

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, February 02, 2021
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Troy, Horman, Amador, Syme, Bundy, Giddings, Nate, Green, Nash
ABSENT/EXCUSED: None
CONVENED: **Chairman Youngblood** called the Joint Finance-Appropriations Committee (JFAC) to order at 8:00 A.M.

AGENCY PRESENTATION: **STATE APPELLATE PUBLIC DEFENDER, Eric Fredericksen.**
Jared Hoskins, LSO Analyst.

Pursuant to Section 19-870(1), Idaho Code, the State Appellate Public Defender provides legal representation to indigent persons. The services of the State Appellate Public Defender are only available to those counties participating in the Capital Crimes Defense Fund (CCDF) established pursuant to Section 19-863A, Idaho Code. Currently, all 44 counties participate in the CCDF. There are two budgeted programs within this division: The Office of the State Appellate Public Defender Program (SAPD) and Capital and Conflict Representation Program.

Mr. Hoskins reviewed the historical summary of the budget. The budget shows a request of \$3.18 million and a recommendation of about \$3.17 million, both from the General Fund. The organizational chart shows 24 FTP for the SAPD. It was pointed out the Capital and Conflict Representation program is not separate from the SAPD program but exists for budgetary purposes to prevent the co-mingling of funds dedicated for capital representation and conflict counsel costs. The Capital and Conflict Representation has no FTP and is not included in the organizational chart. Pursuant to Section 19-870(1), Idaho Code, the State Appellate Public Defender provides legal representation to indigent persons. The services of the State Appellate Public Defender are only available to those counties participating in the Capital Crimes Defense Fund (CCDF) established pursuant to Section 19-863A, Idaho Code. Currently, all 44 counties participate in the CCDF. There are two budgeted programs within this division: The Office of the State Appellate Public Defender Program (SAPD) and Capital and Conflict Representation Program.

For the Performance Report, **Mr. Fredericksen** stated there are no reprimands by the State Bar nor findings of ineffective assistance of counsel to the SAPD. Currently, there is a lawsuit pending against the State of Idaho for indigent representation. FY 2011 has 618 active appeals, which is an increase from the 600 of the previous year. For the FY 2020 expenditures, **Mr. Hoskins** highlighted the appropriation of \$3.1 million, from the General Fund. FY 2020 personnel costs had an object transfer of \$27,000, and \$62,900 in

were reverted. An additional \$186,000 in operating was also reverted. The comparative summary shows an increase of 0.7% in agency request and 0.2% in the Governor's recommendation. The FY 2021 original appropriation of \$3.1 million included funding for two line items: \$1,100 for security software, and \$157,400 for a deputy state appellate public defender to handle juvenile and misdemeanor appeals. The FY 2022 budget request shows one adjustment of \$158,200 for the executive holdback. The breakdown shows \$48,200 from personnel costs in the office of the SAPD program, \$70,000 from operating, and \$40,000 from operating in the Capital and Conflict Representation program. **Mr. Fredericksen** stated the difficulty in retaining and hiring employees in SAPD, so he suggested an addition to the budget request.

AGENCY PRESENTATION: PUBLIC DEFENSE COMMISSION, Kathleen Elliot, Executive Director. Jared Hoskins, LSO Analyst.

The Public Defense Commission consists of nine members and is charged with promulgating administrative rules regarding public defender training and continuing legal education; establishing standards for defending attorneys; providing oversight for counties and defending attorneys; and supplementing the county defense funds and training for public defenders. The commission is working with 44 counties, more than 400 defending attorneys, and thousands of defendants.

Mr. Hoskins reviewed the historical summary for the Public Defense Commission. The FY 2022 request amounts to \$11,295,500 from the General Fund, and the Governor's recommendation is for \$11,290,800. The organizational chart shows one division and one program, with a total of seven FTP.

