

Arizona Supreme Court
Administrative Office of the Courts

FUNDING AGREEMENT FOR THE FOLLOWING (as applicable):

State Aid Enhancement (SAE)
Adult Intensive Probation Supervision (AIPS)
Community Punishment Program (CPP)
Interstate Compact Supervision (ISC)
Drug Treatment and Education Fund (DTEF)
Transferred Youth (TY)
Criminal Justice Enhancement Fund - Sex Offenders (CJEF - SO)
Criminal Justice Enhancement Fund - Substance Abuse (CJEF - SA)
Judicial Collection Enhancement Fund (JCEF)
Global Position System (GPS)
Adult Drug Court (ADC)
Community Punishment Program Fines (CPP Fines)
Probation Success Incentive/Grant

Fiscal Year 2023

This Agreement is entered into by and between the Arizona Supreme Court, Administrative Office of the Courts, ("AOC"), and the **SUPERIOR COURT in PINAL COUNTY** ("Grantee").

1. TERM

This Agreement becomes effective on July 1, 2022 and shall remain in effect through June 30, 2023.

2. MODIFICATION AND TERMINATION

This Agreement may be modified or terminated by the AOC if in its judgment such action is necessary due to: (1) lack of funding; (2) statutory changes in the program; (3) Grantee's failure to implement or operate the approved plan; (4) Grantee's non-compliance with this Agreement or other program requirements, or (5) other circumstances necessitating such action. Either party may terminate this Agreement upon thirty (30) days written notice to the other party by certified mail.

3. FUND ACCOUNTING

Funds distributed to Grantee shall be deposited in separate accounts within a Special Revenue Fund established for the execution of this Agreement. Per A.R.S. §12-267, the receipts and expenditures for each account within the fund must be reported separately. Any interest earned on these monies while in the possession of Grantee shall accrue to the separate accounts for use by Grantee in accordance with its approved plan. Grantee shall ensure that the Board of Supervisors designates a Chief Fiscal Officer who

will establish and administer this fund.

4. FUND MANAGEMENT

a. Distribution of Funds. The AOC may retain all or any portion of the funds allocated to Grantee for the performance of its approved plan and may authorize direct expenditures for the benefit of Grantee. The specific amounts to be retained by the AOC for direct expenditures for the benefit of Grantee and to be disbursed to the Grantee are set forth in Addendum A to this Agreement for each specified program. The AOC may periodically modify the distribution of funds contained in the Addendum A based on its determination of Grantee's need for and usage of the funds.

b. Reporting Requirements. Grantee shall submit the following to the AOC:

- i. Monthly Statistical Reports on Sex Offenders are due on the 15th day of the following month as required by the AOC.
- ii. A mid-year financial and program activity report for each program are due on or before January 31 of this funding year.
- iii. A closing financial and program activity report is due on or before August 31 after the funding year ends, which includes: (1) an Adult Probation Service Fees Account report in accordance with A.R.S. §12-267 documenting the total amount of annual receipts and expenditures for all probation funding; (2) an interest report which includes the total amount of interest accrued and expended on each fund; (3) performance measure data for each applicable program.

Closing reports submitted past the deadline may result in the Grantee being placed on Financial Sanctions Status by the AOC.

- iv. The Grantee agrees to utilize the required automation tracking system including but not limited to; entering data in accordance with the AOC established minimum use guidelines, establishing and maintaining a data quality assurance process for monthly statistical data and performance measures data, maintaining the input of statistical data in a timely and accurate manner as established by the AOC and providing reports as requested by the AOC.
- v. To ensure accuracy and validity of monthly statistical information, the Grantee will perform one hand count of offenders placed on adult probation. The hand count shall consist of a manual tabulation of all probation case files in the county, conducted independently from any automated system, reconciled with the statewide case management system, and if applicable, corrections made within 10 business days after corrections request received.

The hand counts shall be conducted on January 31, with the due date to the AOC on February 15.

- vi. Monthly personnel payroll and expense reports are due to the AOC on the 15th day of the following month.
- vii. Each Grantee shall forward to the AOC a copy of the department's approved county budget plan no later than 14 days after approval.

viii. Annual Performance Measures are due on July 31 after the funding year ends.

c. Unexpended Funds. All funds unencumbered as of June 30, and unexpended as of July 31, shall be transmitted to the AOC for reversion no later than August 31 of the same year. The reversion shall be accompanied by a closing financial statement signed by the Presiding Superior Court Judge.

d. Inappropriate Expenditures. Grantee shall expend funds only for the purposes and uses specified in the approved plan and budget and as set forth in the applicable Addendum A. Grantee agrees to reimburse the AOC for any unauthorized or inappropriate expenditures which are not in compliance with the approved plan, budget and this Agreement. Funds shall not be used to pay county or city administrative costs for services associated with receipt of those funds including, but not limited to, the cost of: accounting, payroll, data processing, purchasing, personnel, and building use. All equipment purchased with state funds distributed by the AOC shall be used solely for purposes designated in the approved plan unless written permission is received from the AOC.

e. Budget Modifications. Funds shall not be moved to or from any budget category without prior written approval from the AOC. All budget modifications shall be in accordance with the AOC's Budget Modification Policy.

