

## Department of Corrections

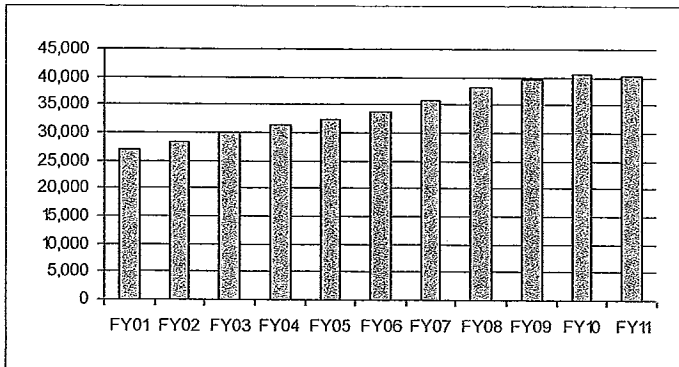
**Mission:**

To serve and protect the people of Arizona by securely incarcerating convicted felons, by providing structured programming designed to support inmate accountability and successful community reintegration, and by providing effective supervision for those offenders conditionally released from prison.

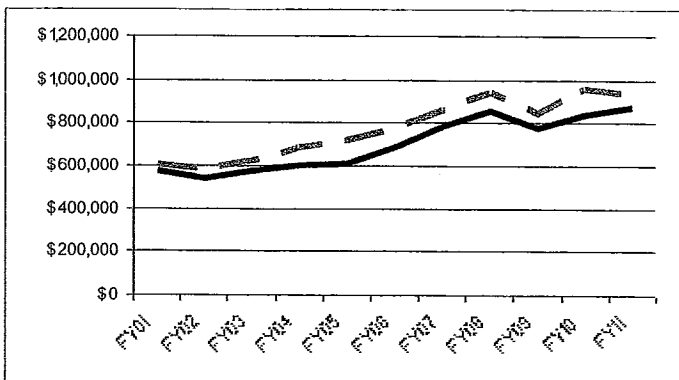
**Description:**

The Department serves and protects the people of the state of Arizona by incarcerating inmates in correctional facilities and supervising conditionally released offenders in the community. During incarceration, welfare services and health care services including medical, nursing, dental, mental health, and pharmacy are provided to inmates. In addition, work, education, career training, substance abuse treatment, religious services, and recreation are provided to inmates to promote employability, literacy, sobriety, and accountability to crime victims and to increase the likelihood that released inmates will become law-abiding citizens upon release. In the community, the Department supervises offenders released from prison to serve the remainder of their sentence on community supervision. The Department also provides for the return to custody of those offenders who violate conditions of supervision and who represent a serious threat to the safety of the community.

Average Daily Population



General Fund and Total Funds Expenditure



Agency Summary - Appropriated Funds

Program/ Cost Center	FY 2011 Actual	FY 2012 Approp.	FY 2012 Exec. Rec.	FY 2013 Exec. Rec.
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Prison Operations and Services	877,568.2	949,166.0	949,166.0	984,224.9
Community Corrections Administration	11,103.3	13,529.3	13,529.3	14,739.3
	42,389.2	36,142.4	36,142.4	37,207.8
<b>Agency - Approp. Funds</b>	<b>931,060.7</b>	<b>998,837.7</b>	<b>998,837.7</b>	<b>1,036,171.9</b>

Category				
FTE	10,015.2	10,015.2	10,015.2	10,168.2
Personal Services	409,787.8	428,352.3	428,352.3	455,704.7
ERE Amount	186,539.5	199,680.0	199,680.0	208,091.7
Prof. And Outside Services	135,841.8	146,544.8	146,544.8	145,978.0
Travel - In State	137.6	159.0	159.0	159.0
Travel - Out of State	57.0	66.6	66.6	66.6
Food	43,827.8	47,634.4	47,634.4	47,500.0
Aid to Others	257.0	299.9	299.9	299.9
Other Operating Expenses	106,578.3	119,058.3	119,058.3	119,308.2
Equipment	14,237.5	12,216.8	12,216.8	6,800.7
Capital Outlay	0.0	0.0	0.0	5,000.0
Transfers Out	33,796.4	44,825.6	44,825.6	47,263.1
<b>Agency - Approp. Funds</b>	<b>931,060.7</b>	<b>998,837.7</b>	<b>998,837.7</b>	<b>1,036,171.9</b>