Ms. Elliot remarked that, in FY 2021, 24 counties received funds to reduce workloads. These funds have been utilized to hire 38.5 attorneys and 13.5 staff members. The Commission, due to COVID, canceled four significant trainings the past year. New virtual training has been planned, in addition to webinars and a virtual learning system for Idaho public defenders. .

Mr. Hoskins reported the FY 2020 expenditures. The Commission had a total appropriation in FY 2020 for \$10,689,200 from the General Fund. Of these, \$9.7 million are in trustee and benefit payments and are divided into three categories: \$9,021,900 for financial assistance, \$100,000 for public defense offices, and \$656,300 in extraordinary litigation costs.

Object transfers are \$3,000 from operating down to capital outlay. Reversions are \$116,300 for personnel costs, and \$122,900 for operating. Trustee and benefit payments have been reverted for \$615,500.

The comparative summary shows an increase of 0.2% in the Governor's recommendation and 0.1 % in the agency request.

FY 2021 appropriation amounts to \$11.2 million, including funding for one line item which provided for a net-zero object transfer of \$60,000 from trustee and benefit payments to personnel costs for staff recruitment and retention. FY 2022 has an executive holdback for \$563,700 from trustee and benefit payments.

AGENCY PRESENTATION: ATTORNEY GENERAL, LAWRENCE WASDEN. Jared Hoskins, LSO Analyst.

The Office of the Attorney General (AG) has three budgeted programs: State Legal Services, Internet Crimes Against Children, and Special Litigation. The AG office adds value to the state government by offering objective and accurate legal counsel to state agencies, officers, and the legislature expert legal counsel every day before they make a decision and advocate on their behalf after they make a decision.

Mr. Wasden specified that in FY 2020 his office recovered just under \$33 million when the appropriation was \$26.4 million. The office has been the primary legal advisors to State officers, agencies, and departments during the pandemic. In FY 2020, the consumer protection division obtained \$1.4 million in consumer restitution and received over \$1.1 million in civil penalties, fees, and costs. At the close of FY 2020, more than \$321,000 in unspent funds from the consumer protection account were transferred to the General Fund. During FY 2020, the fair hearings unit received 628 new cases, conducted 376 hearings, and closed 625 cases. The office of internet crimes against children unit saw a 55% increase in the number of open cases, 86% increase in the number of cyber tips, and a 68% increase in the number of arrests.

Mr. Hoskins reported the historical summary. The FY 2022 has a request of \$27.9 million, and a recommendation for \$27.5 million. These are sourced from the general, dedicated, and Federal Fund. The organizational chart is composed of one budgeted division and three budgeted programs. Funding for the special litigation program has its budgeted program to prevent co-mingling with other funding. Idaho Code excludes the performance report from program requirements. For the FY 2020 expenditures, the agency had a total appropriation of \$26.4 million, from dedicated, General, and Federal Funds. Object transfers include \$34,000 in personnel costs and \$128,600 in operating expenditures. FY 2020 has a reversion for operating expenditures of \$733,800, mostly due to appropriation in special litigation. The comparative summary shows an increase of 3.9% for the Governor's recommendation and 5.1% for the agency request. The FY 2021 appropriation amounts to \$26.5 million for this division including funding for four line items. These included 1.00 FTP and \$108,900 for a deputy attorney general (DAG) at the Department of Labor; 1.00 FTP and \$108,900 for a DAG at the Department of Correction; 1.00 FTP and \$117,500 for a DAG in the Civil Litigation Division; and 1.00 FTP and \$108,900 for a DAG at the Idaho Transportation Department. FY 2022 budget doesn't show any request, but show replacement items for \$211,700. Of this amount, the Governor only recommended \$129,900 by not recommending funding for computer equipment in State Legal Services, data center air conditioning units in State Legal Services, and software subscriptions. **Ms. Lockett**, Administrator and Budget Division Chief in the Office of Attorney General, highlighted the requests for FY2022. The first is for the Litigation Funds Restoration of \$482,800. The second is for Paralegal – Civil Litigation – where the agency requests 1.00 FTP and \$94,200 from the General Fund to hire a paralegal to assist the Civil Litigation Division. The third is for a lump sum that is exempt from Section I.C. 67-3511, which restricts the transfer of appropriation between programs and among personnel costs, operating expenditures, capital outlay, and trustee and benefit payments.

