### • *Long-Term Budget Impacts*

As part of the Baseline's 3-year spending plan, the department's General Fund costs would increase by: $6,724,000 in FY 2029 over FY 2028. The FY 2026 Criminal Justice Budget Reconciliation Bill eliminated the requirement that the department annually assess a committed youth confinement cost sharing fee to Maricopa County starting in FY 2029. That fee is currently $6,724,00. The 3-year budget plan assumes that amount will continue to be paid in FY 2027 and FY 2028. The bill also deleted the DJC Local Cost Sharing Fund starting in FY 2029.

### *CORP Employer Contribution Increase*

For most Corrections Officer Retirement Plan (CORP) employees hired after 7/1/2018 (Tier 3 employees), the retirement plan includes an annual employer contribution that consists of: 1) a fixed 5% deposited into the employee's defined contribution retirement account; 2) actuarial rates associated with disability and post-retirement health coverage; and 3) an actuarial rate associated with paying down the unfunded liabilities of CORP employees hired before 7/1/2018.

The FY 2026 Criminal Justice Budget Reconciliation Bill (BRB) increased the fixed employer contribution rate for Tier 3 employees from 5.0% to 5.5% beginning in FY 2027. The BRB states that the Legislature intends to fully cover the cost of this increase for both state agencies and local governments beginning in FY 2027. The FY 2026 budget's 3-year spending plan included a $1,000,000 ongoing General Fund spending assumption for these increased employer costs. The Baseline continues this assumption, but we lack sufficient information at this time to allocate this amount to individual entities.

### *Population Counts*

*Table 1* lists the DJC population by category since FY 2022. From FY 2022 to FY 2025 the housed population increased from 144 to 162, or 12.5% while the parole population has decreased from 115 to 101, or (12.2)%. Through October 2025, the housed population in DJC has increased from an average population of 158 in FY 2025 to 162 in October, or 2.5%. The parole population has decreased from an average population of 120 to 101 in October, or (15.8)%.

**Table 1**

**DJC Census**

| | FY 2022 Average Population | FY 2023 Average Population | FY 2024 Average Population | FY 2025 Average Population | Population as of October 31, 2025 |
|---|---|---|---|---|---|
| **Housed Population** | | | | | |
| Adobe Mountain | 144 | 133 | 141 | 158 | 162 |
| **Parole Population** | | | | | |
| Parole | 45 | 31 | 25 | 30 | 28 |
| Interstate Compact (Inside Arizona) 1/ | 70 | 84 | 76 | 90 | 73 |
| Parole Population | 115 | 114 | 102 | 120 | 101 |
| **Total DJC Population** | **259** | **247** | **243** | **278** | **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. As of October 31st, there was 1 reported Arizona parolee outside of Arizona.

| SUMMARY OF FUNDS | FY 2025 Actual | FY 2026 Estimate |
|---|---|---|

**Coronavirus Relief Fund** (DJA2975/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** | 203,800 | 0 |
| **Year-End Fund Balance** | 0 | 0 |

**Coronavirus State and Local Fiscal Recovery Fund** (DJA2985/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** | 246,700 | 2,258,200 |
| **Year-End Fund Balance** | 2,258,200 | 0 |

**Criminal Justice Enhancement Fund** (DJA2281/A.R.S. § 41-2401) **Appropriated**

**Source of Revenue:** Receives 3.57% 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** | 515,600 | 528,000 |
| **Year-End Fund Balance** | 897,600 | 6,100 |

**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. Pursuant to Laws 2025, Chapter 237, the fund and the cost sharing fee are repealed from and after June 30, 2028.

| | | |
|---|---|---|
| **Funds Expended** | 6,724,000 | 6,724,000 |
| **Year-End Fund Balance** | 118,800 | 100 |

**DJC Career and Technical Education Fund** (DJA2326/A.R.S. § 41-2828) **Non-Appropriated**

**Source of Revenue:** Proceeds generated by any department educational, vocational, treatment, training, or work program, including the sale of unneeded equipment or supplies.

**Purpose of Fund:** To pay expenses that are required for any educational, vocational, treatment, training or work program established by the department.

| | | |
|---|---|---|
| **Funds Expended** | 0 | 0 |
| **Year-End Fund Balance** | 0 | 0 |

**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** | 5,000 | 5,000 |
| **Year-End Fund Balance** | 48,300 | 43,300 |

| SUMMARY OF FUNDS | FY 2025 Actual | FY 2026 Estimate |
|---|---|---|

**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** | 8,000 | 8,000 |
| **Year-End Fund Balance** | 4,100 | 2,800 |

**Federal Funds** (DJA2000/A.R.S. § 35-142) **Federal Funds**

**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** | 870,200 | 1,110,400 |
| **Year-End Fund Balance** | 74,700 | 287,300 |

**IGA and ISA Fund** (DJA2500/A.R.S. § 35-142) **Non-Appropriated**

**Source of Revenue:** Monies received through intergovernmental and interagency agreements.

**Purpose of Fund:** To provide training to DJC staff in behavioral therapy, motivational interviewing, and child and family teams, and some supplemental funding for attainment of juvenile treatment goals.

| | | |
|---|---|---|
| **Funds Expended** | 25,300 | 16,400 |
| **Year-End Fund Balance** | 52,900 | 36,500 |

**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** | 600 | 600 |

**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** | 9,500 | 9,500 |
| **Year-End Fund Balance** | 22,700 | 17,800 |

**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 2026.

**Purpose of Fund:** To help defray costs of operating juvenile correctional facilities.

| | | |
|---|---|---|
| **Funds Expended** | 3,219,800 | 4,854,400 |
| **Year-End Fund Balance** | 2,697,900 | 1,591,400 |

**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** | 1,354,300 | 1,491,400 |
| **Year-End Fund Balance** | 264,800 | 200 |

| SUMMARY OF FUNDS | FY 2025 Actual | FY 2026 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. | | |
| **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** | 78,200 | 78,100 |
| **Year-End Fund Balance** | 547,300 | 616,400 |
| **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** | 200 | 200 |
| **Year-End Fund Balance** | 200 | 400 |