f. Termination of Funding. In the event that this Agreement is terminated prior to June 30, all unexpended funds in the possession of Grantee shall be returned to the AOC within 30 days of such termination, along with, but not limited to: (1) a closing financial statement; (2) a final report outlining the program achievements; and (3) an inventory, including serial numbers, of all equipment purchased with grant funds. If termination is due to failure of Grantee to comply with this agreement, the AOC may require return of equipment and supplies purchased with grant funds.

g. Allocation and Management of Funds. The AOC shall allocate available state monies among courts requesting state funds for probation services. The AOC may prepare and implement procedures for allocating and adjusting state funds among courts. Grantee shall make every effort to manage its budget effectively and to avoid over expenditure of its allocations. Failure to comply may result in additional action by the AOC.

h. Allocation and Management of State Funded Personnel Placements. The AOC shall allocate state funded personnel placements among courts. The AOC may prepare and implement procedures for adjusting allocated placements and associated monies among courts.

The AOC may apply a vacancy factor against the personnel and ERE lines to maximize the use of available funds and reduce disbursed funds accordingly. In the event the probation population is equal to or greater than statutory capacity, Grantee shall promptly take steps to ensure that all approved case carrying positions are filled. On a quarterly basis, AOC will review personnel and other budget categories and make adjustments if necessary.

5. BOOKS, RECORDS AND SUBCONTRACTS

a. Financial Records and Examination. Grantee shall maintain and shall require its subcontractors to maintain acceptable accounting systems, records, and

documents to properly reflect all funds expended in the performance of this agreement. All books, records and other documents relevant to this Agreement shall be retained by Grantee and its subcontractors for a period of five years after the final payment has been made, or until after the resolution of any audit questions or contract disputes, whichever is longer. AOC, state, or federal auditors, as applicable, and any other persons duly authorized by the AOC shall have full access to, and the right to examine, audit, copy and make use of any and all said materials. All subcontracts shall include a provision acknowledging the authority of the AOC to conduct such audits or examinations.

b. All contracts executed by the Superior Courts with subcontractors shall contain the following insurance language:

Standard Professional Contract Services

1.1 Indemnification Clause

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

1.2 Insurance Requirements

1.2.1 Contractor and subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

1.2.2 The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontractors, and the Contractor is free to purchase additional insurance.

1.3 Minimum Scope and Limits of Insurance

Contractor shall provide coverage with limits of liability not less than those stated below.

1.3.1 Commercial General Liability (CGL) – Occurrence Form

Policy shall include bodily injury, property damage, and broad form contractual liability coverage.

General Aggregate	\$2,000,000
Products – Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Damage to Rented Premises	\$50,000

Each Occurrence \$1,000,000

The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.

Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.3.2 Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract.

Combined Single Limit (CSL) \$1,000,000

- a. Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor involving automobiles owned, hired and/or non-owned by the Contractor.
- b. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.3.3 Workers' Compensation and Employers' Liability

Workers' Compensation Statutory

Employers' Liability

Each Accident	\$1,000,000
Disease – Each Employee	\$1,000,000
Disease – Policy Limit	\$1,000,000

- c. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- d. This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. § 23-901, and when such Contractor or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

1.3.4 Professional Liability (Errors and Omissions Liability)

Each Claim	\$2,000,000
Annual Aggregate	\$2,000,000

- e. In the event that the Professional Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised, for a period of two (2) years beginning at the time work under this Contract is completed.
- f. The policy shall cover professional misconduct or negligent acts for those positions defined in the Scope of Work of this contract.

1.4 Additional Insurance Requirements

The policies shall include, or be endorsed to include, as required by this written

agreement, the following provisions:

1.4.1 The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).

1.4.2 Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

1.5 Notice of Cancellation

Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Contractor must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Department and shall be mailed, emailed, hand delivered or sent by facsimile transmission to (State Representative's Name, Address & Fax Number).

1.6 Acceptability of Insurers

Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

1.7 Verification of Coverage

Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Contractor has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.

1.7.1 All such certificates of insurance and policy endorsements must be received by the State before work commences. The State's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.

1.7.2 Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

1.7.3 All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

1.8 Subcontractors

Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right to require, at any time throughout the life of this contract, proof from the Contractor that its subcontractors have the required coverage.

1.9 Approval and Modifications

The Contracting Agency, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

1.10 Exceptions

In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If the Contractor or subcontractor(s) is/are a State of Arizona agency, board,

commission, or university, none of the above shall apply.

Standard Professional Contract Services (\$50,000 or under)

2.1 Indemnification Clause

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

2.2 Insurance Requirements

2.2.1 Contractor and subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

2.2.2 The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontractors, and the Contractor is free to purchase additional insurance.

2.3 Minimum Scope and Limits of Insurance

Contractor shall provide coverage with limits of liability not less than those stated below.

2.3.1 Commercial General Liability (CGL) – Occurrence Form

Policy shall include bodily injury, property damage, and broad form contractual liability coverage.

General Aggregate	\$1,000,000
Products – Completed Operations Aggregate	\$500,000
Personal and Advertising Injury	\$500,000
Damage to Rented Premises	\$25,000
Each Occurrence	\$500,000

- a. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.

