

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, February 12, 2015
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Cameron, Keough, Mortimer, Bair, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey
Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Malek, Monks, King, Gannon
ABSENT/EXCUSED: None
CONVENED: Senator Cameron convened the meeting at 8:00 A.M.
STAFF PRESENT: Burns, Lockett

PRESENTATION: **JUDICIAL BRANCH
IDAHO SUPREME COURT**
PRESENTER: **Former Chief Justice Linda Copple Trout, Interim Administrative Director of the Courts**

To view the presentation, please click on the following link: [Judicial Branch](#)

The mission of the Idaho Courts is to provide access to justice through the timely, fair and impartial resolution of cases. The values of the Courts are integrity, fairness, independence, respect, excellence, and innovation. Idaho has a unified court system meaning that all levels of courts are part of a single system that is administered and supervised by the Idaho Supreme Court. There are two levels of appellate courts—the Supreme Court and the Court of Appeals, and two levels of trial courts—District and Magistrate. The 44 counties are divided into seven judicial districts, each with a district court and a magistrate division. At least one magistrate judge must reside in each county. There are a total of 89 magistrate judges, 45 district judges and 134 trial judges in Idaho.

In FY 2015 the Legislature appropriated \$66.3 million for the Judicial Branch: \$40.9 million in General Funds, the majority of which was for statutorily set salaries of justices and judges, and the other \$25.4 million from Dedicated and Federal Funds which provided for problem-solving court coordinators, drug testing, substance use disorder treatment, family court services, computer software and hardware, and more. The counties also play a critical role in funding the courts. By statute, counties are responsible for facilities, staff, supplies, and other expenses of the district court such as clerks, jurors, court security, interpreters, law clerks, staff attorneys, and misdemeanor and juvenile probation officers. When court costs, fees, and fines are ordered by judges, the Idaho Code provides the method by which those amounts are processed by county court clerks and then distributed to various accounts.

The Court's priority is to recruit and retain highly qualified judges to the bench and will continue to monitor retention and recruitment efforts and will make a proposal for the next legislative session. This year the Court does seek to increase compensation for non-judicial court personnel in order to attract and retain highly qualified people; the Court supports the 3% CEC increase recommended by the Governor.

Last year the Legislature approved the Court's 5-year business plan for court technology to replace the statewide case management system (put in place 27 years ago) and transition to electronic filing and storage of court documents for all appellate and trial courts. The new case management system, Odyssey, will serve a number of critical functions including case management, financial management, a judicial workbench, a supervision module, and a jury application. From remote locations parties and attorneys will be able to electronically file new cases and court documents 24 hours per day, 7 days a week, with any court in Idaho. Once the new system is in place, the Court expects traffic to increase significantly.

The Governor's recommended FY 2016 budget is \$65,534,400. The Justice briefly discussed the following budget decision units: 1) implementation of the technology 5-year business plan with the second of five one-time General Fund appropriations in the amount of \$2.18 million; a second source of revenue for this project is the Technology Fund created last year with the passage of HB 509 that increased civil filing fees, 2) completion of the renovated Capitol Annex known as the Idaho Law and Justice Learning Center (ILJLC) to be occupied this summer will incur one-time tenant improvements associated with occupancy in the amount of \$151,300, 3) \$549,000 in one-time funds to upgrade the Idaho Supreme Court building, 4) requesting \$117,700 for 9 months for a new magistrate judge in the first judicial district to be chambered in Kootenai County; the ongoing cost will be \$154,400 annually, 5) requesting \$163,100 in ongoing General Funds for 400 senior judge days for retired judges who continue their service on a temporary basis and are paid at 85% of the daily rate for a full-time judge, 6) \$374,000 for the Judicial Excellence and Education Program as well as \$80,300 to support the continuation and enhancement of 3 major judicial education programs, and 7) increase the appropriation for the Guardian ad Litem (GAL) by \$40,000 to recruit and train additional volunteers who advocate for abused and neglected children.

One of the Judiciary's highlights of the past year was the signing of the final decree of the Snake River Basin Water Adjudication in August 2014. Almost 160,000 claims were processed in the last 27 years. No other state in the nation has been able to accomplish what Idaho has in fully adjudicating all of those water rights. It marked a tremendous accomplishment and partnership between the Legislature, Executive Branch, and the Judiciary.

PRESENTATION: **Idaho Judicial Council**

PRESENTER: **James D. Carlson, Executive Director**

To view the presentation, please click on the following link: [Idaho Judicial Council](#)

Members of the Idaho Judicial Council are: Chief Justice Roger S. Burdick; Honorable Thomas J. Ryan, District Judge, Honorable Thomas H. Borresen, Adjunct Magistrate member,; J. Philip Reberger; Steven A. Tuff; Joel P. Hazel; Elizabeth S. Chavez; Kathy Simpson; and James D. Carlson, Executive Director. The Council is empowered by statute to nominate persons to the Governor for appointment to vacancies on the Supreme Court, Court of Appeals, and District Courts and to make recommendations to the Supreme Court for the removal, discipline, and retirement of judicial officers.

