

Department of Juvenile Corrections

	FY 2017 ACTUAL	FY 2018 ESTIMATE	FY 2019 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	738.5	738.5	738.5
Personal Services	20,057,900	19,091,100	19,091,100
Employee Related Expenditures	11,034,100	10,837,200	10,178,800
Professional and Outside Services	966,200	859,700	859,700
Travel - In State	310,300	300,400	300,400
Travel - Out of State	11,900	2,900	2,900
Other Operating Expenditures	4,945,900	4,471,100	4,471,100
Equipment	516,700	642,500	642,500
AGENCY TOTAL	37,843,000	36,204,900	35,546,500
FUND SOURCES			
General Fund	23,013,900	19,549,800	19,155,700
<u>Other Appropriated Funds</u>			
Criminal Justice Enhancement Fund	530,000	531,300	531,300
Department of Juvenile Corrections Local Cost Sharing Fund	11,260,000	11,260,000	11,260,000
State Charitable, Penal and Reformatory Institutions Land Fund	2,002,300	3,272,600	3,011,300
State Education Fund for Committed Youth	1,036,800	1,591,200	1,588,200
SUBTOTAL - Other Appropriated Funds	14,829,100	16,655,100	16,390,800
SUBTOTAL - Appropriated Funds	37,843,000	36,204,900	35,546,500
Other Non-Appropriated Funds	196,700	513,100	513,100
Federal Funds	698,800	659,100	659,100
TOTAL - ALL SOURCES	38,738,500	37,377,100	36,718,700

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 Baseline includes \$35,546,500 and 738.5 FTE Positions in FY 2019 for the operating budget. These amounts consist of:

	FY 2019
General Fund	\$19,155,700
Criminal Justice Enhancement Fund (CJEF)	531,300
Department of Juvenile Corrections (DJC) Local Cost Sharing Fund	11,260,000
State Charitable, Penal and Reformatory Institutions Land Fund	3,011,300
State Education Fund for Committed Youth	1,588,200

FY 2019 adjustments are as follows:

Remove Health Insurance Adjustment

The Baseline includes a decrease of \$(658,400) in FY 2019 for the removal of a one-time FY 2018 health insurance adjustment. This amount consists of:

General Fund	(394,100)
State Charitable, Penal and Reformatory Institutions Land Fund	(261,300)
State Education Fund for Committed Youth	(3,000)

(Please see the Technical Budget Assumptions section.)

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FORMAT — Lump Sum by Agency

FOOTNOTES

Standard Footnotes

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.

STATUTORY CHANGES

The Baseline would, as session law, continue to require counties to pay their proportional share of \$11,260,000 according to their population in the 2010 decennial census for cost sharing of DJC.

Other Issues

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 2018 Criminal Justice BRB (Laws 2017, Chapter 303) sets the total contribution by counties at \$11,260,000. The Baseline continues this requirement in FY 2019. *Table 1* displays the estimated payment by county:

<u>County</u>	<u>FY 2018</u>
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 2018 General Appropriation Act (Laws 2017, Chapter 305) continued 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 was meant to offset a portion of the costs paid by counties to DJC for local cost sharing. In 2018, *Table 2* displays the distribution by county. The Baseline does not continue this \$8.0 million appropriation in FY 2019, as it was labeled one-time in the FY 2018 budget’s 3-year spending plan. (*Please see the County Funding narrative for more information on state distributions to counties.*)

<u>County</u>	<u>FY 2018</u>
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

FTE Reduction

The Baseline continues DJC’s current FTE ceiling of 738.5 positions in FY 2019. Each September, agencies report their level of filled FTE positions to the JLBC Staff. In their September 1, 2017 FTE submission, DJC reported 390 filled FTE positions. Given these September estimates, DJC’s FTE ceiling would exceed their filled number by 348.5 positions. In its FY 2019 budget submission, DJC requested decreasing their FTE ceiling by 222.5 positions to better reflect their actual staffing levels. Since DJC’s proposal would still leave a substantial number of unfilled positions, this issue may warrant additional consideration during the legislative session prior to setting the FY 2019 ceiling.

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 from 321 to 181 or (43.6)% from FY 2015 through October 2017. The total parole population has also decreased significantly, realizing a reduction of (44.8)% over the

same period. DJC reports that this decline is due to a reduction in the number of committed youth, an increase in the age of the average offender resulting in shorter incarceration periods, and statutory changes to admissions requirements.

The FY 2016 Criminal Justice BRB (Laws 2015, Chapter 17) 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.

DJC Census				
	FY 2015 Average Population	FY 2016 Average Population	FY 2017 Average Population	Population as of October 31, 2017
Housed Population				
Adobe Mountain	321	227	179	181
Parole Population				
Parole	127	81	68	45
Interstate Compact (Inside Arizona) ^{1/}	<u>114</u>	<u>111</u>	<u>108</u>	<u>88</u>
Total Parole Population	<u>241</u>	<u>192</u>	<u>176</u>	<u>133</u>
Total DJC Population	562	419	355	314

^{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 was an average of 1 Arizona parolee outside of Arizona in FY 2016 and 1 parolee on October 31, 2017.

SUMMARY OF FUNDS	FY 2017 Actual	FY 2018 Estimate
Criminal Justice Enhancement Fund (DJA2281/A.R.S. § 41-2401)		Appropriated
Source of Revenue: Receives 1.61% of state Criminal Justice Enhancement Fund (CJEF) revenues. CJEF consists of a 47% 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	530,000	531,300
Year-End Fund Balance	1,242,300	931,800
Department of Juvenile Corrections Local Cost Sharing Fund (DJA3007/A.R.S. § 41-2833)		Appropriated
Source of Revenue: The FY 2016 Criminal Justice Budget Reconciliation Bill (Laws 2015, Chapter 17) created the Department of Juvenile Corrections Local Cost Sharing Fund with annual deposits from each county totaling \$12,000,000. The bill requires each county to pay a proportional share of the \$12,000,000 based on their share of the state population according to the 2010 decennial census. The FY 2017 Criminal Justice Reconciliation Bill (Laws 2016, Chapter 119) and the FY 2018 Criminal Justice Reconciliation Bill (Laws 2017, Chapter 303) reduced the appropriated amount to \$11,260,000.		
Purpose of Fund: To fund the operational costs of DJC.		
Funds Expended	11,260,000	11,260,000
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2017 Actual	FY 2018 Estimate
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	0	0
Year-End Fund Balance	164,000	164,000
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	3,200	3,200
Year-End Fund Balance	3,300	2,800
Federal Funds (DJA2000/A.R.S. § 35-142)		Non-Appropriated
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	698,800	659,100
Year-End Fund Balance	456,400	919,300
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 department wide administrative and overhead costs.		
Funds Expended	0	282,000
Year-End Fund Balance	280,200	280,200
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	22,700	17,100
Year-End Fund Balance	78,600	70,900
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 2025.		
Purpose of Fund: To help defray costs of operating juvenile correctional facilities.		
Funds Expended	2,002,300	3,272,600
Year-End Fund Balance	2,617,000	2,179,700
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	1,036,800	1,591,200
Year-End Fund Balance	81,300	365,000

SUMMARY OF FUNDS	FY 2017 Actual	FY 2018 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 approved by the voters in the November 2000 General Election (Proposition 301).		
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	168,800	208,800
Year-End Fund Balance	435,900	404,000
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	2,000	2,000
Year-End Fund Balance*	700	(300)

*As reported by the agency. Actual ending balance will not be negative.