

State Department of Corrections

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| DESCRIPTION | FY 2005 ACTUAL | FY 2006 ESTIMATE | FY 2007 JLBC |
|---------------------------------------|--------------------|---------------------|--------------------|
| OPERATING BUDGET | | | |
| <i>Full Time Equivalent Positions</i> | 10,322.4 | 9,726.9 | 9,726.9 |
| Personal Services | 346,596,400 | 349,318,600 | 349,318,600 |
| Employee Related Expenditures | 123,328,600 | 134,830,700 | 134,830,700 |
| Professional and Outside Services | 69,267,600 | 43,003,800 | 19,180,300 |
| Travel - In State | 417,600 | 278,400 | 278,400 |
| Travel - Out of State | 158,300 | 134,300 | 134,300 |
| Other Operating Expenditures | 97,455,000 | 87,089,200 | 103,810,500 |
| Food | 30,552,800 | 33,846,800 | 33,846,800 |
| Equipment | 3,099,500 | 1,957,600 | 457,600 |
| OPERATING SUBTOTAL | 670,875,800 | 650,459,400 | 641,857,200 |
| SPECIAL LINE ITEMS | | | |
| County Jail Beds | 0 | 0 | 2,518,500 |
| Kingman Prison Supplemental | 2,000,000 | 0 | 0 |
| Overtime/Compensatory Time | 7,500,000 | 18,227,700 | 24,688,100 |
| Private Prison Per Diem | 0 | 74,118,400 | 77,702,800 |
| Provisional Beds | 0 | 0 | 29,108,200 |
| AGENCY TOTAL | 680,375,800 | 742,805,500 | 775,874,800 |

| | | | |
|--|--------------------|--------------------|--------------------|
| FUND SOURCES | | | |
| General Fund | 641,706,500 | 697,612,400 | 732,681,700 |
| <u>Other Appropriated Funds</u> | | | |
| Alcohol Abuse Treatment Fund | 444,100 | 599,300 | 599,300 |
| Corrections Fund | 31,121,800 | 29,024,300 | 29,024,300 |
| Penitentiary Land Fund | 492,000 | 869,200 | 869,200 |
| Prison Construction and Operations Fund | 4,160,800 | 10,250,000 | 10,250,000 |
| State Charitable, Penal and Reformatory Institutions Land Fund | 1,093,700 | 2,070,000 | 570,000 |
| State Education Fund for Correctional Education | 1,356,900 | 1,528,900 | 1,528,900 |
| Transition Office Fund | 0 | 351,400 | 351,400 |
| Transition Program Drug Treatment Fund | 0 | 500,000 | 0 |
| SUBTOTAL - Other Appropriated Funds | 38,669,300 | 45,193,100 | 43,193,100 |
| SUBTOTAL - Appropriated Funds | 680,375,800 | 742,805,500 | 775,874,800 |
| Other Non-Appropriated Funds | 44,781,400 | 43,813,500 | 43,813,500 |
| Federal Funds | 29,862,800 | 30,170,200 | 30,170,200 |
| TOTAL - ALL SOURCES | 755,020,000 | 816,789,200 | 849,858,500 |

CHANGE IN FUNDING SUMMARY

| | FY 2006 to FY 2007 JLBC | |
|--------------------------|-------------------------|----------|
| | \$ Change | % Change |
| General Fund | 35,069,300 | 5.0% |
| Other Appropriated Funds | (2,000,000) | (4.4%) |
| Total Appropriated Funds | 33,069,300 | 4.5% |
| Non Appropriated Funds | 0 | 0.0% |
| Total - All Sources | 33,069,300 | 4.0% |

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.

the elimination of one-time monies that provided transitional services to nonviolent drug offenders. Created by Laws 2003, Chapter 256, the program requires the department to contract with a private or non-profit entity to provide those services. The Transition Program Drug Treatment Fund retains savings from early release of program participants. The program is also funded by the Transition Office Fund, which receives 8% of wages earned by drug offenders.

Bed Capacity

Table 1 provides a comparison of the projected fiscal year end prison population, the number of beds (expressed as Operational Capacity), the projected bed shortage, and the bed deficit as a percentage of operational capacity (% Over Capacity).