- b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2.3.2 Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract.

Combined Single Limit (CSL)	\$500,000
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- a. Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor involving automobiles owned, hired and/or non-owned by the Contractor.
- b. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2.3.3 Workers' Compensation and Employers' Liability

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$500,000
Disease – Each Employee	\$500,000
Disease – Policy Limit	\$500,000

- a. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. § 23-901, and when such Contractor or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

2.3.4 Professional Liability (Errors and Omissions Liability)

Each Claim	\$1,000,000
Annual Aggregate	\$1,000,000

- a. In the event that the Professional Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised, for a period of two (2) years beginning at the time work under this Contract is completed.
- b. The policy shall cover professional misconduct or negligent acts for those positions defined in the Scope of Work of this contract.

2.4 Additional Insurance Requirements

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

- 2.4.1 The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).

- 2.4.2 Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.
- 2.5 Notice of Cancellation
Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Contractor must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Department and shall be mailed, emailed, hand delivered or sent by facsimile transmission to (State Representative's Name, Address & Fax Number).
- 2.6 Acceptability of Insurers
Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- 2.7 Verification of Coverage
Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Contractor has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.
- 2.7.1 All such certificates of insurance and policy endorsements must be received by the State before work commences. The State's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.
- 2.7.2 Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.
- 2.7.3 All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.
- 2.8 Subcontractors
Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right to require, at any time throughout the life of this contract, proof from the Contractor that its subcontractors have the required coverage.
- 2.9 Approval and Modifications
The Contracting Agency, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.
- 2.10 Exceptions
In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If the Contractor or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

Professional Service Contracts (Working with Children and/or Vulnerable Adults)

3.1 Indemnification Clause

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

3.2 Insurance Requirements

3.2.1 Contractor and subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

3.2.2 The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontractors, and the Contractor is free to purchase additional insurance.

3.3 Minimum Scope and Limits of Insurance

Contractor shall provide coverage with limits of liability not less than those stated below.

3.3.1 Commercial General Liability (CGL) – Occurrence Form

Policy shall include bodily injury, property damage, and broad form contractual liability coverage.

General Aggregate	\$2,000,000
Products – Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Damage to Rented Premises	\$50,000
Each Occurrence	\$1,000,000

- g. The policy shall include coverage for Sexual Abuse and Molestation (SAM). This coverage may be sub-limited to no less than \$500,000. The limits may be included within the General Liability limit or provided by separate endorsement with its own limits. If you are unable to obtain SAM coverage

under your General Liability because the insurance market will not support it, it should it be included with the Professional Liability.

- h. Contractor must provide the following statement on their Certificate(s) of Insurance: "Sexual Abuse and Molestation coverage is included" or "Sexual Abuse and Molestation coverage is not excluded."
- i. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.
- j. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

3.3.2 Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract.

Combined Single Limit (CSL)	\$1,000,000
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- k. Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor involving automobiles owned, hired and/or non-owned by the Contractor.
- l. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

3.3.3 Workers' Compensation and Employers' Liability

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$1,000,000
Disease – Each Employee	\$1,000,000
Disease – Policy Limit	\$1,000,000

- m. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- n. This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. § 23-901, and when such Contractor or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

3.3.4 Professional Liability (Errors and Omissions Liability)

Each Claim	\$ 2,000,000
Annual Aggregate	\$ 2,000,000

- o. If SAM coverage is being provided under this policy then Contractor must provide the following statement on their Certificate(s) of Insurance: "Sexual Abuse and Molestation coverage is included" or "Sexual Abuse and Molestation coverage is not excluded." This coverage may be sub-limited to no less than \$500,000.
- p. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive

date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

- q. Policy shall cover professional misconduct or wrongful acts for those positions defined in the Scope of Work of this contract.

3.4 Additional Insurance Requirements

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

3.4.1 The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).

3.4.2 Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

3.5 Notice of Cancellation

Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Contractor must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Department and shall be mailed, emailed, hand delivered or sent by facsimile transmission to (State Representative's Name, Address & Fax Number).

3.6 Acceptability of Insurers

Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

3.7 Verification of Coverage

Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Contractor has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.

3.7.1 All such certificates of insurance and policy endorsements must be received by the State before work commences. The State's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.

3.7.2 Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

3.7.3 All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

3.8 Subcontractors

Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right

to require, at any time throughout the life of the Contract, proof from the Contractor that its subcontractors have the required coverage.

3.9 Approval and Modifications

The Contracting Agency, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

3.10 Exceptions

In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If the Contractor or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

Professional Service Contracts (Working with Children and/or Vulnerable Adults, Under \$50,000)

4.1 Indemnification Clause

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

4.2 Insurance Requirements

4.2.1 Contractor and subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

4.2.2 The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontractors, and the Contractor is free to purchase additional insurance.

4.3 Minimum Scope and Limits of Insurance

Contractor shall provide coverage with limits of liability not less than those stated below.