**AGENCY
PRESENTATION:**

**STATE BOARD OF EDUCATION - SMALL BUSINESS DEVELOPMENT
CENTERS (SBDC) Doug Covey, Executive Director.
Janet Jessup, LSO Analyst.**

The Idaho Small Business Development Centers (SBDC) provide counseling, training, research, and technical support services to small businesses and entrepreneurs. The SBDC is headquartered at Boise State University, with field offices at colleges and universities around the state.

Director Covey acknowledged data from a survey conducted to 500 Idaho businesses by the Small Business Development Center Business owners. The output shows 56% of businesses are uncertain about their business surviving, 55% expect to experience a greater than 40% loss in revenue, and 55% expect to lose 40% or greater of their workforce. The agency's network responded to the COVID-19 crisis by adapting and deploying over to 30 statewide trainings that reached over 2,400 Idaho businesses. In the FY 2020, the Idaho SBDC returned \$5 for every \$1 of State funding in the form of new tax revenue from jobs created and leveraged federal funding where State dollars are used to match grant dollars.

Ms. Jessup pointed out in the historical summary the distinct difference between the agency request and the Governor's recommendation. The Governor has recommended an additional \$1.2 million line item in Federal Funds.

Director Covey introduced the performance measure report. In FY 2020, the SBDC spent 26,000 hours with 2,100 businesses that created or saved 11,000 jobs. The agency helped clients to secure \$71 million in capital, provided 32 statewide virtual professional trainings, and 4,087 clients receiving counseling and/or training. Rural areas, minority-owned business, female-owned businesses, and disadvantaged businesses, accounted for 70% of the clients served in 2020.

Ms. Jessup spoke about the actual expenditures for the program. The reports show a transfer of \$427,800 from personnel costs to operating expenditures, these are appropriated for the purpose of paying individuals. For FY 2021 budget there is an executive holdback for the whole Division for \$1.3 million, of which \$34,100 was for Small Business Development Centers. Additionally, the Small Business Development Centers was the recipient of \$182,000 from the Department of Commerce through the CARES Act. The Small Business Development Center has 8.83 FTP. Of the \$16,400 that was recommended by the Governor for benefit costs for the Division, \$3,000 is for Small Business Development Centers.

Director Covey pointed out the \$1.28 million received in March of 2020 have been used to hire additional 20 part-time employees, to create an on-boarding Committee focusing on the increasing needs and statewide processes, to create an Idaho Business Impact survey, and other COVID-19 related activities.

**AGENCY
PRESENTATION:**

**STATE BOARD OF EDUCATION – TechHelp. Steve Hatten, Executive
Director. Janet Jessup, LSO Analyst.**

TechHelp (TH) provides manufacturing consulting services to small and medium-sized companies. TechHelp is a partnership of Idaho's three state universities and is an affiliate of the National Institute of Standards and Technology Manufacturing Extension Partnership. It is also Idaho's Economic Development Administration University Center, targeting economically distressed areas of Idaho.

Director Hatten highlighted the agency in FY 2020 added a new partner, the Southwest Idaho Manufacturers Alliance, and there are no TechHelp position vacancies in the agency's statewide locations.

Ms. Jessup reviewed the historical summary for the agency. The TechHelp line-item shows a nearly 50% increase in the Governor's recommendation, this is tied to the Governor's inclusion of a \$300,000 line-item from the Federal Funds. The size of the budget for Tech Help is about \$373,000. The organizational chart for Tech Help shows 3.25 FTP.