The bed deficit is expected to be (2,826), or (9.1)% of bed capacity, by the end of FY 2006. The deficit will be (3,026), or (9.4)% by the end of FY 2007.

These projections assume the prison population grows by 100 inmates per month, or 1,200 each year. Projections also account for the reduction in Newton County, Texas beds and assume the construction and occupation of previously-authorized 1,000 new beds in FY 2007.

The JLBC recommends issuing a request for proposals to privatize the operation of Arizona State Prison Complex – Perryville. The Legislature directed the department to proceed with the privatization of the female inmate population in a footnote in the General Appropriation Acts in FY 2004, FY 2005, and FY 2006. The footnote intended the department to contract for a privately-operated facility to which female inmates would be relocated. However, the department failed to act on this requirement.

To address the ongoing bed shortfall, the JLBC also recommends that the department issue a request for proposals for the construction and operation of 3,000 new private beds. These beds would become operational beginning in April 2008. The JLBC has recommended an advance appropriation of \$11,193,000 for FY 2008 for these beds. (See “JLBC Recommended Statutory Changes” for more information.)

Table 2 shows the different types of beds the department manages. State beds represent beds owned and operated by the department. These beds are located in 10 complexes throughout the state. Private beds represent beds owned and operated by private entities with which the department has contracted. County beds are those at

| Mo/ Year | Actual Population | Operational Capacity | Bed Shortfall | % Over Capacity |
|-------------|----------------------|-------------------------|------------------|--------------------|
| 6/04 | 31,937 | 29,386 | (2,551) | 8.7 |
| 6/05 | 32,710 | 31,786 | (924) | 2.9 |
| 6/06 | 33,992 | 31,166 | (2,826) | 9.1 |
| 6/07 | 35,192 | 32,166 | (3,026) | 9.4 |

| Bed Type | FY 2005 | FY 2006 | FY 2007 |
|------------------|---------------|---------------|---------------|
| State Beds | 27,296 | 28,942 | 29,142 |
| Private Beds | 3,245 | 2,850 | 3,850 |
| County Beds | 123 | 136 | 136 |
| Provisional Beds | <u>2,046</u> | <u>2,064</u> | <u>2,064</u> |
| Total | 32,710 | 33,992 | 35,192 |

| | FY 2005 Actual | FY 2006 Estimate | FY 2007 JLBC |
|-----------------------------|--------------------|--------------------|--------------------|
| Administration | \$55,821,100 | \$61,235,800 | \$58,717,300 |
| Community Corrections | 8,817,400 | 10,688,400 | 10,188,400 |
| State Prisons | 562,341,600 | 578,535,200 | 572,951,500 |
| <i>Douglas</i> | <i>37,640,800</i> | <i>38,772,000</i> | <i>38,397,800</i> |
| <i>Eyman</i> | <i>96,699,300</i> | <i>96,784,500</i> | <i>95,850,300</i> |
| <i>Florence</i> | <i>79,070,500</i> | <i>85,854,800</i> | <i>85,026,200</i> |
| <i>Lewis</i> | <i>84,022,600</i> | <i>87,812,500</i> | <i>86,965,000</i> |
| <i>Perryville</i> | <i>49,693,500</i> | <i>50,279,900</i> | <i>49,794,600</i> |
| <i>Phoenix</i> | <i>30,725,700</i> | <i>31,799,700</i> | <i>31,492,800</i> |
| <i>Safford</i> | <i>26,400,700</i> | <i>27,220,100</i> | <i>26,957,400</i> |
| <i>Tucson</i> | <i>84,129,800</i> | <i>83,752,600</i> | <i>82,944,300</i> |
| <i>Winslow</i> | <i>34,622,300</i> | <i>35,839,600</i> | <i>35,493,700</i> |
| <i>Yuma</i> | <i>39,336,400</i> | <i>40,419,500</i> | <i>40,029,400</i> |
| County Jail Beds | 0 | 0 | 2,518,500 |
| Kingman Prison Supplemental | 2,000,000 | 0 | 0 |
| Compensatory/Overtime | 7,500,000 | 18,227,700 | 24,688,100 |
| Private Prisons | 43,895,800 | 74,118,400 | 77,702,800 |
| Provisional Beds | <u>0</u> | <u>0</u> | <u>29,108,200</u> |
| Total | 680,375,900 | 742,805,500 | 775,874,800 |