- 4.3.1 Commercial General Liability (CGL) – Occurrence Form
Policy shall include bodily injury, property damage, and broad form contractual liability coverage.
- | | |
|---|-------------|
| General Aggregate | \$1,000,000 |
| Products – Completed Operations Aggregate | \$500,000 |
| Personal and Advertising Injury | \$500,000 |
| Damage to Rented Premises | \$25,000 |
| Each Occurrence | \$500,000 |
- The policy shall include coverage for Sexual Abuse and Molestation (SAM). This coverage may be sub-limited to no less than \$250,000. The limits may be included within the General Liability limit or provided by separate endorsement with its own dedicated limits. If you are unable to obtain SAM coverage under your General Liability because the insurance market will not support it, it should be included with the Professional Liability.
 - Defense Costs should not erode the policy limits, also known as “defense outside the limits.”
 - Contractor must provide the following statement on their Certificate(s) of Insurance: “Sexual Abuse and Molestation coverage is included” or “Sexual Abuse and Molestation coverage is not excluded.”
 - The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.
 - Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- 4.3.2 Business Automobile Liability
Bodily Injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract.
- | | |
|-----------------------------|-----------|
| Combined Single Limit (CSL) | \$500,000 |
|-----------------------------|-----------|
- Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor involving automobiles owned, hired and/or non-owned by the Contractor.
 - Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- 4.3.3 Workers' Compensation and Employers' Liability
- | | |
|-------------------------|-----------|
| Workers' Compensation | Statutory |
| Employers' Liability | |
| Each Accident | \$500,000 |
| Disease – Each Employee | \$500,000 |
| Disease – Policy Limit | \$500,000 |
- Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

- b. This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. § 23-901, and when such Contractor or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

4.3.4 Professional Liability (Errors and Omissions Liability)

Each Claim	\$ 1,000,000
Annual Aggregate	\$ 1,000,000

- a. If SAM coverage is being provided under this policy then Contractor must provide the following statement on their Certificate(s) of Insurance: "Sexual Abuse and Molestation coverage is included" or "Sexual Abuse and Molestation coverage is not excluded." This coverage may be sub-limited to no less than \$250,000.
- b. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
- c. Policy shall cover professional misconduct or wrongful acts for those positions defined in the Scope of Work of this contract.

4.4 Additional Insurance Requirements

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

- 4.4.1 The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).
- 4.4.2 Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

4.5 Notice of Cancellation

Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Contractor must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Department and shall be mailed, emailed, hand delivered or sent by facsimile transmission to (State Representative's Name, Address & Fax Number).

4.6 Acceptability of Insurers

Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

4.7 Verification of Coverage

Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Contractor has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.

- 4.7.1 All such certificates of insurance and policy endorsements must be received by the State before work commences. The State's receipt of any certificates of insurance

or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.

4.7.2 Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

4.7.3 All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

4.8 Subcontractors

Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right to require, at any time throughout the life of the Contract, proof from the Contractor that its subcontractors have the required coverage.

4.9 Approval and Modifications

The Contracting Agency, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

4.10 Exceptions

In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If the Contractor or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

c. Program Records and Evaluation. The AOC may monitor and evaluate the local plan to determine its effectiveness. As a condition of receipt of grant funds, Grantee agrees to maintain and provide to the AOC accurate and timely data and statistics as may be required for purposes of evaluation. Grantee further agrees that authorized agents of the AOC shall have the right to conduct on-site visits for purposes of compliance monitoring, operational review and program evaluation. All subcontracts shall include a provision acknowledging the authority of the AOC to conduct such inspections and evaluations.

6. INVENTORY

a. Equipment. Equipment purchased with funds received pursuant to this Agreement shall become the property of Grantee, and Grantee shall maintain written inventory and property control policies and procedures covering the equipment. Grantee may use its existing inventory system, but must at a minimum maintain the information required by AOC policies and procedures.

b. Equipment Lease Option. The Grantee shall have the option of participating in an AOC equipment lease agreement that would allow the probation department an opportunity to lease computers, printers and other AOC approved technology equipment through the AOC lease contract which is managed and maintained by the AOC Information Technology Division (ITD). The Adult Probation Services Division (APSD) shall establish the lease agreement with the ITD and act as the leaseholder for the Grantee.

If the Grantee participates in the lease agreement option, the Grantee shall agree to the following requirements: (1) the monies expended by the APSD for the Grantee's lease agreement would be paid by the Grantee on an annual reimbursement schedule to the APSD as established and managed by the AOC; (2) the Grantee shall sign and agree to the terms set forth in the AOC ITD Equipment Installation and Operation Agreement; (3) the Grantee shall sign and agree to the terms set forth in the lease agreement option established by the APSD; (4) the monies used by the Grantee to participate in the lease agreement shall not be paid from any of the following AOC APSD program funds: SAE, AIPS, CPP, ISC, DTEF, CJEF, TY, JCEF, GPS, CPP Fines or Drug Court. The Grantee may use Probation Service Fees (PSF) monies to reimburse the APSD if the Grantee participates in the lease agreement option.

7. USE, LOSS AND DISPOSITION OF EQUIPMENT

Equipment must be used as required by this Agreement for three years, unless written permission is given by the AOC. After this time, the equipment may be transferred upon approval of the Presiding Superior Court Judge. Grantee is responsible for any maintenance, loss or damage to the equipment and the AOC makes no assurances regarding its repair or replacement. Equipment which is no longer needed or usable shall be surplus as required by this Agreement. If no such requirements are included in the Agreement, then local surplus property procedures may be utilized.

