

Arizona Supreme Court  
Administrative Office of the Courts

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**FUNDING AGREEMENT FOR:**

**Juvenile Probation Services Fund (JPSF)  
Diversion (Intake and Consequences)  
Juvenile Intensive Probation Supervision (JIPS)  
Juvenile Standard Probation  
Juvenile Drug Court (JDC)\*  
Family Counseling  
Title IV-E\***

**\*If Applicable**

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**Fiscal Year 2022**

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

**1. TERM**

This Agreement becomes effective on July 1, 2021 and shall remain in effect through June 30, 2022.

**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) the Department's failure to implement or operate the approved plan; (4) the Department'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 the Department shall be deposited in a Special Revenue Fund established for the execution of this Agreement. Per A.R.S. § 12-268, each program must be accounted for separately within this fund. Any interest earned on these monies while in the possession of the Department shall accrue to the fund for use by the Department in accordance with its approved plan. The Department 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 the Department for the performance of its approved plan and may authorize direct expenditures for the benefit of the Department. The specific amounts to be retained by the AOC for direct expenditures for the benefit of the Department and to be disbursed to the Department 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's based on its determination of the Department's need for and usage of the funds and/or funding changes.

**b. Reporting Requirements.** Department shall submit the following to the AOC:

- i. A mid-year financial progress report for JIPS, Standard Probation, JPSF, JDC, Title IV-E, Diversion and Family Counseling due on or before January 31, 2022.
- ii. A closing report for the above listed funds is due on or before August 31, 2022 which includes: (1) a juvenile probation fund report in accordance with A.R.S. § 12-268 documenting the total amount of annual receipts and expenditures for all probation funding; (2) a program report; (3) an interest report which includes the total amount of interest accrued and expended on all funds; and (4) performance measure data for each applicable program.

Closing reports submitted past the deadline may result in the Department being placed on financial sanction status by the AOC. With prior approval from the AOC, modifications may be made to the report format.

- iii. Results of the juvenile probation caseload audit. To ensure accuracy and validity of reported monthly statistical information, the Department will perform a minimum of one yearly caseload audit of juveniles placed on juvenile probation, on a date established by the Juvenile Justice Services Division (JJSD). The caseload audit shall consist of a manual tabulation of all probation case files in the county, and a listing of juveniles on probation generated by the Juvenile On-Line Tracking System (JOLTSaz). A comparison of the two lists will be made on forms provided, and the results forwarded to the JJSD in accordance with the processes outlined by the AOC.
- iv. A monthly payroll and expense report is due to the AOC on the 15th day of the following month.
- v. A copy of the department's approved county budget or any board resolution affecting salaries of state funded employees no later than 14 days after approval.

**c. Unexpended Funds.** Funds unencumbered as of June 30, 2022 and unexpended as of July 31, 2022, with the exception of Title IV-E administrative and training reimbursements, 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 juvenile court judge.

**d. Inappropriate Expenditures.** The Department 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. The Department 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 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, 2022, all unexpended funds in the possession of the Department 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 the Department 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. The AOC may prepare and implement procedures for allocation and adjusting state funds among courts.

**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 employee related expenses (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, the Department shall promptly take steps to fill pre-approved positions. On a quarterly basis, AOC will review personnel and other budget categories and make adjustments if necessary.

**i. Department must request approval** to fill any vacant case carrying (both county and state funded positions) and any state-funded non-case carrying positions from the Juvenile Justice Services Division. Departments must petition the AOC to fill any vacant positions funded with AOC dollars and may not move non-AOC funded staff into positions funded with AOC dollars without prior approval from the AOC. The Juvenile Justice Services Division shall be informed, in writing, of the number and the funding source for each new staff.

## **5. BOOKS AND RECORDS**

**a. Financial Records and Examination.** The Department 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 the Department 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. Program Records and Evaluation.** The AOC may monitor and evaluate the local plan to determine its effectiveness. As a condition of receipt of funds, the Department agrees to maintain and provide to the AOC such data and statistics as may be required for purposes of evaluation. The Department 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**

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

## **7. USE, LOSS AND DISPOSITION OF EQUIPMENT**

Equipment must be used as required by this Agreement, and in compliance with applicable administrative orders or codes, for five years, unless written permission is given by the AOC. After this time, the equipment may be transferred upon approval of the presiding juvenile court judge. The Department 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 SANCTION STATUS**

In addition to any other remedy available pursuant to this Agreement, the Department 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; or
- g.** Failure to adhere to the administrative code governing each state fund.