Director Hatten spoke about the performance measures for TechHelp. In FY 2020, 85 manufacturing jobs were created and retained, and provided an economic impact to companies for \$182.9 million in sales, savings, and investment. TechHelp's net promoter score for this period was 9.0, which indicated a high level of customer satisfaction. The net revenue from client projects increased from the prior year by \$322,000, representing 76% of the total annual target. This result is impacted by challenges associated with the COVID-19 pandemic.

Ms. Jessup introduced the FY 2020 actuals, pointing out the net object transfer from personnel to operating expenditures. The budget for FY 2021 for the agency doesn't include any line item but shows a Governor's executive holdback for \$18,100. Additionally, TechHelp received \$300,000 for the CARES Act funding and the COVID relief dollars. The Governor's recommendations include \$1,600 for benefits costs and \$7,100 for CEC. The Governor also recommends, for FY 2022, \$300,000 with federal spending authority for COVID relief funding.

**AGENCY
PRESENTATION:**

**STATE BOARD OF EDUCATION – Career-Technical Education. Clay Long, Administrator.
Janet Jessup, LSO Analyst.**

The Division of Career Technical Education consists of five budgeted programs: the State Leadership and Technical Assistance Program, the General Programs, the Postsecondary Programs, the Dedicated Programs, and the Related Services administers Adult Education (AE) and General Educational Development (GED).

Mr. Long highlighted the industry-relevant "digital badges" programs for secondary education increased 86% over the last year. Post-secondary education enrollment saw an increase of 3%, but a decrease in the full-time equivalence. Almost 40,000 Idahoans received customized and relevant training. Six centers were able to adapt their courses to hybrid or online instruction.

Ms. Jessup introduced the historical summary, highlighting the agency has five distinctly budgeted programs. The vast majority of the funding for the division is dedicated to secondary and post-secondary programs. The audit report shows a finding stating that Federal award information was not provided to sub-recipients and internal controls related to sub-recipient monitoring procedures were not documented. A second finding is stating that sub-recipient monitoring procedures are not in place over CFDA 84.048 the Career and

Technical Education grant as required with Uniform Guidance. The second finding remains uncorrected. The budget for FY 2020 shows a net object transfer from personnel to T/B related to the post-secondary program. The comparative summary shows distinctions between the request from the agency and the Governor's recommendation. This is due to changes in the maintenance section of the budget relative to the benefit costs and the CEC, to a supplemental included in the Governor's recommendations but not the agency's request, and an additional line-item of \$1.7 million for CARES Funding recommended by the Governor. For FY 2021, the Legislature funded four line items for the Division of Career and Technical Education.

Mr. Long provided details about the FY 2021 line items. These included \$400,000 for enrollment growth for secondary programs; \$114,800 for teacher education program phase-out; 1.00 FTP and \$509,300 for the CTE career ladder pursuant to S1329 of 2020; and \$600 for adjustments for the Office of Information Technology Services.

Ms. Jessup highlighted a supplemental in the budget that is part of the Building Idaho Future proposal from the Governor's Office, this provides \$4,750,000 in General Funds to expand and modernize the existing programming. FY 2021 appropriation shows an executive holdback for \$3.4 million from the career technical education budget, including \$2.3 million within the post-secondary program and \$894,000 with the secondary school program. Non-cognizable funds and transfers show \$1.8 million from the Cares Act that was received by the division for the career technical education program, and an additional \$637,000 sourced through the U.S. Department of Labor. FY 2022 budget shows \$157,700 for benefit costs, including \$144,000 for post-secondary programs. The budget shows five line items, two are relative to the LUMA realignment. The third line item is relative to the apprenticeship skills gap. The fourth line item is relative to the reorganization of the fire training program within CTE. The Governor recommended a line item for the CARES Act funding for the amount of \$1,778,000.

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the Committee at 10:36 a.m.

Representative Youngblood
Chair

Anna Maria Mancini
Secretary