county jails in Coconino and Navajo Counties. The department has contracts with 6 facilities for private and county beds. The FY 2005 column includes inmates housed at the privately-operated Newton County, Texas facility, but these inmates were relocated after the firm canceled the contract. Provisional beds represent out-of-state beds used to house inmates on a temporary basis. The number of these beds is expected to remain the same.

Beginning in FY 2006, the department was required to report on expenditures by prison facility. *Table 3* shows the cost allocations for each facility, along with the traditional cost centers, such as administration, community corrections and special line items. FY 2007 amounts have been prorated to reflect the breakout of special line items. The JLBC recommends appropriating the department's budget in the General Appropriation Act as shown in *Table 3* and that the department submits future budget requests by the components shown in *Table 3*. (See "JLBC Recommended Statutory Changes" for more information.)

Special Line Items

County Jail Beds

The JLBC recommends \$2,518,500 from the General Fund to establish a new Special Line Item for County Jail Beds in FY 2007. This amount would fund the following adjustments:

Transfer from Operating Budget GF 2,518,500

The JLBC recommends an increase of \$2,518,500 from the General Fund in FY 2007 to transfer funding from the operating budget to the line item for County Jail Beds. This shift of funds results in no net change to the department's overall budget. (See *Operating Budget narrative on this issue for more information.*)

The County Jail Beds Special Line Item provides funding for 136 beds located at county jails in Coconino and Navajo Counties. These beds are county-operated, non-permanent beds used as overflow for state-operated beds.

Kingman Prison Supplemental

The JLBC recommends no funding for the Kingman Prison Supplemental in FY 2007. This amount is unchanged from FY 2006.

Overtime/Compensatory Time

The JLBC recommends \$24,688,100 from the General Fund in FY 2007 for Overtime/Compensatory Time. This amount would fund the following adjustments:

FY 2006 Population Growth Savings GF 3,071,400

The JLBC recommends an increase of \$3,071,400 from the General Fund in FY 2007 to transfer funding from the operating budget to the line item for overtime and compensatory time expenses accrued by the department. These monies reflect base budget savings in FY 2006 from lower than funded inmate population growth. In FY 2006,

the department is experiencing inmate growth of 100 per month, rather than the funded level of 115 per month. The JLBC recommends applying these savings to overtime and compensatory expenses in FY 2007. This transfer results in no net change to the department's overall budget. (See *Operating Budget narrative on this issue for more information.*)

Transfer from Private Prison Per Diem

Special Line Item GF 3,389,000

The JLBC recommends an increase of \$3,389,000 from the General Fund in FY 2007 to transfer funding from the Private Prison Per Diem Special Line Item to the Overtime/Compensatory Time line item. These monies were part of the FY 2006 appropriation for private beds that the department did not implement. The JLBC recommends applying unused monies to overtime and compensatory expenses in FY 2007. These monies should be available for the same purpose in FY 2006. (See the "Private Prison Per Diem" and "Provisional Beds" *Special Line Items for more information.*)

The Overtime/Compensatory Time line item includes monies for Personal Services and Employee Related Expenses resulting from overtime and compensatory time payouts accrued by department staff. Due to staff shortages at prison facilities, correctional officers are often required to accrue compensatory time for extra hours worked. With high vacancy rates, officers are unable to utilize all of their leave balance and, as a result, must be monetarily compensated.

