

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, January 14, 2020

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye

Representatives Co-chairman Youngblood, Horman, Anderson, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

**ABSENT/
EXCUSED:** Malek(Amador)

CONVENED: **Chairman Youngblood** called the Joint Finance-Appropriations Committee (JFAC) to order at 7.59 a.m.

AGENCY PRESENTATION: **Department of Correction, Josh Tewalt, Director
Jared Hoskins, LSO Analyst**

The department performs the functions of the constitutionally created Board of Corrections and the statutorily created Commission of Pardons and Parole. The director oversees the department's nine state prisons, the Correctional Alternative Placement Program, four community work centers, and seven district probation and parole offices. The Department of Correction manages more than 23,000 state of Idaho offenders.

Mr. Tewalt discussed the notion that safety is provided through punishment or that security is guaranteed by how quickly offenders are apprehended and how important that perspective change. Communities are safer when people can succeed, and true public safety is realized when people who were involved in the criminal justice system are able to live, thrive, and contribute without committing crimes. Often the discussion focuses on the need for more beds and staff. Idaho corrections is experiencing a significant growth curve. The challenge is to try to reverse the status between incarceration and a willingness to invest in helping people succeed. The governor's recommendation takes a more holistic approach to some of the challenges including continued investment in the workforce and sustained focus on offender needs and less on incarceration accounts.

See [Audio](#) and [Presentation](#).

Management Services Division has department-wide oversight of information services, construction, financial services, inmate placement, central records, research and quality assurance, human resources, and the director's office. The department's strategic plan is organized around three goals: protecting the public/staff, promoting staff success and wellness, and modernizing technology.

Performance Measures: Staff turnover rate continues to improve; in 2019, 14.16 percent turnover exceeded the division's 15 percent goal. However, improvement is needed in reincarceration (38.1 percent) for writers, termers, and parole violators (does not include probationers); the target is 35 percent. This recidivism is reflective of the communities from which offenders came and for which they will return. The challenge is providing people every opportunity for success. **Mr. Tewalt** responded to a question about the restructure of purchasing procedures to be in compliance with state code. The division has implemented an electronic purchase order system that allows for review and presents the ability for reviewers to reject transactions that do not conform,

FY 2019 Actual Expenditures: Total appropriation was \$22.9 million between six different funding sources. Program transfers were made to meet estimated shortfalls. Excess personnel costs were attributed to staff turnover. One-time funds were appropriated for the offender management system replacement plan.

FY 2020 Line Items: Original appropriation of \$17.3 million included funding for two line items: software licensing and cybersecurity upgrades.

FY 2021 Line Items: Requests include standard adjustments for benefit cost, statewide cost allocation, and CEC. Adjustments typical for the division include lease rate increases, licensing fees for employee online education system, and IT fee increases.

FY 2021 Total Appropriation: Agency request is \$22,878,300, a 31.6 percent increase compared to the governor's recommendation of \$23,792,600, a 36.9 percent increase.

In answer to **Rep. Syme's** question about use of the proposed vehicle fleet housed at the Chinden campus, **Mr. Tewalt** indicated that the department is not on that proposal. Line items include Offender Management System (OMS) replacement (\$4.5 million) Phase III, payment to the Office of Information Technology for security software and data center space at the Chinden campus, software licensing, server infrastructure, and Phase II consolidation of technology services. See [Audio](#) and [Presentation](#).

State Prisons includes Prisons Administration and nine adult correctional institutions.

FY 2019 Actual Expenditures: \$120.6 million was distributed between five fund sources. Transfers include funds from personnel costs and operating expenditures to capital outlay and county and out-of-state placement programs to meet estimated shortfalls.

FY 2020 Line Items: Appropriation of \$125.5 million included funding for two line items: correctional officer entry level pay (\$2.2 million) and inmate pay (\$216,000). Division has made significant progress raising minimum wage to \$18 per hour for entry-level correctional officers, which attracts skill sets not traditionally drawn to law enforcement. Compression was also addressed throughout the security ranks. Vacancies have reduced by 41 per month over the last six months. Costs for overtime, holiday, and shift differential is a challenge for the agency. Adjustments include \$245,100 for state and local reimbursement for cost of incarcerating unauthorized immigrants, governor rescission recommendations of sick leave rate reduction, and 1 percent one-time reduction.

FY 2021 Line Items: Maintenance adjustments include the standard for benefit costs, statewide cost allocation, CEC, inflation, and religious service coordination costs. Replacement items included \$2.4 million for one transport bus.

FY 2021 Line Items: Enhancements include line items recommended by the governor for instructor pay to address inequity between public school educators and instructors within the prison system (both require the same certifications), four correctional officers at St. Anthony Work Camp, and a request for federal spending authority. **Mr. Tewalt** commented on the 2 percent reduction and the flexibility afforded in the governor's language to be creative in targeting resources when implementing reductions.

