

Department of Juvenile Corrections

| | FY 2015 ACTUAL | FY 2016 ESTIMATE | FY 2017 APPROVED |
|--|-------------------|---------------------|----------------------------------|
| OPERATING BUDGET | | | |
| <i>Full Time Equivalent Positions</i> | 738.5 | 738.5 | 738.5 |
| Personal Services | 23,890,600 | 24,164,500 | 22,668,700 |
| Employee Related Expenditures | 12,640,700 | 12,702,600 | 11,633,700 |
| Professional and Outside Services | 715,600 | 1,100,600 | 1,100,600 |
| Travel - In State | 412,900 | 445,300 | 445,300 |
| Travel - Out of State | 14,400 | 11,500 | 11,500 |
| Other Operating Expenditures | 4,733,300 | 4,430,000 | 3,438,200 |
| Equipment | 937,900 | 262,200 | 262,200 |
| AGENCY TOTAL | 43,345,400 | 43,116,700 | 39,560,200^{1/2/} |
| FUND SOURCES | | | |
| General Fund | 40,762,300 | 26,984,600 | 24,180,400 |
| <u>Other Appropriated Funds</u> | | | |
| Criminal Justice Enhancement Fund | 207,500 | 531,300 | 531,500 |
| Department of Juvenile Corrections Local Cost Sharing Fund | 0 | 12,000,000 | 11,260,000 |
| State Charitable, Penal and Reformatory Institutions Land Fund | 549,300 | 2,000,100 | 2,000,100 |
| State Education Fund for Committed Youth | 1,826,300 | 1,600,700 | 1,588,200 |
| SUBTOTAL - Other Appropriated Funds | 2,583,100 | 16,132,100 | 15,379,800 |
| SUBTOTAL - Appropriated Funds | 43,345,400 | 43,116,700 | 39,560,200 |
| Other Non-Appropriated Funds | 172,400 | 155,800 | 155,800 |
| Federal Funds | 1,565,000 | 1,678,100 | 1,678,100 |
| TOTAL - ALL SOURCES | 45,082,800 | 44,950,600 | 41,394,100 |

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.

Operating Budget

The budget includes \$39,560,200 and 738.5 FTE Positions in FY 2017 for the operating budget. These amounts consist of:

| | FY 2017 |
|--|----------------|
| General Fund | \$24,180,400 |
| Criminal Justice Enhancement Fund (CJEF) | 531,500 |
| Department of Juvenile Corrections (DJC) Local Cost Sharing Fund | 11,260,000 |
| State Charitable, Penal and Reformatory Institutions Land Fund | 2,000,100 |
| State Education Fund for Committed Youth | 1,588,200 |

These amounts fund the following adjustments:

Admission Changes

The budget includes a decrease of \$(3,240,000) in FY 2017 for reductions in the committed youth population within DJC. This amount consists of:

| | |
|-----------------------------|-------------|
| General Fund | (2,500,000) |
| DJC Local Cost Sharing Fund | (740,000) |

(Please see the Other Issues section for more information on DJC populations.)

Statewide Adjustments

The budget includes a decrease of \$(316,500) in FY 2017 for statewide adjustments. This amount consists of:

^{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 for the support of state juvenile institutions and reformatories. (General Appropriation Act footnote)

^{2/} General Appropriation Act funds are appropriated as a Lump Sum by Agency.

| | |
|--|-----------|
| General Fund | (304,200) |
| CJEF | 200 |
| State Education Fund for Committed Youth | (12,500) |

(Please see the Agency Detail and Allocations section.)

Other Issues

Additional Legislation

Adobe Mountain School Renovations

The FY 2017 Capital Outlay Bill (Laws 2016, Chapter 126) appropriates \$1,100,000 from CJEF in FY 2017 for renovations to buildings on the Adobe Mountain School campus. The renovations to be completed include roof replacements, floor installation, enhanced radio communication, and other repairs to campus buildings.

Fund Shift

The budget continues the \$901,400 FY 2016 fund shift from the General Fund to the State Charitable, Penal and Reformatory Institutions Land Fund in FY 2017. The total Land Fund appropriation will continue to be \$2,000,100.

As enacted, the \$901,400 shift was intended as one-time; the State Charitable, Penal and Reformatory Institutions Land Fund is estimated to have sufficient resources to continue this shift in FY 2017. With the passage of Proposition 123 in May 2016, the State Land Trust distribution formula increased from 2.5% to 6.9%. As a result, the State Charitable, Penal and Reformatory Institutions Land Fund will realize aggregate revenues of \$2,752,000 in FY 2017. This amount is more than adequate to allow for the continued \$2,000,100 FY 2017 expenditure level that results from the continued shift. (Please see Proposition 123 within the Other Issues section for more information on the increased distribution.)