Private Prison Per Diem

The JLBC recommends \$77,702,800 for Private Prison Per Diem in FY 2007. This amount consists of:

| | |
|------------------|------------|
| General Fund | 49,028,500 |
| Corrections Fund | 28,674,300 |

These amounts include the following adjustments:

1,000 Private Beds GF 15,276,600

The JLBC recommends an increase of \$15,276,600 from the General Fund in FY 2007 to provide partial-year funding for 1,000 previously-authorized, privately-operated beds. The recommended amount provides funding for beds authorized by Laws 2003, 2nd Special Session, Chapter 5. (See *next policy issue.*)

The contract was awarded in June 2005. The enacted FY 2006 budget assumed that these beds would be operational in December 2005. These beds are now expected to be operational beginning in October 2006. The annualized cost of these beds is \$22,447,500, which will require an increase of \$7,170,900 in FY 2008.

Transfers to Other

Special Line Items GF (11,692,200)

The JLBC recommends a decrease of \$(11,692,200) from the General Fund in FY 2007 to transfer funding from the

Private Prison Per Diem Special Line Item to 2 other line items in FY 2007. Of this amount, the JLBC recommends that \$(3,389,000) be transferred to the Overtime/Compensatory Time Special Line Item and that \$(8,303,200) be transferred to the new Provisional Beds Special Line Item. This shift of funds results in no net change to the department's overall budget. (See "Overtime/Compensatory Time" and "Provisional Beds" Special Line Items for more information.)

In FY 2006, the department received \$11,692,200 for these beds; however, due to delays, the department did not open these beds on schedule. The JLBC recommends reallocating these monies to the Overtime/Compensatory Time and Provisional Beds Special Line Items.

| | | |
|-----------------------------------|-----------|----------|
| Newton County Private Beds | GF | 0 |
| Reallocation | OF | 0 |

The JLBC recommends that the department reallocate \$9,225,800 in FY 2007 of monies appropriated for housing inmates at an out-of-state, privately-operated prison facility in Newton County, Texas. This amount consists of:

| | |
|------------------|-----------|
| General Fund | 8,607,000 |
| Corrections Fund | 618,800 |

Inmates were transferred from the Newton County beds in September, October and November 2005 following the cancellation of the contract by the firm operating the prison facility. Monies allocated for Newton County per diem expenditures, \$9,005,000, will remain in the Private Prison Per Diem Special Line Item. Monies intended for contract administration, \$220,800, will remain in the department's operating budget.

The Private Prison Per Diem line item includes monies for Professional and Outside Services paid to non-provisional private prison contractors for daily expenses associated with housing Arizona inmates. Department administrative expenses related to private prison contracts are not included in this Special Line Item and are included in the department's operating subtotal amount.

Provisional Beds

The JLBC recommends \$29,108,200 to establish a new Special Line Item for Provisional Beds in FY 2007. These amounts fund the following adjustments:

| | | |
|---------------------------------------|-----------|-------------------|
| Transfer from Operating Budget | GF | 20,805,000 |
|---------------------------------------|-----------|-------------------|

The JLBC recommends an increase of \$20,805,000 from the General Fund in FY 2007 to transfer funding from the operating budget to the new Provisional Beds line item. These beds currently are funded in the operating budget and would be displayed in a Special Line Item. This shift of funds results in no net change to the department's overall budget. (See *Operating Budget narrative on this issue for more information.*)

Transfer from Private Prison Per Diem

| | | |
|--------------------------|-----------|------------------|
| Special Line Item | GF | 8,303,200 |
|--------------------------|-----------|------------------|

The JLBC recommends an increase of \$8,303,200 from the General Fund in FY 2007 to transfer funding from the Private Prison Per Diem Special Line Item to the Provisional Beds line item. This shift of funds results in no net change to the department's overall budget. (See "Private Prison Per Diem" and "Overtime/Compensatory Time" Special Line Items for more information.)

The FY 2006 budgeted bed plan included an increase of \$11,692,200 to fund new private beds and a reduction of \$(8,303,200) to eliminate 864 provisional beds. The department did not implement the bed plan. For FY 2007, the JLBC recommendation transfers \$8,303,200 of the \$11,692,200 from the Private Prison Per Diem line item to the Provisional Beds line item to restore funding for the 864 provisional beds. The remaining \$3,389,000 is transferred from the Private Prison Per Diem line item to the Overtime/Compensatory Time line item.