8. FINANCIAL SANCTIONS STATUS

In addition to any other remedy available pursuant to this Agreement, Grantee may be placed in financial sanction status for deficiencies including but not limited to:

- a. Delinquent budget request or plan submissions;
- b. Delinquent midyear, closing or other reports requested by the AOC;
- c. Inaccurate reporting of probation population statistics;
- d. Unauthorized allocation of personnel;
- e. Expenditures in excess of the approved amounts;
- f. Expenditures not authorized within the current funding agreement;
- g. Failure to ensure that the level of county funding and the same number of case-carrying officers as required by the Legislature is maintained;
- h. Failure to adhere to the administrative code governing each state fund for probation services;
- i. Failure to adhere to the requirements set forth in the Equipment Lease Option as outlined in this funding agreement in subsection **6., b.**; and
- j. Failure to adhere to the requirements set forth in any Agreements as outlined in the case management tracking system statewide policy.

9. FINANCIAL SANCTIONS ACTIONS

Financial sanctions include, but are not limited to:

- a. Written warning with request for immediate compliance;
- b. Withholding all or any portion of state funds or equipment disbursements;
- c. Withholding all disbursements from all state funds;
- d. Requiring monthly submission of costs incurred for prior disbursements;
- e. Requiring monthly submission of expenses for reimbursement of actual costs incurred (to receive reimbursement while on sanctions status, Grantee shall

- submit a Monthly Reimbursement Request to the AOC detailing expenses in funding categories as delineated on Addendum A, in addition to the monthly payroll and expense report; state funds shall not be used for any adverse financial costs or interest charged or incurred due to Grantee's financial sanction status);
- f. Recovery of funds or equipment already disbursed; and
 - g. Not authorizing any new personnel.

If monthly submission of expenses is required, in order to receive reimbursement while on sanctions status, Grantee shall submit a Monthly Reimbursement Request to the AOC detailing expenses in funding categories as delineated on Addendum A, in addition to the monthly payroll and expense report. State funds shall not be used for any adverse financial costs or interest charged or incurred due to Grantee's financial sanctions status.

10. OTHER REQUIREMENTS

The Grantee agrees to: (1) utilize the required automation tracking system including but not limited to; entering data in accordance with the AOC established minimum use guidelines and the case management tracking system statewide policy, establishing and maintaining a data quality assurance process, maintaining the input of data in a timely and accurate manner as established by the AOC and providing reports as requested by the AOC; (2) utilize the required offender assessment tools; (3) establish program goals and objectives which are measurable in accordance with guidelines provided by the AOC; and (4) participate in any applicable outcome studies.

11. COUNTY APPROPRIATION LEVELS

The Grantee shall ensure that the county maintains the fiscal year 2019-2020 expenditure level for each probation program as required by the Legislature. Reduction from the fiscal year 2019-2020 level may result in future loss of funds or other action by the AOC and/or state legislature.

12. COLLECTIONS

The Grantee shall ensure the collection of monies owed as a condition of probation and shall require that supervising probation officers immediately address any arrearage. The collection of monies shall be made in accordance with Generally Accepted Accounting Principles (GAAP) and Minimum Accounting Standards for Arizona Courts as prescribed in ACJA § 1-401. The Grantee is responsible for reporting and tracking financial transaction data.

13. VEHICLE EXPENDITURES

The AOC shall adjust motor pool allocations among courts as deemed necessary. The Grantee agrees to reimburse the AOC for any unauthorized or inappropriate vehicle related expenditures.

14. PROBATION SERVICE FEES (PSF)

In accordance with A.R.S. §12-267, each fiscal year the Grantee shall, on or before August 31, submit to the AOC a report detailing deposits and expenditures of monies in

the Probation Services Fees Account for the preceding fiscal year.

The Grantee shall also submit to the AOC a plan detailing intended expenditures of monies in the Probation Services Fees Account for the following fiscal year, no later than August 31.

15. STATE AID ENHANCEMENT (SAE)

a. Capacity. The Grantee may request new program positions from the AOC when the program has maintained an active caseload at 98%, or higher, of the statutory capacity for a minimum of three months. The Grantee shall send a declaration of need to the Adult Probation Services Division (APSD) of the AOC. The declaration is to state: (1) the number of positions being requested, (2) the current ratio of probationers to probation officers and program capacity, and (3) the number of probation officers performing field supervision by funding source. The declaration is to be signed by the Chief Probation Officer or designee. Upon receipt of the declaration, the APSD will audit the probation caseloads of the department to confirm that a need for additional officers exists. Upon verification of the need, and if resources are available, the APSD will proceed to allocate appropriate resources.

b. Reduction of Funds. The AOC reserves the right to reduce funding should the standard probation population be determined by the AOC to be insufficient to support the current or projected level of funding. This reduction is not limited to, but may include, previously authorized positions and operating costs.

c. Case Load Ratios. In the event the Grantee's standard probation population falls below or exceeds an average of 1 officer for 65 active probationers, excluding those probationers serving a flat time jail sentence, the Grantee must advise the APSD of all vacant state funded positions and must request approval to fill any vacant positions funded under the AOC State Aid Enhancement program. Grantee must request approval to fill all vacant non-case carrying positions. Failure to cooperate may result in the need to adjust future disbursements to the Grantee to correct inequities.

d. Other Requirements. The Grantee agrees to utilize the required automation tracking systems including but not limited to; entering data in accordance with the AOC established minimum use guidelines, establishing and maintaining a data quality assurance process and providing reports as requested by the AOC and adhere to ACJA 6-201.01 regarding evidence-based practices of standard probation supervision.