Appropriated Fund				
General Fund	899,401.6	948,188.6	948,188.6	980,922.9
Corrections Fund	23,010.7	27,517.6	27,517.6	32,017.6
State Education Fund for Correctional Education	413.9	503.5	503.5	524.5
DOC - Alcohol Abuse Treatment	0.0	554.4	554.4	554.4
Transition Program Fund	180.0	930.0	930.0	3,485.0
Transition Services Fund	555.0	2,555.0	2,555.0	828.9
Prison Construction and Operations Fund	7,499.4	13,249.4	13,249.4	11,499.4
DOC Building Renewal & Preventive Maintenance	0.0	0.0	0.0	5,000.0
Penitentiary Land Earnings	0.0	1,979.2	1,979.2	979.2
State Charitable, Penal & Reformatory Land Earnings	0.0	3,360.0	3,360.0	360.0
<b>Agency - Approp. Funds</b>	<b>931,060.7</b>	<b>998,837.7</b>	<b>998,837.7</b>	<b>1,036,171.9</b>

The following is a list of Special Line Items (SLI) which are included in the numbers above but are reflected here for specific disclosure.

SLI Overtime/Compensatory Time	28,951.4	16,847.8	16,847.8	17,933.7
SLI Private Prison Per Diem	112,356.1	127,999.1	127,999.1	127,636.6
SLI Narrowband Radio Conversation	0.0	5,750.0	5,750.0	0.0

**Non-Appropriated Funds**

	FY 2011 Actual	FY 2012 Expend. Plan	FY 2012 Exec. Rec.	FY 2013 Exec. Rec.
ARCOR Enterprises Revolving	31,669.5	34,267.0	34,267.0	34,572.5
Community Corrections Enhancement Fund	18.1	100.0	100.0	100.0
Corrections Donations	65.4	66.0	66.0	66.0
DOC Special Services Fund	2,564.8	4,926.0	4,926.0	4,926.0
Federal Economic Recovery Fund	320.7	6,231.7	6,231.6	0.0
Federal Grant	11,690.7	11,543.5	11,543.5	10,749.7
IGA and ISA Fund	107.7	135.0	135.0	58.7
Indirect Cost Recovery Fund	711.5	1,018.9	1,018.9	1,019.8

	Non-Appropriated Funds			
	FY 2011 Actual	FY 2012 Expend. Plan	FY 2012 Exec. Rec.	FY 2013 Exec. Rec.
Inmate Store Proceeds Fund	5.3	4,500.8	4,500.8	4,500.8
Risk Management Insurance Reimbursement	326.9	360.0	360.0	360.0
State Charitable, Penal & Reformatory Land Earnings	274.2	0.0	0.0	0.0
State DOC Revolving-Transition	2,647.0	2,301.1	2,301.1	2,301.1
Agency - Nonapp. Funds	50,401.8	65,450.0	65,449.9	58,654.6
<b>Agency Total - All Funds</b>	<b>981,462.4</b>	<b>1,064,287.7</b>	<b>1,064,287.6</b>	<b>1,094,826.6</b>
<i>Federal Funds Expenditures - as reported by Agency</i>				
	FY 2011 Actual	FY 2012 Exp. Plan		FY 2013 Exp. Plan
Agency Total	12,011.3	17,797.4		10,710.8

These are the Federal expenditures reported by the agencies and, in most cases, are included in the Appropriated or Non-Appropriated Funds expenditures listed above.