The process to select candidates is as follows: 1) notice is given to all Idaho attorneys, 2) background investigation on each applicant includes reports on criminal, credit report, Idaho State Bar, criminal case records check, and Idaho State Tax Commission, 3) surveys are sent to all attorneys and are available to members of the public at each county clerk's office, 4) each applicant has a personal interview with the Idaho Judicial Council, and 5) the names of two to four candidates are forwarded to the Governor. In 2014 there were nominations for two judicial openings: four applications were received in the Second Judicial District, the names of three nominees were sent to the Governor, and Jay P. Gaskill was appointed to the position; also in the Second Judicial District there were six applicants, three nominations sent to the Governor and Gregory FitzMaurice was appointed. Over the years, the trend has been downward as to the number of complaints received; in 2014, out of 500,000 cases there were only 87 complaints filed.

Over the years the number of complaints has been decreasing; in 2014 out of about 500,000 cases there were only 87 complaints filed. Judicial education and training has helped in moving that trend downward. The Idaho Judicial Council responded to more than 40 requests for ethics opinions from judges in 2014.

PRESENTATION: IDAHO DEPARTMENT OF JUVENILE CORRECTIONS (IDJC)

PRESENTER: Sharon Harrigfeld, Director

To view the presentation, please click on the following link: [Department of Juvenile Corrections](#)

The Department of Juvenile Corrections, celebrating 20 years, was created in 1995 when the juvenile justice system was reformed. The new model was based on the following principles: accountability, community protection, and competency development. In other words, a juvenile within the corrections system would be held accountable for his actions, receive a sentence that would protect the community, and be assisted in developing skills to become a contributing member of society. Adolescence is a distinct, yet transient, period of development between childhood and adulthood characterized by increased experimentation and risk taking, heightened sensitivity to peers and other social influences, and the formation of personal identity. Today's system continues to build on legislation enacted in 1995 to incorporate advances in the science of adolescent development.

The legislative intent is to: 1) provide humane, disciplined confinement to a juvenile offender who presents a danger to the community, 2) strengthen opportunities for the juvenile offender's development of competency and life skills, 3) hold juvenile offenders accountable for their delinquent behavior, 4) invoke the participation of the juvenile offender's parent or legal guardian, 5) develop efficient and effective juvenile correctional programs, 6) provide a diversity of innovative and effective programs, 7) assist counties in developing meaningful programs for juvenile offenders, 8) provide programs to increase public awareness of the mission of the juvenile corrections system, and 9) develop and maintain a statewide juvenile offender system.

The Governor's FY 2016 budget recommendation is \$52,659,300 and includes a base amount of \$49,779,800 plus \$1,418,800 in maintenance adjustments; \$135,200 for two additional juvenile service coordinators; \$270,500 for four additional instructor specialists; and one-time funding of \$1,055,000 from the Millennium Fund.

Juveniles committed to IDJC go through an assessment process to define the level of care necessary to assure community safety and yet be responsive to the risk and needs of the juvenile. Today there are 280 juveniles in State custody but that number has decreased steadily over time which means more juveniles are getting the services they need in their communities. However, this also means the juveniles in IDJC care have higher risks and needs—the issues are more complex.

All three of the schools, located in St. Anthony, Lewiston, and Nampa, are accredited. Teachers not only receive their POST certification but also have to maintain their teaching credentials. With additional teachers and juvenile service coordinators, the continuum of care is strengthened. IDJC believes in the human capacity to change, that every person matters and that every interaction is an opportunity for positive intervention. The recidivism rate remains about 30%; therefore, 70% do not commit additional crimes within a year of their release. This is due, in large part, to increasing their educational opportunities, connecting them to their communities and strengthening their health and well being.

The Millennium funding of \$1,055,000 is to be used to prevent and reduce the use of tobacco and other substances. The beneficiaries are juvenile offenders, families and Idaho communities. These community-based programs give IDJC the ability to identify, assess, place and treat status offenders and first-time minor offenders in appropriate programs based on their individual risks and needs. Throughout the continuum of care the agency works to keep families engaged in the process to make reintegration, work and school a smoother transition for juveniles into productive adults. Families have a major influence on their children's achievements.

IDJC continuously evaluates efficiencies and effectiveness of their programs. There are three levels of review and monitoring; the Quality Improvement Team conducts reviews with the help of other professionals in the field to meet evidence-based guidelines. Juveniles have intense programming from 6:30 a.m. until 9:00 p.m. weekdays and 12 hours daily on the weekends. One of the core functions of the system is to prevent juveniles from reoffending. IDJC's programming is evidenced based and addresses the needs defined in the assessments; all programs are reviewed to assure they maintain fidelity to their treatment model through quality assurance.

