

STATE DEPARTMENT OF CORRECTIONS

Terry L. Stewart, Director

A.R.S. § 41-1602

JLBC Analyst: Brad Regens

General Fund and Other Appropriated Funds	FY 1999 Actual	FY 2000 Estimate	FY 2001 Approved
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Program Summary

Prison Operations	405,626,900	459,191,000	476,118,800
Inmate Health Services	63,004,600	71,184,700	73,479,900
Office of the Director	2,711,500	1,997,600	2,035,700
Inspections and Investigations	6,157,000	5,455,900	5,424,900
Community Corrections	7,780,900	8,087,900	8,241,400
Human Resources and Development	16,945,700	8,684,500	8,538,400
Administration	21,292,300	17,616,400	17,943,500

Total Appropriations	523,518,900	572,218,000	591,782,600
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Expenditure Detail

FTE Positions	9,959.4	10,673.4	10,677.4
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Personal Services	269,751,500	309,412,300	320,644,900
Employee Related Expenditures	74,564,900	85,894,300	90,356,000
Professional and Outside Services	28,233,100	35,044,500	36,246,900
Travel - In State	879,600	957,100	980,900
Travel - Out of State	110,900	61,400	32,300
Other Operating Expenditures	63,601,600	62,197,700	63,433,900
Equipment	12,420,300	10,849,800	4,151,800

Operating Subtotal	449,561,900	504,417,100	515,846,700
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Food	31,076,300	36,120,400	37,355,100
Work Incentive Pay Plan	8,090,300	9,648,600	9,989,000
Discharge Expense	270,000	381,700	395,600
Alternative Fuels	274,600	489,000	489,000
1994 Lease-Purchase Payments	12,414,000	0	0
Apache County Prison Lease	1,081,900	1,083,500	1,083,500
Community Provider Beds	6,505,000	6,772,500	6,754,000
Return to Custody Beds	2,142,600	2,186,000	2,180,000
DWI Beds	10,398,900	11,119,200	16,189,700
Private Beds	0	0	1,500,000 ^{1/}
Temporary Private Beds	1,676,000	0	0
Aspen Conversion	27,400 ^{2/}	0	0

Total Appropriations	523,518,900	572,218,000	591,782,600 ^{3/4/5/6/}
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Fund Summary

General Fund	508,735,400	568,354,800	587,913,700
Corrections Fund	13,523,300	1,083,500	1,083,500
Penitentiary Land Fund	990,200	1,375,000	1,375,000
State Charitable, Penal and Reformatories Land Fund	270,000	270,000	270,000
State Education Fund for Correctional Education	0	685,400	691,100 ^{5/}
Alcohol Abuse Treatment Fund	0	449,300	449,300

Total Appropriations	523,518,900	572,218,000	591,782,600
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STATE DEPARTMENT OF CORRECTIONS (Cont'd)

Agency Description — *The State Department of Corrections (DOC) maintains and administers a statewide system of prisons for the effective custody, control, correction, treatment and rehabilitation of all adult offenders legally committed to the department. Educational and treatment programs are provided for offenders so they will have opportunities to learn more responsible behaviors and increase their chance of returning to society as law-abiding citizens. The department is also responsible for the supervision of offenders on parole and other prison release mechanisms, as specified by law.*

Population Growth and Prison Capacity — The DOC FY 2000 appropriation includes \$26,070,000 in General Fund monies to complete the opening and staffing of the Lewis Complex (4,150 beds). The department, however, has been unable to hire sufficient numbers of Correctional Officers to staff the new complex. As a result, only 2,163 beds are on-line at Lewis as of May 2000, leaving 1,987 beds that remain funded but are off-line. It is unknown when those 1,987 beds will become operational.

In addition, DOC's FY 2000 appropriation includes \$615,700 in General Fund monies to add 400 privately operated DWI beds. The 400 privately operated DWI beds are scheduled to come on-line in June 2000 as planned. The department's FY 2001 appropriation includes funding for 1,000 additional privately operated beds beginning in June 2001.

DOC's FY 2000 appropriation also includes \$2,796,600 in General Fund monies to fund the marginal costs for the projected average daily population (ADP) increase of 1,584 (132 net new inmates per month for 12 months). As of this writing, the FY 2000 population growth was only 12 net new inmates per month. The reason for the sudden drop in the monthly population growth rate is unknown. The department's FY 2001 appropriation includes monies to fund an additional projected increase in ADP of 1,584.