### Executive Appropriation Recommendations

	FY 2013
<b>Standard Adjustments</b>	
Retirement Standard Adjustment	7,531.1
The Retirement Standard Adjustment is intended to provide funding to agencies for increased employer contribution rates in FY 2013.	
General Fund	7,525.1
State Education Fund for Correctional Education Fund	6.0
<b>Rent Standard Adjustment</b>	<b>348.8</b>
This issue includes statewide adjustments for COSF, COP, and PLTO rent changes in FY 2013.	
General Fund	348.8
<b>Health Insurance Rate Reduction</b>	<b>(7,010.0)</b>
The Executive recommendation includes a (13.2%) reduction in employer health insurance premiums for the plan year beginning January 1, 2013.	
General Fund	(7,006.3)
State Education Fund for Correctional Education Fund	(3.7)

FY 2013

### Baseline Adjustments

**Transition Services Consolidation** 828.9

The Transition Services program is funded by both the Transition Program Fund and the Transition Services Fund. Laws 2010, Chapter 54, required the deposit of revenues into a "Transition Services Fund", which was never created by statute. This caused an unnecessary new fund to be established to receive revenues. The oversight makes operating the program from two programs cumbersome and inefficient.

The Executive recommends eliminating the Transition Services Fund and moving the \$2.6 million appropriation and the FY 2012 ending fund balance to the Transition Program Fund.

Transition Program Fund	2,555.0
Transition Services Fund	(1,726.1)

**Leap Year** (800.1)

The Executive recommends the elimination of FY 2012 one-time funding for leap year.

General Fund	(800.1)
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**Radio Conversions** (5,750.0)

The Executive recommends the elimination of FY 2012 one-time funding for the conversion of radios to narrowband.

Prison Construction and Operations Fund	(1,750.0)
Penitentiary Land Earnings Fund	(1,000.0)
State Charitable, Penal & Reformatory Land Earnings Fund	(3,000.0)

**Department of Corrections Building Renewal** 5,000.0

Laws 2011, Chapter 34, created the Department of Corrections Building Renewal Fund and provides that the Department of Administration administer the fund. Laws 2011, Chapter 25, appropriated \$4.6 million from the Fund to be used for the Department of Correction's building renewal and preventive maintenance projects. The Executive recommends moving administration of the Fund to the Department of Corrections and appropriating \$5.0 million for FY 2013.

DOC Building Renewal & Preventive Maintenance	5,000.0
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### Other Adjustments

**Correctional Officers** 9,256.0

The Executive recommends 306.0 FTE Correctional Officer II positions to achieve two important security objectives.

First, the number of Correctional Officers needed to secure a prison is determined by the layout of the building and the risk-level of the inmates. Each Correctional Officer post is assigned to a specific space. Currently, the Department has 193.0 unfilled security posts inside the prisons.

Second, when an inmate is transported outside the prison for medical care, the Correctional Officers who provide security for the transport must leave their regular duty posts, often resulting in security gaps. The Department uses 235,040 man-hours to cover hospital transportation security, an equivalent of 113.0 full-time Correctional Officers.

who cannot be housed with the general population inmates because of threats and conflicts due to such things as religion, race, gang affiliation, type of crime, etc. The population of this subgroup was 791 in FY 2008 and is expected to triple to 2,441 in FY 2012. Both of these subsets must be segregated from the general population as well as from each other.

The Executive recommends implementing the increased staffing over two fiscal years, a total of 153.0 officers in FY 2013 and 153.0 in FY 2014.

Current Problem

General Fund 9,256.0

State Prisons Bed Plan 0.0

Current Status

A vacancy rate of at least five percent is necessary within each custody level to allow for the safe management of a prison population that is becoming exceedingly subdivided into incompatible groups of inmates. Housing restrictions, maintenance, disturbances and emergencies all require movement of inmates. The movement of inmates creates greater risk of escape and of harm to correctional staff and inmates. The lower the vacancy rate, the more frequently the inmates must be moved to manage a compatible housing plan of multiple-custody levels and subgroups.

On October 31, 2011, the State Prison System held 40,154 inmates, exceeding the system's rated capacity of 37,159. To provide housing for the 2,995 surplus inmate population, the Department has created 5,284 temporary beds in unorthodox areas of the prisons (e.g., barber shops, day rooms and libraries) and through the use of bunk beds. The temporary beds also can serve as emergency space for the safe operations of a prison.

The prison system as a whole has a vacancy rate of about 6%. Unfortunately, a majority of the vacant beds are isolated to the female and minimum-custody male populations. The male inmate population across all custody levels has about a four percent vacancy rate, with the medium-custody male population having less than one percent of vacant bed space for management (this includes the use of 2,928 temporary beds, 40% more than the entire system used in FY 2001). The current maximum-custody male population has a bed vacancy rate of 6%. However, at the current growth rate of 12 inmates per month, the Department will have exhausted its vacant maximum-level beds by April 2013.