16. ADULT INTENSIVE PROBATION SUPERVISION (AIPS)

a. Capacity. The Grantee may request new program positions from the AOC when the program has maintained an active caseload of 95%, or higher, of the statutory capacity for a minimum of three months. The Grantee shall send a declaration of need to the APSD of the AOC. The declaration is to state: (1) the number of positions being requested, (2) the current ratio of probationers to probation/surveillance officers and program capacity, and (3) the number of probation/surveillance officers performing field supervision by funding source. The declaration is to be signed by the Chief Probation Officer or designee. Upon receipt of the declaration, the APSD will audit the probation caseloads of the department to confirm that a need for additional officers exists. Upon verification of the need, and if resources are available, the APSD will proceed to allocate appropriate resources.

b. Reduction of Funds. The AOC reserves the right to reduce funding should

the intensive probation population be determined by the AOC to be insufficient to support the current or projected level of funding. This reduction is not limited to, but may include, previously authorized positions, operating costs and vehicle costs.

c. Caseload Ratios. In the event the Grantee's intensive probation population falls below the statutorily established intensive caseload ratios for active probationers, the Grantee will advise the APSD and must request approval to fill any vacant positions funded under the AIPS program. Grantee must request approval to fill all vacant non-case carrying positions. Failure to cooperate may result in the need to adjust future disbursement to the Grantee to correct inequities.

d. Other Requirements. The Grantee agrees to utilize the required automation tracking systems including but not limited to; entering data in accordance with the AOC established minimum use guidelines, establishing and maintaining a data quality assurance process and providing reports as requested by the AOC and adhere to ACJA 6-202.01 regarding evidenced-based practices of adult intensive probation supervision.

17. COMMUNITY PUNISHMENT PROGRAM (CPP)

Grantee must request approval to fill all vacant non-case carrying positions and these positions must comply with CPP funding criteria requirements. All expenditures for the CPP Program must be consistent with the purposes described in A.R.S. §12-299.01.

18. CRIMINAL JUSTICE ENHANCEMENT FUND - SEX OFFENDERS (CJEF - SO)

Pursuant to A.R.S. § 41-2401, Grantee shall utilize the funds to provide additional treatment services for sex offenders.

19. CRIMINAL JUSTICE ENHANCEMENT FUND - SUBSTANCE ABUSE (CJEF - SA)

Pursuant to A.R.S. § 41-2401 Grantee shall utilize the funds to provide drug treatment services, including drug testing, to adult probationers.

20. INTERSTATE COMPACT SUPERVISION (ISC)

a. ISC-Funded Officers. If Grantee receives ISC funds for authorized probation officers, all incoming ISC cases shall be supervised by an ISC funded probation officer.

b. Capacity. The Grantee may request new program positions from the AOC when the program has maintained an active caseload of 98%, or higher, of the statutory capacity for standard probation supervision for a minimum of three months. The Grantee shall send a declaration of need to the APSD of the AOC. The declaration is to state: (1) the number of positions being requested, (2) the current ratio of probationers to probation officers and program capacity, and (3) the number of probation officers performing field supervision by funding source. The declaration is to be signed by the Chief Probation Officer or designee. Upon receipt of the declaration, the APSD will audit the probation caseloads of the department to confirm that a need for additional officers exists. Upon verification of the need, and if resources are available, the APSD will proceed to allocate appropriate resources.

c. Collections. The Grantee shall collect funds from ISC probationers supervised

in Arizona for deposit into the state's Victim Compensation and Assistance Fund (VCAF), pursuant to A.R.S. § 31-467.06 (A) (B), and in accordance with Arizona Code of Judicial Administration § 6-204.01.

d. Other Requirements. The Grantee agrees to utilize the required automation tracking systems including but not limited to; entering ISC data in accordance with the AOC established minimum use guidelines, establishing and maintaining a data quality assurance process for reconciling ICOTS data with statewide case management tracking system data, maintaining the input of ISC data in a timely and accurate manner as established by the AOC and providing reports as requested by the AOC. Also, the Grantee agrees to adhere to: A.R.S. 31-467 regarding adoption of interstate compact for the supervision of adult offenders, Interstate Compact for Adult Offender Supervision (ICAOS) Rules, and ACJA 6-204.01 regarding interstate compact probation evidence-based practices.

