

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, January 31, 2023
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-Chairman Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just
Representatives Co-Chairman Horman, Miller, Bundy, Raybould, Furniss, Handy, Lambert, Petzke, Tanner, Nash
ABSENT/ EXCUSED: None

Co-Chairman Horman called the meeting to order at 8:00 a.m.

Mr. Keith Bybee, Division Manager, LSO Budget & Policy, noted the General Fund Daily Update. He explained **H 33**, **H 34**, and **H 36** have all been sent to the House Ways and Means Committee. Mr. Bybee focused on **S 1014** and explained its possible beneficial impact on the General Fund.

Ms. Christine Otto, Principal Analyst, LSO Budget & Policy, gave a brief overview of the Commission of Pardons and Parole and its budget.

Ms. Ashley Dowell, Executive Director of the Commission of Pardons and Parole, cited the statutory authority for the Commission and noted its responsibilities for parole releases, parole revocations, pardons, commutations, restorations of firearm rights, and remissions of fines and forfeitures. She explained the Commission's recent audit findings.

Ms. Dowell reviewed the Commission's FY 2023 budget and noted it had no supplemental appropriation requests. She explained the Commission's FY 2024 line-item budget requests.

Ms. Otto gave a brief overview of the Idaho Department of Correction (IDOC) and cited its statutory authority; the Department has seven budgeted divisions. Three of IDOC's budgeted divisions have population-driven costs and account for 32% of the total budget; these include the Community Alternative Placement Division, County and Out-of-State Placement Division, and the Medical Services Division. Within these three divisions, IDOC is allowed unlimited program transfers. The other four divisions account for 68% of the total budget and include Management Services, State Prisons, Community Corrections, and Community-Based Substance Abuse.

In response to a committee question, **Ms. Otto** explained the 2020 prison population drop was related to the Covid pandemic.

Director Josh Tewalt, IDOC, reviewed the two recent audit findings and explained the Department's corrective actions. He gave an overview of public safety and stated IDOC staff have a positive impact on public safety. He then reviewed the management structure of IDOC.

In response to committee questions, **Director Tewalt** explained retained jurisdiction, Idaho's unique sentencing mechanism, and how it affects the state's high incarceration rate statistic. He also explained the recidivism rate is difficult to determine and not a good measurement of success.

Director Tewalt gave a summary of currently funded items. The hepatitis C treatment fund project is ahead of schedule and under budget. The pre-prosecution diversion grant program has received one application; IDOC is requesting additional carryover authority to extend this program in anticipation of additional incoming grant applications. Finally, the resident banking module will go online in June 2023.

Director Tewalt reviewed IDOC's 2023 supplemental appropriation requests related to inflation. He explained IDOC is focusing on reasonable costs averages to combat inflation. He noted savings in the Medical Services Division.

Director Tewalt explained the budget requests for replacement and capital outlay costs, including funds for the Management Services, State Prisons, and Community Corrections divisions.

Director Tewalt presented IDOC's FY 2024 line-item budget requests, including funds for inflation adjustments in various division budgets; funding for two food services FTPs; Community Alternative Placement Program (CAPP) operational change; the Department of Human Resources (DHR) consolidation; and reappropriation authority for the hepatitis C treatment and the pre-prosecution division grant programs.

In response to a committee question, **Director Tewalt** explained IDOC's dedicated funds are comprised of fees, inmate work funds, management funds, commissary funds, proceeds from state endowment fund investments, and a miscellaneous revenue fund.

Director Tewalt reported on the State Prisons FY 2022 and FY 2023 budget items. He explained the trauma-informed treatment program and reviewed other line items, including wage rates and compression adjustments, additional FTPs, capital projects, educator career ladder parity, and Covid operational costs.

Director Tewalt presented the State Prisons FY 2024 line-item budget requests. Line item four, the request for increased resident pay, would be funded by dedicated funds. These institutional jobs would receive an approximately 10% pay increase. Other line-item budget requests include funds for transport expansion and an educational career ladder equivalent adjustment.

In response to a committee question, **Director Tewalt** explained Covid operational costs include PPE, cleaning supplies, increased food costs, emergency food supplies, and so on.