For comparison purposes, we have displayed 2 different bed capacity scenarios in *Table 1*. Constructed bed capacity represents the number of beds that physically exist by fiscal year-end. Funded bed capacity represents the number of beds that the department received monies to operate. Operational bed capacity represents the actual number of beds the department currently has on-line plus growth for funded private beds.

In scenario A, we have displayed the capacity and projected year-end population that DOC was originally

budgeted for FY 2000 and FY 2001. As a result, scenario A includes the 1,987 beds at Lewis that were not operational, but were funded, at the end of April 2000. Scenario B represents the actual operating bed capacity as of April 2000 and updates the population projection. In scenario B, the population is based on the actual April 2000 month-ending population and a growth rate of 132 new inmates per month thereafter, as budgeted.

Scenario A shows the fiscal year-ending bed shortfall originally expected under the department's FY 2000 and FY 2001 appropriations. Under the original budget, there would have been both a constructed and operational bed shortage of (1,061) in FY 2000 and (1,645) in FY 2001. Using the current population projection, scenario B compares the bed shortfall if all constructed and funded beds were opened versus the shortfall if the department does not bring on-line any additional state operated beds. As discussed above, the department's FY 2000 and FY 2001 appropriations include funding to add 400 privately operated beds in June 2000 and an additional 1,000 privately operated beds in June 2001. It is anticipated that the privately operated beds will come on-line as expected.

Scenario B shows that DOC's fiscal year-end operating bed shortage will be (1,573) in FY 2000 and (2,157) in FY 2001. If all constructed and funded beds were to become operational, however, the shortfall would become a fiscal year-end surplus of 633 in FY 2000 and 49 in FY 2001. Whether DOC will operate with a bed surplus is dependent on the department's ability to completely staff the Lewis Complex. It is currently unknown if all available beds will be operational by the end of FY 2001. The department was able to open an additional 200 beds at the Lewis Complex during April 2000 (to bring the total number of unopened beds to 1,987). Additional bed openings, however, are dependent on DOC's ability to hire sufficient numbers of Correctional Officers.

1/ Before the State Department of Corrections releases a request for proposals for the 1,000 privately operated beds to be opened in June 2001, the State Department of Corrections shall submit its plan for the category of beds to be privatized to the Joint Legislative Budget Committee for review and the beds shall not be segregated by race, ethnicity or nationality. (General Appropriation Act footnote)

2/ Expenditure from non-lapsing FY 1995 appropriation. No monies remain from the original appropriation.

3/ Twenty-five percent of land earnings and interest from the State Charitable, Penal and Reformatory 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. (General Appropriation Act footnote)

4/ 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 Section 25 of the Enabling Act and the Constitution to be used for the support of state penal institutions. (General Appropriation Act footnote)

5/ Before the expenditure of any State Education Fund for Correctional Education receipts in excess of \$684,000, 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)

6/ General Appropriation Act funds are appropriated as a Modified Lump Sum by Agency.

STATE DEPARTMENT OF CORRECTIONS (Cont'd)

As the department has been unable to fully open the Lewis Complex and the population has not grown at the rate expected, the JLBC Staff anticipates that unused funds budgeted for the operation of Lewis and inmate growth will revert to the General Fund at the end of FY 2000.

Additional Legislation: Tax Allocations to Corrections; Extension (Chapter 296) — Extends the lapsing date from June 30, 2000 to June 30, 2005 for luxury tax revenues deposited in the Corrections Fund. This fund is for the construction, major maintenance, purchase or lease of correctional or state-operated juvenile facilities.

Table 1

Bed Capacity vs. Prison Population

<u>Fiscal Year</u>	<u>Bed Capacity</u>			<u>Prison Population</u>	<u>Bed Surplus/(Shortage)</u>		
	<u>Constructed</u>	<u>Funded</u>	<u>Operational</u>		<u>Constructed</u>	<u>Funded</u>	<u>Operational</u>
2000 A ^{1/}	27,188	27,188	27,188	28,249	(1,061)	(1,061)	(1,061)
2000 B ^{2/}	27,188	27,188	24,982	26,555	633	633	(1,573)
2001 A ^{1/}	28,188	28,188	28,188	29,833	(1,645)	(1,645)	(1,645)
2001 B ^{2/}	28,188	28,188	25,982	28,139	49	49	(2,157)

1/ Originally budgeted bed capacity and year-end population projection.

2/ Actual bed capacity as of April 2000 plus additional privately operated beds, as budgeted. Current population projection based on actual April 2000 population and a growth rate of 132 new inmates per month thereafter, as budgeted.

[Click here for more information from the initial biennial appropriations report \(June 1999\)](#)