In 2014 the Juvenile Justice Substance Use Disorder (SUD) system utilized \$2,864,796 for community-based treatment for justice involved juveniles. A total of 1,481 juveniles received SUD services; some received services in more than one level of care throughout their treatment. The Department and POST Academy have continued to partner in the training and certification of juvenile justice workers. Counties receive tobacco tax and General Fund dollars to support their community-based programs.

The Department works to increase public awareness of the mission of the juvenile corrections system and to encourage public participation in developing an effective system designed to reduce juvenile crime in Idaho. With IDJC's data management system (dashboard) the agency has been able to obtain very specific information about juveniles: where they are, what their treatment plans are, who their contacts are, etc. so staff can have instant access to critical performance information. They have also developed an interactive recidivism tool that allows the agency to display recidivism rates for juveniles from any region or statewide, males/females, their age of commitment, sex offending behavior and if there are mental health or substance use issues. In addition the Department is identifying the best path for each juvenile based on how similar juveniles did in the past five years. Using data, research, and predictive analysis to inform decision making and support professional discretion improves outcomes for youth and reduces future victimization and maximizes effective and efficient resources.

PRESENTATION: OFFICE OF THE STATE CONTROLLER (SCO)

PRESENTER: Brandon Woolf, Controller

To view the presentation, please click on the following link: [Office of the State Controller](#)

The State Controller is a constitutional officer and a member of Idaho's Executive Branch of government. His office is organized into the following four divisions: Administration, Statewide Accounting, Statewide Payroll, and the Computer Service Center. An essential function within the Administration Division is the management of Idaho's Section 218 Social Security Agreement which governs public employee participation in Social Security. The Accounting Division produces Idaho's Comprehensive Annual Financial Report (CAFR) which is a financial report bond rating agencies use to help evaluate Idaho's credit worthiness. The Payroll Division processes payroll for about 25,000 state employees. The Computer Service Center provides IT services and operates the state's largest data center providing a wide range of technology services to state agencies. The Controller discussed the two environments in the Computer Service Center: a mainframe environment and

an open systems environment; applications run on either one environment or the other.

Woolf reported the progress of some ongoing initiatives. First, he explained that the Mainframe Migration Project is not the Systems Modernization study. Information Services Group (ISG) recently completed an independent systems modernization study that provided recommendations for modernizing the State's financial, HR, and payroll applications. The Controller has not endorsed any particular course of action. He informed the Committee that some partner-agencies that use the Controller's mainframe environment have decided to move their applications elsewhere. After evaluating the most cost effective course of action for the Controller's Office, he has determined to move the statewide accounting and payroll applications out of the mainframe environment into an open systems environment. In FY 2014 the Legislature provided the first installment of funding for the migration project which involves the participation of staff, specialized IT vendors and the cooperation of state agencies that currently have applications that reside in the mainframe environment. The Idaho Business Intelligence System (IBIS) is the statewide data warehouse which is a powerful reporting tool that allows agencies to mine financial and payroll data on a near real-time basis. IBIS has enabled the Controller's Office to extend the lives of legacy statewide accounting and payroll applications. The State Controller is the administrator for the Social Security Section 218 Agreement which requires managing the agreement for not only state but local government positions.

The Controller's Office has an FY 2015 supplemental request for \$250,000 in ongoing General Funds to comply with the federal Affordable Care Act (ACA). The ACA imposes an unfunded mandate on all employers with fifty or more employees that they report certain information to the IRS about their workforce and the healthcare coverage made available to full-time employees, which the federal government defines as those who work 30 or more hours per week. This employee-level reporting requires certification that the state's full-time employees have been offered affordable coverage that meets the federal requirements. This will require the Controller's Office to: 1) program its payroll application to capture and store said data, 2) create and populate the forms the IRS requires, and 3) report this data to both the federal government and state employees annually. A challenge is that the federal government is requiring the Controller's Office to meet guidelines that are still being defined within a regulatory framework that is changing rapidly. The reporting requirements went into effect in January of 2015.

The Governor's FY 2016 budget recommendation is for \$18,012,900. This is a 53.5% increase over the previous year's General Fund budget due to some factors outside Woolf's control. He also briefly discussed the following information regarding the FY 2016 budget recommendation: 1) capital outlay totaling \$64,500 for replacement of personnel computer workstations and hardware, 2) carryover authority for the Computer Service Center to continue work on multi-year projects—this is their highest priority item, 3) requested \$3.5 million ongoing General Fund for costs associated with processing Statewide Accounting and Payroll transactions in the open systems environment, 3) requested \$77,300 in personnel funds, 1 FTP, and \$10,000 of ongoing operating funds to meet federally mandated compliance under Section 218 of the Social Security Act, and 4) requested \$40,000 one-time

General Fund appropriation to cover programming costs to interface PERSI's IRIS system with the Division of Statewide Payroll's application.

The Controller said an upcoming challenge in FY 2017 will be the impact of a 27th pay period for public and private employers who pay bi-weekly; this anomaly only occurs every eleven years.

ADJOURNED:

There being no further business, the meeting was adjourned at 10:25 A.M.

Senator Cameron
Chair

Peggy Moyer
Secretary