The Provisional Beds Special Line Item provides funding for 2,064 provisional beds located in Oklahoma and Texas. These beds are privately-operated, non-permanent beds used as overflow for state-operated beds.

* * *

JLBC RECOMMENDED FORMAT — Operating Lump Sum by Program with Special Line Items. *The JLBC recommends changing the format from Modified Lump Sum to improve the visibility of the department's major expenditure budget components. (See Table 3 for the recommended budget structure.)*

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

The Overtime/Compensatory Time line item includes monies for Personal Services and Employee Related Expenditure costs from overtime and compensatory time payouts accrued by department employees in FY 2007.

Notwithstanding A.R.S. § 35-173C, any transfer to or from the amounts appropriated for Overtime/Compensatory Time or Private Prison Per Diem line items shall require review by the Joint Legislative Budget Committee unless otherwise authorized by this act.

Before altering its bed capacity by closing state-operated prison beds, canceling or not renewing contracts for privately-operated prison beds, the Department of Corrections shall submit a bed plan detailing the proposed bed closures for approval by the Joint Legislative Budget Committee.

Prior to placing any additional inmates in out-of-state provisional beds, the department shall place inmates in all available prison beds within privately operated facilities located in Arizona that house Arizona inmates, unless the

out-of-state provisional beds are of a comparable security level and price.

One hundred percent of land earnings and interest from the Penitentiary Land Fund shall be distributed to the Department of Corrections in compliance with Section 25 of the Enabling Act and the Constitution to be used for the support of state penal institutions.

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 Section 25 of the Enabling Act and the Constitution to be used for the support of state penal institutions.

Before the expenditure of any State Education Fund for Correctional Education receipts in excess of \$1,528,900, the Department of Corrections shall report the intended use of the monies to the Director of the Joint Legislative Budget Committee.

Deletion of Prior Year Footnotes

The JLBC recommends deleting the footnote regarding an inflationary increase for private prison per diems in FY 2006. The amount has been allocated and the footnote is no longer needed.

The JLBC recommends deleting the footnote regarding the privatization and relocation of the female inmate population. The JLBC has recommended that this requirement be created by a separate statutory provision. (*See "JLBC Recommended Statutory Changes" for more information.*)

The JLBC recommends deleting the footnote regarding the use of any FY 2006 overtime/compensatory time savings generated by correctional officer pay raises as a funding source for Lewis Prison Blue Ribbon Panel recommendations.

The JLBC recommends deleting the footnote regarding the amount allocated for parole officer salary increases in FY 2006. The footnote is no longer needed.

JLBC RECOMMENDED STATUTORY CHANGES

The JLBC recommends requiring the department to report actual FY 2006, estimated FY 2007, and requested FY 2008 expenditures by prison complex, community corrections, private prisons, central administration, and special line items as delineated in the General Appropriation Act when the department submits the FY 2008 budget request, pursuant to A.R.S. § 35-133. (*See Table 3 for recommended budget structure.*)

The JLBC recommends requiring the department to issue separate requests for proposals (RFPs) and contracts for: 1) the privatization of operation of ASPC – Perryville for the

female inmate population, and 2) 3,000 new privately-operated beds to become operational in FY 2008. The RFPs and contracts shall be submitted for JLBC review prior to release or award.

The JLBC also recommends an advance appropriation of \$11,193,000 from the General Fund in FY 2008 for the new private beds to become operational beginning in April 2008, with the provision that the appropriation revert if a contract for the 3,000 new private beds is not executed by March 31, 2007.