## **9. FINANCIAL SANCTION ACTION**

During the period of financial sanction status, the AOC may take any appropriate action including:

- 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, Department 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 Departments financial sanction status);
- f. Recovery of funds or equipment already disbursed; or
- g. Not authorizing new positions/teams/equipment.

## **10. OTHER REQUIREMENTS**

The Department agrees to: (1) utilize the JOLTSaz including but not limited to; 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 AZYAS tool(s) administered to classify risk of recidivism and identify needs related to delinquent behavior for juveniles referred to the court; (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**

Receipt of state probation monies by the counties is contingent on the county maintenance of fiscal year 2004 expenditure levels for each probation program. State monies are not intended to supplant county dollars for probation programs. Should a County not provide sufficient funds to meet the 2004 maintenance of effort requirement the AOC will address the issue in the next funding allocation cycle.

## **12. COLLECTIONS**

The Department shall make every effort to enforce the collection of fees, parental assessments and restitution payments due to victims. The collection of monies shall be made in accordance with generally accepted accounting principles and minimum accounting standards for Arizona courts as prescribed in ACJA §1-401 or subsequent code. The Department is responsible for timely entry of financial data into the JOLTSaz database. Periodic reporting and review of collection data will be required.

## **13. PROBATION SERVICES FUND**

In accordance with A.R.S. §12-268, each fiscal year the Department shall, on or before August 31, submit to the AOC a report detailing expenditures of fund monies for the preceding fiscal year.

The Department shall also submit to the AOC a plan, in compliance with existing code detailing intended expenditure of fund monies for the following fiscal year, no later than August 31. Any request for modification of an existing approved plan or for any variation from code guidelines, must be submitted to AOC and approved prior to any expenditures.

## **14. VENDOR PAYMENT RESTRICTIONS**

**a. Utilization.** The Department shall not submit invoices to the AOC from a non-AOC contracted provider. Rather, the Department shall use their disbursed treatment

funds to cover these expenses.

**Contract Suspension.** The Department shall not submit invoices to be paid with retained treatment funds for a vendor whose contract is suspended or for services provided to youth 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.

## 15. JPSF AND DIVERSION

**a. Management of Allocation.** The Department shall manage allocations retained at the AOC on behalf of the Department. If the Department projects an over expenditure of its allocation, the Department shall submit a report to the AOC within 30 days of the projection, or at the request of the AOC, detail how the Department will come into fiscal compliance. The Department shall make every effort to manage its budget effectively and to avoid over expenditure of its allocation.

If an over expenditure of funds exists, the AOC may collaborate with the Department to identify subcategories within funds currently allocated to the Department that can be used to cover the over-expenditure from the following:

- Contract Services Disbursed
- Operating
- Equipment
- Travel
- Personnel
- ERE
- Fees and accumulated interest

Any Budget Modification initiated by the AOC to assist with the coverage of identified over expenditures of funds shall be in accordance with the AOC's Budget Modification Policy.

If the over expenditure cannot be resolved within the funds currently allocated to the Department, then, the AOC may look for unexpended funds within other departments across the state to assist the Department to cover the over-expenditure.

If the over expenditure cannot be resolved from either of the two measures above then the AOC may notify providers not to accept referrals from the Department unless the Department has agreed to pay for the services from county or other funds.

**b. Assessment of Treatment Costs.** The Department shall comply with A.R.S. §8-243(A) and ACJA §6-309 or subsequent statute and code, in the assignment and collection of parental payments for treatment services.

**c. Assessment of Family Counseling Costs.** The Department shall comply with ARS §8-261 - §8-265 and ACJA §6-310 or subsequent statute and code, in the assignment and collection of parental payments for family counseling services. The clerk of the court shall acknowledge receipt of the money received to the Department. The clerk of the court shall transmit such money to the state treasurer for deposit in the state

general fund.

## 16. TITLE IV-E (If Applicable)

**a. Maintenance Reimbursements.** Will be held at the AOC and be disbursed at least semi-annually to the Department equal to the amount of reimbursement received by the AOC on behalf of the Department, unless the Department indicates to the AOC a preference to have a portion of those funds retained at the AOC.

**b. Administrative and Training Reimbursements.** Will be disbursed at least semi-annually to the Department in amounts equal to the amount of reimbursement received by AOC on the behalf of the Department.

**c. Federal Audit Repayments.** Any request for repayment of any Title IV-E Maintenance, Administrative or Training reimbursement as a result of a federal review or action is the responsibility of the Department to remit.