21. DRUG TREATMENT AND EDUCATION FUND (DTEF)

a. Management of Allocation. Grantee agrees to manage the fund allocation in compliance with DTEF fund criteria and requirements for programs and services. Grantee must request approval to fill all vacant non-case carrying positions and these positions must comply with DTEF funding criteria requirements. Failure to cooperate may result in the need to adjust future disbursement to the Grantee.

b. Other Requirements. The Grantee agrees to utilize the required statewide case management tracking system including but not limited to; entering DTEF data in accordance with the AOC established minimum use guidelines, establishing and maintaining a data quality assurance process for DTEF data, maintaining the input of DTEF data in a timely and accurate manner as established by the AOC and providing reports as requested by the AOC.

22. TRANSFERRED YOUTH (TY)

a. Management of Allocation. The Grantee shall manage the treatment allocation retained at the AOC on behalf of the Grantee, as well as the portion of TY that is disbursed to the Grantee. If the Grantee projects an over expenditure of its treatment allocation at any time, the Grantee shall submit a report to the AOC detailing how the Grantee will come into fiscal compliance. The Grantee shall make every effort to manage its budget effectively and to avoid over expenditure of its allocation.

b. Vendor Payment Restrictions. The Grantee shall not utilize any retained TY funds to pay a treatment vendor with whom the AOC does not have a contract for services.

The Grantee shall not utilize any retained TY funds to pay a treatment vendor whose contract is suspended and/or to pay for services provided to youths referred after the AOC has recommended suspending referrals as a result of concern for the health and safety of youth in the facility, a death of a youth in a facility or as a result of other significant contractual or statutory violations.

c. The Grantee shall not utilize any disbursed TY funds to pay a treatment vendor with whom the AOC or the County does not have a contract for services.

The Grantee shall track all TY funds and submit a monthly report to the AOC

TY Specialist. The report shall be submitted to the AOC no later than the 17th of each month.

23. JUDICIAL COLLECTION ENHANCEMENT FUND (JCEF)

In accordance with A.R.S. 12-114.01 B, the Grantee agrees to utilize the Judicial Collection Enhancement Fund (JCEF) to supplement monies currently used for the salaries of adult probation and surveillance officers and for the support of programs and services of the superior court adult probation department.

24. GLOBAL POSITION SYSTEM (GPS)

a. Applicability. Administrative Order No. 2006-90 and Administrative Directive No. 2011-41 identified the Judicial Collection Enhancement Fund (JCEF) as the source to subsidize the cost of the GPS monitoring devices for the adult probation departments subject to the availability of funds. The court has determined that the Administrative Office of the Courts (AOC) will charge one hundred percent (100%) of the cost of the GPS monitoring devices to the probation fees account of the fifteen adult probation departments on a quarterly basis. AOC will retain on behalf of the adult probation departments contributing to the JCEF probation surcharge revenues a subsidy of up to fifty percent (50%) of the cost described above. For this fiscal year, AOC is not receiving general fund appropriation for the GPS program. AOC has identified the JCEF as the source to subsidize the cost of the monitor analysts and operating.

b. GPS-Funded Monitor Analysts. If Grantee receives GPS funds for authorized monitor analyst positions, all GPS cases, pursuant to A.R.S. § 13-902 (G), shall be monitored by a GPS funded monitor analyst. Monitor analysts shall be hired under surveillance officer duties criteria and shall also perform duties beyond surveillance officer assignments, specific to GPS program requirements.

Pursuant to A.R.S. § 13-902 (G), and Administrative Directive No. 2011-41, each Monitoring Analyst shall monitor full time no more than 30 probationers on GPS, except in cases of, notably, vacancy of position, vacation or covering of cases for another Monitor Analyst.

Monitor analysts shall be assigned to a regional monitoring center (RMC). Monitor analysts shall be located in an assigned adult probation department and shall also be responsible for monitoring duties in the assigned department and in those departments who geographically fall into the same RMC. Monitor analysts may be required to assist other departments within the RMC with equipment deployment or other monitor analyst's duties, as necessary.

c. Capacity. Each offender sentenced to standard probation under the requirements of A.R.S. § 13-902 (G) shall equate to 3 offenders for determining compliance with caseload limit requirements of A.R.S. § 12-251 (A).

GPS probationers sentenced to standard probation supervision who have been evaluated as high risk, may be assigned to an intensive probation surveillance team for surveillance purposes only, if intensive probation slots are available pursuant to A.R.S. § 13-916. If an over capacity situation arises affecting the intensive probation supervision team caseload limits, high risk status GPS cases are to be returned to standard supervision status.

GPS probationers sentenced to intensive probation supervision shall be supervised pursuant to A.R.S. § 13-914 and ACJA § 6-202.

d. GPS Program Plan. Grantee shall manage monitor analyst performance in accordance with the approved AOC GPS program plan.

25. ADULT DRUG COURT

a. This Agreement entered into between the AOC and the Grantee is pursuant to the provisions of A.R.S. § 13-3401, 13-3422 and 13-901.02, which is incorporated herein by reference.

b. Inappropriate Expenditures. Adult Drug Court funds shall not be used to reduce the financial obligation of a federal, state, county, city, or tribal government agency to fund the operations of the Adult Drug Court or other Adult Drug Court related programs.

c. The Grantee shall ensure drug court treatment programs and services are consistent with best practices, the Drug Court Model and the Drug Court Ten Key Components by operating in a manner consistent with AOC Adult Drug Court Best Practice Guidelines.

d. Drug courts shall use standardized assessment instruments that have been validated for use with criminal justice populations.

e. The Grantee shall ensure Drug Court treatment is based on cognitive-behavioral treatment (CBT) and social learning models, which have been shown to significantly reduce recidivism among offenders.