In addition, the JLBC recommends that the \$4,237,200 recommended from the General Fund for inmate population growth in FY 2007 revert if the department does not execute both contracts for Perryville operations privatization and the 3,000 new private beds by March 31, 2007.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

Corrections Fund

The Corrections Fund is for the construction, major maintenance, and purchase or lease of correctional facilities or state-operated juvenile facilities. The Legislature may also appropriate monies in this fund for the operation of these facilities. Revenues deposited to the fund are from luxury taxes on alcohol and tobacco products. The Corrections Fund is scheduled to expire in FY 2010. *Table 4* lists current and recommended Corrections Fund expenditures.

| Table 4 | | | |
|--|-------------------|-------------------|-------------------|
| CORRECTIONS FUND | | | |
| Estimated Revenue and Expenditure Projections | | | |
| (\$ in Thousands) | | | |
| | FY 2005 | FY 2006 | FY 2007 |
| | <u>Actual</u> | <u>Estimate</u> | <u>JLBC</u> |
| Beginning Balance | \$5,674.4 | \$2,827.8 | \$2,803.5 |
| Revenues | <u>28,275.2</u> | <u>29,000.0</u> | <u>30,000.0</u> |
| Total Funds Available | \$33,949.6 | \$31,827.8 | \$32,803.5 |
| <u>Expenditures</u> | | | |
| ADOA Staffing | 609.2 | 667.3 | 670.8 |
| Prior Year Capital Projects | | | |
| ADC Building Renewal | 7.1 | 0.0 | 0.0 |
| ADC Safety Improvements | 122.1 | 0.0 | 0.0 |
| ADC Fort Grant Landfill Closure | 0.0 | 43.1 | 0.0 |
| DJC Building Renewal | 0.0 | 0.5 | 0.0 |
| Operating Budget | | | |
| ADC Administration | 0.0 | 0.0 | 0.0 |
| ADC Community Corrections | 0.0 | 350.0 | 350.0 |
| ADC Health Care | 425.2 | 0.0 | 0.0 |
| ADC Prison Operations | 29,958.2 | 0.0 | 0.0 |
| ADC Non-lapsing | 0.0 | 0.0 | 0.0 |
| Private Prison Per Diem SLI | <u>0.0</u> | <u>27,963.4</u> | <u>28,003.5</u> |
| Total Expenditures | 31,121.8 | 29,024.3 | 29,024.3 |
| Fund Balance | \$2,827.8 | \$2,803.5 | \$3,779.2 |

| SUMMARY OF FUNDS | FY 2005 | FY 2006 |
|--|----------------|-------------------------|
| | Actual | 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. The average charge for inmate labor is \$0.75 per hour. | | |
| Purpose of Fund: To provide alcohol abuse treatment and rehabilitation services for DUI inmates. | | |
| Funds Expended | 444,100 | 599,300 |
| Year-End Fund Balance | 681,300 | 622,000 |
| 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. | | |
| Funds Expended | 25,758,100 | 29,014,000 |
| Year-End Fund Balance | 3,983,900 | 1,737,900 |
| Corrections Donations Fund (DCA3147/A.R.S. § 41-1605) | | Non-Appropriated |
| Source of Revenue: Private grants and monies received from the disposal of donated properties. | | |
| Purpose of Fund: To be used as specified by the particular donation. | | |
| Funds Expended | 5,000 | 0 |
| Year-End Fund Balance | 1,300 | 1,300 |
| Corrections Fund (DCA2088/A.R.S. § 41-1641) | | Appropriated |
| Source of Revenue: Luxury taxes on alcohol and tobacco products. | | |
| Purpose of Fund: For the construction, major maintenance, 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. | | |
| Funds Expended | 31,121,800 | 29,024,300 |
| Year-End Fund Balance | 2,827,800 | 2,136,200 |

