

Department of Juvenile Corrections

| | FY 2018 ACTUAL | FY 2019 ESTIMATE | FY 2020 BASELINE |
|--|-------------------|---------------------|----------------------------------|
| OPERATING BUDGET | | | |
| <i>Full Time Equivalent Positions</i> | 738.5 | 738.5 | 738.5 |
| Personal Services | 17,808,300 | 20,456,800 | 20,456,800 |
| Employee Related Expenditures | 11,321,700 | 14,560,300 | 14,560,300 |
| Professional and Outside Services | 624,600 | 710,900 | 710,900 |
| Travel - In State | 246,000 | 286,500 | 286,500 |
| Travel - Out of State | 7,400 | 1,000 | 1,000 |
| Other Operating Expenditures | 4,787,400 | 4,369,800 | 4,369,800 |
| Equipment | 250,300 | 6,600 | 6,600 |
| AGENCY TOTAL | 35,045,700 | 40,391,900 | 40,391,900^{3/2/} |
| FUND SOURCES | | | |
| General Fund | 19,488,600 | 22,734,500 | 22,734,500 |
| <u>Other Appropriated Funds</u> | | | |
| Criminal Justice Enhancement Fund | 216,100 | 531,400 | 531,400 |
| 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 | 3,163,500 | 4,011,600 | 4,011,600 |
| State Education Fund for Committed Youth | 917,500 | 1,854,400 | 1,854,400 |
| SUBTOTAL - Other Appropriated Funds | 15,557,100 | 17,657,400 | 17,657,400 |
| SUBTOTAL - Appropriated Funds | 35,045,700 | 40,391,900 | 40,391,900 |
| Other Non-Appropriated Funds | 316,300 | 232,200 | 232,200 |
| Federal Funds | 929,500 | 1,023,700 | 1,023,700 |
| TOTAL - ALL SOURCES | 36,291,500 | 41,647,800 | 41,647,800 |

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 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.

Operating Budget

The Baseline includes \$40,391,900 and 738.5 FTE Positions in FY 2020 for the operating budget. These amounts consist of:

State Charitable, Penal and Reformatory Institutions Land Fund 4,011,600
State Education Fund for Committed Youth 1,854,400

These amounts are unchanged from FY 2019.

| | FY 2020 |
|--|----------------|
| General Fund | \$22,734,500 |
| Criminal Justice Enhancement Fund (CJEF) | 531,400 |
| Department of Juvenile Corrections (DJC) Local Cost Sharing Fund | 11,260,000 |

Other Issues

Statutory Changes

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

Local Cost Sharing

The FY 2016 Criminal Justice Budget Reconciliation Bill (BRB) created the DJC Local Cost Sharing Fund with annual deposits from each county for their share of a portion of the operational costs of DJC. The FY 2019 Criminal Justice BRB continued to set the total contribution by counties at \$11,260,000. *Table 1* displays the estimated payment by county:

| <u>County</u> | <u>FY 2019</u> |
|-------------------|---------------------|
| Apache County | \$ 126,000 |
| Cochise County | 231,400 |
| Coconino County | 236,900 |
| Gila County | 94,400 |
| Graham County | 65,600 |
| Greenlee County | 14,800 |
| La Paz County | 36,200 |
| Maricopa County | 6,724,000 |
| Mohave County | 352,600 |
| Navajo County | 189,300 |
| Pima County | 1,726,900 |
| Pinal County | 661,900 |
| Santa Cruz County | 83,500 |
| Yavapai County | 371,700 |
| Yuma County | 344,800 |
| TOTAL | \$11,260,000 |

The FY 2019 General Appropriation Act included a one-time \$11,260,000 General Fund appropriation to the Department of Administration for distribution to counties to offset fully the cost of the FY 2019 contribution. The Baseline does not continue this \$11.3 million appropriation in FY 2020, as it was labeled one-time in the FY 2019 budget's 3-year spending plan. *(Please see the County Funding narrative for more information on state distributions to counties.)*

Population Counts

Table 2 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 2*, the housed population within DJC has decreased from 227 to 195, or (14.1)%, from FY 2016 through November 2018. The total parole population has also decreased significantly, realizing a reduction of (37.0)% 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 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.

| | <u>FY 2016 Average Population</u> | <u>FY 2017 Average Population</u> | <u>FY 2018 Average Population</u> | <u>Population as of November 30, 2018</u> |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---|
| Housed Population | | | | |
| Adobe Mountain | 227 | 179 | 172 | 195 |
| Parole Population | | | | |
| Parole | 81 | 68 | 45 | 39 |
| Interstate Compact (Inside Arizona) ^{1/} | <u>111</u> | <u>108</u> | <u>87</u> | <u>82</u> |
| Total Parole Population | <u>192</u> | <u>176</u> | <u>132</u> | <u>121</u> |
| Total DJC Population | 419 | 355 | 304 | 316 |

^{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 2018 and 0 parolee on November 30, 2018.

| SUMMARY OF FUNDS | FY 2018 Actual | FY 2019 Estimate |
|---|-------------------|-------------------------|
| Criminal Justice Enhancement Fund (DJA2281/A.R.S. § 41-2401) | | Appropriated |
| Source of Revenue: Receives 1.84% 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 | 216,100 | 531,400 |
| Year-End Fund Balance | 775,000 | 783,300 |
| 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 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 amount has been set at \$11,260,000 since the FY 2017 Criminal Justice Budget Reconciliation Bill. | | |
| Purpose of Fund: To fund the operational costs of DJC. | | |
| Funds Expended | 11,260,000 | 11,260,000 |
| Year-End Fund Balance | 118,700 | 118,700 |
| 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 | 48,500 | 48,500 |
| Year-End Fund Balance | 143,600 | 118,700 |
| 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 | 3,300 | 3,300 |
| Year-End Fund Balance* | 900 | (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 | 929,500 | 1,023,700 |
| Year-End Fund Balance | 509,100 | 702,000 |
| 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 | 73,400 | 0 |
| Year-End Fund Balance | 133,200 | 133,200 |

| SUMMARY OF FUNDS | FY 2018 Actual | FY 2019 Estimate |
|--|-------------------|-------------------------|
| 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 | 32,300 | 23,700 |
| Year-End Fund Balance | 33,700 | 34,900 |
| 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 | 3,163,500 | 4,011,600 |
| Year-End Fund Balance | 2,987,100 | 2,475,500 |
| 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 | 917,500 | 1,854,400 |
| Year-End Fund Balance* | 722,000 | (273,100) |
| 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 | 154,800 | 154,800 |
| Year-End Fund Balance | 332,900 | 271,800 |
| 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 | 4,000 | 1,900 |
| Year-End Fund Balance | 2,100 | 5,000 |

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