## 17. FAMILY COUNSELING AND JUVENILE DRUG COURT (If Applicable)

**a. Management of Allocation.** The Department shall manage the allocation of these dispersed funds provided by the AOC. If the Department projects an over expenditure of its allocation, the Department shall submit a report to the AOC within 30 days of the projection, or at the request of the AOC, detail how the Department will come into fiscal compliance. The Department shall make every effort to manage its budget effectively and to avoid over expenditure of its allocation. For the Family Counseling Fund, the Department will monitor expenditures of both the AOC and required County match portions and report this information as outlined in Paragraph 4 (Fund Management) of this document.

If an over expenditure of funds exists, the AOC will collaborate with the Department to identify subcategories (if applicable) within funds currently allocated to the Department that can be used to cover the over-expenditure from the following subcategories:

- Contract Services Disbursed
- Personnel
- ERE

Any budget modification initiated by the AOC to assist with the coverage of identified over-expenditures of funds shall be in accordance with the AOC's Budget Modification Policy.

If the over expenditure cannot be resolved within the funds currently allocated to the Department or from county fees and accumulated interest, then, the AOC may look for unexpended funds within other departments across the state to assist the Department to cover the over-expenditure.

## 18. DIVERSION

**a. Juvenile Hearing Officer.** If the Department utilizes juvenile hearing officers

to dispose of juvenile offenses pursuant to A.R.S. §8-323, the Department shall require the juvenile hearing officer to immediately transmit to the Department all copies of citations with the findings. The Department shall approve any diversion program established by a city or town attorney or prosecutor under this section. No funds approved under this Addendum may be used for programs which have not been approved by the Department and/or AOC. The Department is responsible for ensuring full compliance with A.R.S. §8-323 and all other applicable statutes, rules and administrative orders.

**b. Reduction of Funds.** AOC reserves the right to reduce funding should the diversion population be determined by the AOC to be insufficient to support the current or projected level of funding or should the county attorney operate a community based alternative program. This reduction may include previously funded positions, operating cost and/or the allocation for program consequences and services. The Department **must request approval** to fill any vacant state-funded positions funded with Diversion funds as described in Paragraph 4 (Fund Management) of this document.

**c. Assessment of Diversion Costs.** The Department shall comply with A.R.S. §8-243(A), ACJA §6-309, or subsequent statute and/or code, in the assignment and collection of parental payments for treatment services.

## 19. JIPS

**a. Capacity.** The Department may request additional positions from the AOC when the program has maintained an active caseload 95%, or higher, of statutory capacity for a minimum of three months. The Department shall send a declaration of need to the JJSD. The declaration shall 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 juvenile probation officers performing field supervision by funding source. The declaration is to be signed by both the presiding juvenile court judge of the county and the juvenile court director or chief probation officer. Upon receipt of the declaration, JJSD will audit the juvenile probation caseloads of the department to confirm the need for additional officers. Upon verification of the need, and if resources are available, the JJSD will proceed to allocate additional resources.

**b. Reduction of Funds.** The AOC reserves the right to reduce funding should the JIPS 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, contract services, operating costs and vehicle costs.

**c. Case Load Ratios.** In the event the Department's JIPS probation population falls below the statutory established case load ratios for active probationers, the Department must request approval to fill any vacant case carrying (both county and state funded case carrying) positions funded under the program. The Department must request approval to fill all vacant non-case carrying state-funded positions. Failure to cooperate may result in the need to adjust future disbursements to the Department to correct inequities.

## 20. STANDARD PROBATION

**a. Capacity.** The Department may request additional positions from the AOC when the program has maintained an active caseload of 95%, or higher, of statutory capacity for a minimum of three months. The Department shall send a declaration of need to the JJSD. 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 juvenile probation officers performing field supervision by funding source.



The declaration is to be signed by both the presiding juvenile court judge of the county and the juvenile court director or chief probation officer. Upon receipt of the declaration, JJSD will audit the juvenile probation caseloads of the department to confirm the need for additional officers. Upon verification of the need, and if resources are available, the JJSD will proceed to allocate additional 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 Department's standard probation population falls below the statutory established case load ratios for active probationers, the Department must request approval to fill any vacant case carrying (both county and state funded case carrying) positions funded under the program. The Department must request approval to fill all vacant non-case carrying state funded positions as described in Paragraph 4 (Fund Management) of this document. Failure to cooperate may result in the need to adjust future disbursements to the Department to correct inequities.

## **21. PERFORMANCE LIABILITY**

Except as otherwise provided by law, in the performance of this Agreement and the Department's approved plan, 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 JUVENILE COURT**

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

By  
*Honorable Daniel Washburn  
Presiding Juvenile Court Judge*

By  
*Mike Baumstark, Deputy Director  
Administrative Office of the Courts*