Since the end of FY 2001, the number of makeshift temporary beds has increased from 2,096 to the current 5,284. As the number of temporary beds has increased, the relative safety of the more recently created temporary beds has decreased. Creating more temporary beds is not advisable.

5,000 New Private Beds Authorized in 2009

Population Growth

For over 20 years, the prison population grew steadily by about 115 inmates per month, with the total population peaking at 40,766 in October 2009. Since then, through the end of October 2011, the population has declined by an average of 26 inmates per month. Barring a dramatic shift of inmates, during FY 2012 and FY 2013 the prison population is expected to have zero growth.

Laws 2009, Third Special Session, Chapter 6, requires the Department to issue a request for proposals and contract for 5,000 private prison beds. The Legislature enacted the provision based on the assumption that the prison population would grow by 114 inmates per month during Fiscal Years 2010 and 2011 and perhaps beyond. Considering the dramatic change in population growth and the inflexible language that requires the Department to contract for exactly 5,000 private prison beds, and not a lesser amount, the Executive canceled the request for proposals on December 22, 2011.

During the recent period of prison population contraction, the Department has seen growth in specific custody levels and subgroups of the inmate population. The maximum-custody population has grown by an average of 12 inmates per month over the past two years, while the total inmate population has declined by a monthly average of 26. With the same growth rate expected to continue, the Department will exceed the prisons' rated and temporary bed capacity at the maximum-custody level by March 2013.

2,000 New Private Beds

The sex offender population makes up 14% of the total prison population, with the majority housed within the medium-custody level. This population has grown by 4.1% over the last year.

To deal with the rapid growth of specific medium-custody, sex offender and protected-segregation populations, the Executive recommends a private contract for 2,000 male, medium-custody beds planned to open in January 2014.

The protective segregation population is made up of prisoners

500 Maximum Male Beds

FY 2013

The maximum-custody population growth will require the immediate construction of new State beds. The Executive recommends allocating \$50.0 million to construct 500 maximum-custody male beds on the site of the Rast Unit at the Lewis Prison in Buckeye. The beds will be planned to open beginning in July 2014.

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**Corrections Fund Revenue Redirection** 4,500.0

Laws 2011, Chapter 33, allows the Director to establish fees assessed for (a) deposits made to prisoner spendable accounts and (b) background checks for inmate visitors. Fee revenues are deposited in the Department of Corrections Building Renewal Fund. The same legislation mandates transfers of \$500,000 from the Inmate Store Proceeds Fund, \$500,000 from the Special Services Fund, and \$1.0 million from the Arizona Correctional Industries Revolving Fund.

These sources as originally proposed were expected to provide enough revenue for the \$4.6 million appropriation in FY 2012. However, the final version of the fee language is expected to produce revenues of only \$2.2 million.

To ensure a sufficient and consistent source of revenue to the Fund for the immediate future, the Executive recommends a \$4.5 million transfer from the Corrections Fund in FY 2013 and again in FY 2014.

Corrections Fund 4,500.0

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**AG Pro-Rata Appropriation** (2,891.4)

The Executive is recommending the elimination of the AG pro-rata charge and the corresponding appropriation reduction for Agencies paying the pro-rata.

General Fund (2,889.1)

State Education Fund for Correctional Education Fund (2.3)

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**State Employee Pay Adjustment** 26,320.9

In conjunction with personnel reform, the Executive recommends a 5% pay increase for eligible employees.

General Fund 26,299.9

State Education Fund for Correctional Education Fund 21.0

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**Performance Measures**

	FY 2010 <u>Actual</u>	FY 2011 <u>Actual</u>	FY 2012 <u>Expected</u>	FY 2013 <u>Expected</u>
Number of escapes of inmates from any location	1	4	0	0
Average daily inmate population	40,458	40,226	40,154	40,154
Average daily bed deficit	4,638	2,621	3,751	3,751

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*The Executive recommends a lump-sum appropriation to the agency.*

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