FY 2021 Total Appropriation: Requests total \$129.9 million, a 3.6% increase. The governor's recommendation is \$125.2 million, a 0.2 percent decrease from original recommendation. See [Audio](#) and [Presentation](#).

County and Out-of-State Placement accounts for the costs associated with using overflow beds in county jails and private out-of-state prisons. FY 2021 request is \$42.89 million and recommendation is \$42.76 million.

FY 2019 Actual Expenditures: Appropriation totaled \$27.4 million. To meet estimated shortfalls, \$1.8 million from other programs was transferred to this budget.

FY 2020 Appropriation: One mid-year adjustment was recommended by the governor for population-driven costs.

FY 2021 Appropriation: The governor's recommended line items include \$3,195,900 for population-driven costs and \$1,575,300 to account for the estimated fiscal impact of proposed legislation that would reduce per diem rates paid to county jails. Needs beyond the state prison's 7,740 beds require county jail or out-of-state placement. Lack of capacity has created hardships for the 33 country jails. Additional beds are being added in FY 2020 and a building is being updated to a permanent housing unit, netting 146 beds. When the Twin Falls Community Reentry Center is ready in October, 160 beds will be available. An additional out-of-state contract with higher custody expectations will be executed this month with the following key areas of focus: robust medical services that ensure positive outcomes, meaningful opportunities for education and employment, and measures for treatment and opportunity with the expectation that all factors be commensurate with services afforded in Idaho's system. People within the current system will be identified to move out of state, permitting numbers in county to be drawn down and providing needed relief. Counties are funded with a tiered-payment system that is difficult to implement. Most involved agree that a daily flat rate is preferred, which is \$60 per day in FY 2021 and \$65 per day in FY 2022.

FY 2021 Total Appropriation: Requests total \$42.8 million, a 56.2 percent increase over original appropriation. The governor recommended \$42.76 million, a 55.7 percent increase.

Currently there is a legal dispute resulting in court intervention in two counties regarding inmate time in county custody. Legislation seeks to clarify existing statutory language to *as soon as possible*; this language will allow the corrections system to be more efficient and will offer relief from a capacity standpoint. In response to **Sen. Lee's** question about previous legislation to incentivize the Department of Correction to remove inmates quickly, which would lower funding to counties rather than adding to the budget, **Mr. Tewalt** reminded the committee that the state not only provides food and shelter, but treatment, education, employment opportunities, and recidivism reduction; future funding should address capacity challenges and investments in programs in community corrections. In response to a question about building a new prison, **Alex Adams**, DFM Administrator, stated that the governor's focus is on making strategic investments in reentry centers and intervention programs. See [Audio](#) and [Presentation](#).

Correction Alternative Placement is a privately built, owned, and operated treatment facility that provides intensive residential substance abuse and cognitive programming for parole violators, reentry offenders, and retained jurisdiction offenders. This program helps probation and parole officers more effectively manage their offenders and improve the transition from prison to community. Per diem costs are accounted for FY 2021 request is \$10.5 million and recommendation is \$10.3 million.

FY 2019 Actual Expenditures: Total appropriation was \$10 million, program transfer for \$34,600, and \$195,000 reverted.

FY 2020 Line Items: The legislature did not fund any line items for FY 2020. Supplemental requests for current year population-driven costs and no-touch kosher meals were included. The decision unit removed the one-time supplemental for no-touch kosher meals.

FY 2021 Line Items: Enhancement contains a governor's recommendation of \$240,500 for population-driven costs, which reflects anticipated increases in the per diem rate, maintenance, and property taxes paid on the facility.

FY 2021 Total Appropriation: The agency requested \$10.5 million, a 5.1 percent increase from original appropriation. The governor recommended \$10.4 million. a 3.0 percent increase. See [Audio](#) and [Presentation](#).

Community Corrections Division includes the supervision of felony probationers and parolees and the operation of community reentry centers. Officers work out of regional offices located in the seven judicial districts. FY 2021 requests are \$46.9 million with a recommendation of \$45.6 million, including federal and dedicated funds.

FY 2019 Actual Expenditures: Total appropriation was \$34.1 million, which included a \$206,000 object transfer to capital outlay for 12 vehicles, and \$810,000 was transferred to meet CAP program shortfalls.

FY 2020 Line Items: The original appropriation funded \$36.9 million with line items for correctional officers entry-level pay, probation and parole staff, presentence investigators, and electronic monitoring. In answer to **Sen. Agenbroad's** question about electronic monitoring, **Mr. Tewalt** indicated that research shows devices an effective alternative to incarceration and a means to help gain compliance.