Local Cost Sharing

The FY 2016 Criminal Justice Budget Reconciliation Bill (BRB) (Laws 2015, Chapter 17) created the DJC Local Cost Sharing Fund with annual deposits from each county for their proportional cost share of the operational costs of DJC. The FY 2016 Criminal Justice BRB required that each county pay their proportional share of \$12,000,000 according to their population in the 2010 decennial census. The FY 2017 Criminal Justice BRB (Laws 2016, Chapter 119) reduced this amount to \$11,260,000 to reflect savings realized from a decreased housed population, which includes a \$(740,000) reduction in

county contributions. Table 1 displays the estimated payment by county.

| County | FY 2017 |
|-------------------|---------------------|
| Apache County | \$ 126,000 |
| Cochise County | 231,400 |
| Coconino County | 236,800 |
| Gila County | 94,400 |
| Graham County | 65,600 |
| Greenlee County | 14,800 |
| La Paz County | 36,100 |
| Maricopa County | 6,724,100 |
| Mohave County | 352,600 |
| Navajo County | 189,300 |
| Pima County | 1,726,800 |
| Pinal County | 661,900 |
| Santa Cruz County | 83,500 |
| Yavapai County | 371,800 |
| Yuma County | 344,900 |
| TOTAL | \$11,260,000 |

The FY 2017 General Appropriation Act provides a one-time \$8,000,000 General Fund appropriation to the Department of Administration for distribution to counties according to their proportional share of the population as reported by the 2010 decennial census. This amount is meant to offset a portion of the costs paid by counties to DJC for local cost sharing. Table 2 displays the distribution by county.

| County | FY 2017 |
|-------------------|--------------------|
| Apache County | \$ 89,500 |
| Cochise County | 164,400 |
| Coconino County | 168,300 |
| Gila County | 67,100 |
| Graham County | 46,600 |
| Greenlee County | 10,500 |
| La Paz County | 25,700 |
| Maricopa County | 4,777,300 |
| Mohave County | 250,500 |
| Navajo County | 134,500 |
| Pima County | 1,226,900 |
| Pinal County | 470,300 |
| Santa Cruz County | 59,300 |
| Yavapai County | 264,100 |
| Yuma County | 245,000 |
| TOTAL | \$8,000,000 |

Proposition 123

As a beneficiary of the Arizona State Land Trust, DJC receives monies generated from lease revenues as well as the proceeds from trust land sales that are invested into a

“permanent fund,” pursuant to Article X, Section 7 of the Arizona Constitution.

In addition to lease revenues, DJC received \$623,650 in monies distributed by the Treasurer from its permanent fund in FY 2015.

As approved by the voters in May 2016, Proposition 123 will increase the Treasurer’s annual distribution rate from the State Land Trust Permanent Fund from 2.5% to 6.9% from FY 2016 through FY 2025.

As a result, DJC will receive \$1,216,100 in additional revenue from the Treasurer’s distributions in FY 2016 and a total of \$2,085,775 from the Treasurer’s distributions in FY 2017. Since DJC land funds are subject to appropriation, DJC will require an additional appropriation before expending any of the new revenues generated by Proposition 123. *(Please see the Department of Education - Endowment Earnings section for more information.)*

Population Counts

Table 3 lists the DJC population by category. The housed and parole populations within DJC have seen significant decreases in the past 10 years. As illustrated in Table 3, the housed population within DJC has decreased by (46.4)% from FY 2013 through March 2016. The parole population has also decreased significantly realizing a reduction of (61.1)% over the same period. DJC reports that these declines are due to a decline in the number of committed youth, an increase in the age of the average offender resulting in shorter parole and incarceration periods, and statutory changes to admissions requirements.

The FY 2016 Criminal Justice BRB altered the requirements for admission to DJC facilities. These changes include an increase in the minimum admission age to 14, the requirement that juveniles who are admitted must have committed a felony in the past, and the allowance for those that are adjudicated as seriously mentally ill to be allowed admission if they have only committed a misdemeanor. Prior to this bill, the minimum age for admission was 8 years and individuals who had committed a misdemeanor were allowed entrance.

Table 3

| DJC Census | | | | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|--|
| | FY 2013 Average Population | FY 2014 Average Population | FY 2015 Average Population | Population as of March 31, 2016 |
| Housed Population | | | | |
| Adobe Mountain | 347 | 351 | 321 | 186 |
| Parole Population | | | | |
| Parole | 252 | 135 | 127 | 98 |
| Interstate Compact (inside Arizona) ^{1/} | <u>139</u> | <u>120</u> | <u>114</u> | <u>115</u> |
| Total Parole Population | <u>391</u> | <u>255</u> | <u>241</u> | <u>213</u> |
| Total DJC Population | 738 | 606 | 562 | 399 |

^{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 were an average of 8 Arizona parolees outside of Arizona in FY 2015 and 1 parolee on March 31, 2016.