| SUMMARY OF FUNDS | FY 2005 Actual | FY 2006 Estimate |
|--|-------------------|-------------------------------|
| Criminal Justice Enhancement Fund (DCA2035/A.R.S. § 41-2401) | | Non-Appropriated |
| Source of Revenue: The fund receives 11.7% of Criminal Justice Enhancement Fund (CJEF) monies. CJEF consists of a penalty assessment on fines, violations, forfeitures, and penalties imposed by the courts for criminal offenses and civil motor vehicle statute violations. | | |
| Purpose of Fund: For distribution to counties for the training of detention officers, county jail operational enhancement, and ADC administrative expenses. | | |
| Funds Expended | 4,530,000 | 4,756,500 |
| Year-End Fund Balance | 17,700 | 9,700 |
| Drug Treatment and Education Revolving Fund (DCA2277/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 rehabilitation programs and counseling for inmates who have a history of substance abuse and are released on parole. | | |
| Funds Expended | 3,469,000 | 3,596,100 |
| Year-End Fund Balance | 2,811,300 | 2,299,000 |
| Federal Funds (DCA2000/A.R.S. § 35-142) | | 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 | 29,862,800 | 30,170,200 |
| Year-End Fund Balance | 159,500 | 111,700 |
| 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 department-wide administrative and overhead costs. | | |
| Funds Expended | 2,642,600 | 685,600 |
| Year-End Fund Balance | 115,200 | 0 |
| 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 | 187,100 | 1,483,200 |
| Year-End Fund Balance | 1,437,800 | 7,800 |
| Penitentiary Land Fund (DCA3140/A.R.S. § 37-525) | | Partially-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. | | |
| Appropriated Funds Expended | 492,000 | 869,200 |
| Non-Appropriated Funds Expended | 0 | 0 |
| Year-End Fund Balance | 570,000 | 602,400 |
| Prison Construction and Operations Fund (DCA2504/A.R.S. § 41-1651) | | Appropriated |
| Source of Revenue: Assessment (ranging from \$250 to \$1,500) paid by persons convicted of driving under the influence offenses. | | |
| Purpose of Fund: To pay for any costs related to prison overcrowding and department support and maintenance. | | |
| Funds Expended | 4,160,800 | 10,250,000 |
| Year-End Fund Balance | 943,600 | 943,600 |

| SUMMARY OF FUNDS | FY 2005 Actual | FY 2006 Estimate |
|--|-------------------|-------------------------------|
| Risk Management Insurance Reimbursement Fund (DCA3748/A.R.S. § 41-1604) | | Non-Appropriated |
| Source of Revenue: Funds from the Risk Management Revolving Fund administered by the ADOA. | | |
| Purpose of Fund: Reimbursements for losses of state property and to pay on-call duty claims. On-call duty payments of \$2 million each occurred in FY 2003 and FY 2004. The department received a special appropriation to pay all remaining on-call claims in FY 2005. | | |
| Funds Expended | 3,760,000 | 225,000 |
| Year-End Fund Balance | 56,800 | 11,800 |
| Special Services Fund (DCA3187/A.R.S. § 41-1604.03) | | Non-Appropriated |
| Source of Revenue: Profits from canteens, hobby shops, and commissions on telephone service. | | |
| Purpose of Fund: For the benefit, education, and welfare of committed offenders, and operating expenses of canteens and hobby shops. 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. | | |
| Funds Expended | 4,400,800 | 4,053,100 |
| Year-End Fund Balance | 824,400 | 0 |
| State Charitable, Penal and Reformatory Institutions Land Fund (DCA3141/A.R.S. § 37-525) | | Partially-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. | | |
| Appropriated Funds Expended | 1,093,700 | 2,070,000 |
| Non-Appropriated Funds Expended | 28,800 | 0 |
| Year-End Fund Balance | 1,701,900 | 1,687,400 |
| 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 | 1,356,900 | 1,528,900 |
| Year-End Fund Balance | 575,000 | 324,500 |
| Statewide Employee Recognition Gifts/Donation Fund (DCA2449/A.R.S. § 41-776) | | 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 | 0 | 0 |
| Year-End Fund Balance | 200 | 200 |
| Transition Office Fund (DCA2379/A.R.S. § 31-284) | | Appropriated |
| Source of Revenue: An 8% allocation of wages earned from inmates convicted of drug offenses. | | |
| Purpose of Fund: To pay for costs related to the transition program office. | | |
| Funds Expended | 0 | 351,400 |
| Year-End Fund Balance | 249,700 | 73,300 |
| Transition Program Drug Treatment Fund (DCA2383/A.R.S. § 31-286) | | Appropriated |
| Source of Revenue: Cost savings resulting from implementation of a transition drug treatment program. | | |
| Purpose of Fund: To provide transition services to nonviolent drug offenders. | | |
| Funds Expended | 0 | 500,000 |
| Year-End Fund Balance | 500,100 | 100 |