26. COMMUNITY PUNISHMENT PROGRAM FINES (CPP FINES)

A.R.S. §13-821(A) permits a court to order a fine for a drug offense. A.R.S. §13-821(C) requires the court to transmit the “monies collected pursuant to this section to the supreme court for the purpose of providing drug treatment services to adult probationers through the community punishment program established in title 12, chapter 2, article 11.” A.R.S. § 12-299(3) defines “Community punishment” to mean “programs for persons placed on supervised probation or intensive probation which are established pursuant to this article and provide for increased conditions of probation and community-based programs and services that emphasize supervision, surveillance, control, public protection, community work service, restitution and victims’ rights and that provide opportunities for rehabilitation and treatment.” All expenditures from the CPP Fines program must be consistent with the purposes set forth in A.R.S. §12-299.01.

27. PROBATION SUCCESS INCENTIVE

a. Management of allocation of Incentive Payment. AOC shall calculate a statewide probation success incentive payment in accordance with A.R.S. § 12-270 that equals the number of probationers successfully prevented from entering prison statewide,

compared to the statewide historical baseline and multiplied by twenty-five percent of the marginal cost of incarceration. AOC shall allocate county probation success incentive payments to each county for distribution to the county's adult probation department to implement the programs prescribed.

b. Management of allocation of Incentive Grant. In accordance with A.R.S. § 12-270, a board that includes the chief probation officer from each county shall determine the distribution of statewide probation success incentive grant monies. A county's chief probation officer must be recused in a vote that may award a grant to that chief probation officer's probation department. The county and statewide probation success incentive payments allocated pursuant to this section shall be used to supplement, not supplant, any other state or county appropriation for the adult probation department. The Grantee agrees to manage the fund allocation pursuant to ARS 12-270.

c. Utilization of Funds. As provided in A.R.S. § 12-270(B), each county shall use its probation success incentive payment and any monies received from a statewide probation success incentive grant to improve supervision and rehabilitative services for probationers, including any of the following:

1. Implementing and expanding evidence-based practices for risk and needs assessments for individualized programming.
2. Implementing and expanding intermediate sanctions, including mandatory community restitution, home detention, day reporting, restorative justice programs and work furlough programs.
3. Expanding the availability of evidence-based practices for rehabilitation programs, including drug and alcohol treatment, mental health treatment, anger management, cognitive behavior programs and job training and employment services.
4. Recognizing and rewarding probation officers in adult probation departments whose work has advanced the implementation of evidence-based practices or who have contributed to the probation department's recidivism reduction efforts.
5. Paying for continuing education and training that focuses on evidence-based practices for probation officers or probation staff, or both.
6. Evaluating the effectiveness of rehabilitation and supervision programs and ensuring program fidelity.

d. Other Requirements. As provided in A.R.S. § 12-270, the county and statewide probation success incentive payments allocated shall be used to supplement, not supplant, any other state or county appropriation for the adult probation department. For any county or statewide probation success incentive payments allocated or grants awarded to a county, the county shall distribute the allocated monies to its adult probation department, which must use the monies for improving probation services and recidivism reduction funding activities prescribed above. In the county's discretion, the county may retain up to fifteen percent of the allocated monies for administrative and data collection purposes. In any fiscal year in which a county receives incentive payments or grants, the monies shall be made available to the county's adult probation department to implement probation programming within sixty days after the allocation of those monies. The county adult probation department shall maintain a complete and accurate accounting of all monies received.

e. Outcome Measures. As provided in A.R.S. § 12-270(K), each adult probation department shall define and track specific outcome-based measures, including all of the following:

1. The percentage of probationers who are supervised in accordance with evidence-based practices.
2. The specific supervision policies, procedures, programs and practices that were eliminated.
3. The percentage of probationers who successfully complete the period of supervision.
4. The number of probation absconders who are located each year and the disposition of these cases.
5. The amount of monies received by each adult probation department.

On or before December 31, 2022 and annually thereafter, each adult probation

department that receives incentive payments or grants pursuant to this section shall submit a written report to AOC and the county board of supervisors that accounts for incentive payments received and grants awarded and that evaluates the effectiveness of the program.

28. PERFORMANCE LIABILITY

Except as otherwise provided by law, in the performance of this Agreement, both parties hereto are acting in their individual governmental capacities and not as agents, employees, partners, joint ventures, or associates of each other. The employees, agents, or subcontractors of one party shall not be deemed or construed to be the employees or agents of the other party. Each party is solely responsible for the actions of its employees under this Agreement.

**PINAL COUNTY
SUPERIOR COURT
(GRANTEE)**

**ARIZONA SUPREME COURT
ADMINISTRATIVE OFFICE
OF THE COURTS**

By _____
Authorized Signature on Behalf of the Superior Court

By _____
*Marcus Reinkensmeyer, Deputy Director
Administrative Office of the Courts*

Date _____