FY 2021 Line Items: Maintenance adjustments include standard adjustments. Inflationary cost increases for dietary costs and replacement items were supported from dedicated funds of \$1,086,500. Enhancements included three line items recommended by the governor: community interventions, operating costs for the Twin Falls Community Reentry Center, and probation and parole staff. **Mr. Tewalt** stressed that the system has been heavy on accountability but lacking in intervention. A community intervention station's responsibility will be to aggregate services and leverage those already provided in the community. The Department anticipates a population turnover cycle of 90 days, providing treatment to 2,000 people per year. **Mr. Tewalt** stressed that this \$4.5 million investment is the most meaningful and significant investment of community resources the Department of Correction has ever had. With additional accountability and additional meaningful intervention, the department anticipates saving \$6.5 million in incarceration costs.

FY 2021 Total Appropriation: Agency request was \$46.9 million, a 27.1 percent increase from original appropriation. The governor recommended \$45.6 million, a 23.6 percent increase. See [Audio](#) and [Presentation](#).

Community-Based Substance Abuse Treatment division manages the cost of providing substance use disorder services to felony probationers and parolees in the community. The request was \$4.4 million and recommendation was \$4.3 million from general and dedicated fund sources.

FY 2019 Actual Expenditures: The program transferred \$151,400 to meet estimated shortfalls for excess personnel costs.

FY 2020 Line Items: The legislature funded one line item that included a reduction of \$2,759,000 for Medicaid expansion. The governor recommends restoration of the sick leave rate reduction.

FY 2021 Line Items: Enhancements include the second part of the Medicaid expansion. The governor's recommendation is \$2,758,900.

FY 2021 Total Appropriation: Agency request was \$4.4 million, a 37.7 percent increase from original appropriation. The governor recommended \$43.2 million, a 39.9 percent increase. See [Audio](#) and [Presentation](#).

Medical Services budget accounts for the department's private, for-profit medical service provider's cost of providing medical services to all inmates in state prisons, community reentry centers, and the private CAP facility.

FY 2019 Total Expenditures: A reverted appropriation attributed to hepatitis C treatment funding not used as well as per diem totaled \$871,400.

FY 2020 Line Items: The original appropriation of \$48.8 million included line items for the Prison Rape Elimination Act (PREA) screenings and costs attributed to the reduction associated with Medicaid expansion. **Director Tewalt** noted that the current year appropriation from PREA was being "returned" due to negotiations with Corizon to identify appropriate support in the medical contract to conduct screenings. He also noted that the department continues to actively work beyond "checking the boxes" with compliance to identify substantive changes in staff training and to set no tolerance expectations. Current year adjustments include two adjustment increases for population-driven costs and the Bella Compliance Plan, ordered by the court. FY 2021 budget enhancements include two line items for population-driven costs with an updated forecast

for bed utilization, the second half of the Medicaid expansion, and the added governor's recommendations.

FY 2021 Line Items: Budget enhancements include two line items for population-driven costs with an updated forecast for bed utilization and the second half of the Medicaid expansion.

FY 2021 Total Appropriation: Agency's total appropriation is \$56,251,300, a 15.2 percent change from original appropriation. The governor recommended \$55,163,500, a 13% change increase. See [Audio](#) and [Presentation](#).

AGENCY

PRESENTATION:

**Commissions of Pardons & Parole, Ashley Dowell, Executive Director
Jared Hoskins, LSO Analyst**

This agency is charged with the responsibility for parole, commutation, and pardon of Idaho inmates as well as the revocation of parole. FY 2021 request represents \$3.59 million with the governor's recommendation at \$3.54 million. The commission is comprised of seven part-time commissioners who are appointed by the governor and confirmed by the Senate. The commission makes over 500 decisions per month related to parole releases.

Performance Measures: The commission has improved the scope of services provided to victims as well as continued the increase of paroling offenders within 150 percent of their drug and property crimes sentences.

Variance Report: FY 2019 appropriations were \$3.3 million. The budget contained one reversion of \$154,500 from personnel costs due to seven vacancies in the agency.

Comparative Summary: FY 2021 request was \$3,590,200 (2.7 percent increase from original appropriation) with the governor's recommendation at \$3,544,400 (1.3% increase).

Legislative Budget Book: FY 2020 original appropriation included line items for a parole instrument and validation for IT consulting. FY 2021 enhancements recommended by the governor are for the Office of Information Technology Services operating costs, servers and licensing, and agency technology consolidation. **Ms. Dowell** commented on previous legislation, the Justice Reinvestment Act; this program will assist the commissioners in making determinations on parole. The validation should indicate if guidelines have the predictive ability intended. In response to **Rep. Anderson's** question on determinate and indeterminate sentences and how they relate to parole, **Ms. Dowell** indicated that the Parole Commission makes judgements on indeterminate sentences only. See [Audio](#) and [Presentation](#).

ADJOURN:

There being no further business, Chairman Youngblood adjourned the Committee at 10:58 a.m.

Representative Youngblood
Chair

Jenny Miller
Secretary