In response to additional committee questions, **Director Tewalt** explained restrictions in state prisons instituted during Covid have not been fully lifted, but this is due to current staffing shortages. The state prison still has 220 open staff positions; prior to Covid, the prison was staffed at 95%.

In response to a committee question, **Director Tewalt** explained the problem is not Covid restrictions, but rather not having adequate staffing for security and transport.

In response to a committee question, **Director Tewalt** explained the prison woodshop and metal fabrication shop are managed through Idaho Correctional Industries (ICI), and those jobs are separate from the institutional jobs discussed earlier. He stated ICI focuses on providing training opportunities and placement upon release; ICI has governing statutes limiting the types of programs they offer so as not to compete with private industries.

In response to a committee question about the salary savings due to 220 unstaffed positions, **Director Tewalt** stated those savings have been used to improve IDOC's recruiting and hiring process, fund overtime for critical positions, and help support other operating needs; a portion has been reverted to the General Fund.

In response to a committee question about IDOC's salary compensation compared to neighboring states, **Director Tewalt** noted other states' higher compensation and hiring bonuses. He recognized the state's insurance and retirement benefits.

Director Tewalt reviewed the County and Out-of-State Placement Program and the costs for providing housing and medical care in county and out-of-state facilities. He explained the FY 2024 budget line-item request for additional funding for population-driven costs.

Director Tewalt explained the budget requests for the Correctional Alternative Placement Program (CAPP). The first FY 2023 supplemental appropriation will allow IDOC to transfer nearly \$1.3M from capital outlay to operating expenses, which is a net-zero request. The second FY 2023 supplemental appropriation will grant IDOC \$2.5M onetime funding for hiring, planning, and pre-purchasing items to assume operations of CAPP on July 1, 2023. The FY 2024 budget line-item request will allow IDOC to assume operations of the CAPP facility.

Director Tewalt gave further information about CAPP. These budget requests will result in a net reduction and General Fund reduction; they will also allow for early termination of Management Training Corporation (MTC) contract and allow CAPP to operate through FY 2025. Director Tewalt expressed the intention to transfer the MTC staff to IDOC. He stated the supplemental request is onetime from the General Fund, but the ongoing request will be for a lesser amount.

In response to a committee question, **Director Tewalt** stated IDOC would change internal promotional policies to facilitate the transfer of MTC employees into IDOC at commensurate levels and fair compensation.

Director Tewalt reviewed the FY 2023 appropriation and accomplishments of the Community Corrections Program. He explained the FY 2023 supplemental appropriation request for expanded drug testing and FY 2024 budget line-item requests.

In response to a committee question, **Director Tewalt** explained IDOC has increased drug testing to inform best practices and measure performance and compliance.

Director Tewalt reviewed the FY 2024 line-items requests for the Community-Based SUD Treatment Program and Medical Services.

In response to a committee question, **Director Tewalt** explained the out-of-state costs include housing, per diem, and medical costs per resident.

Dr. Anna Briggs, Science Policy Fellow, LSO Central Administration Division, gave an overview of the Idaho Digital Learning Academy (IDLA). The goal of IDLA is to provide choice, accessibility, flexibility, quality, and equity in curricular offerings to Idaho students. IDLA is not intended as a full-time enrollment school but rather meant to supplement courses not otherwise available.

Dr. Briggs highlighted IDLA students and enrollments. She reviewed how enrollments impact the funding formula. She reviewed state appropriations and actual disbursements, and the difference between the two, from the Public Stabilization Fund. She gave further explanation about the funding formula.

Superintendent Jeff Simmons, IDLA, stated even though enrollment has increased, average class size has remained consistent. He reviewed the IDLA focus on its elementary school program, credit recovery, and workplace readiness.

Superintendent Simmons explained IDLA pays teachers per enrollment and gave an overview of revenue and expenditures. He explained IDLA builds content toward Idaho standards for use by Idaho teachers. He noted the twenty-year success of IDLA.

In response to committee questions, **Superintendent Simmons** explained IDLA advises school districts to pay students' fees. IDLA sends invoices to the schools and receives payments from the schools.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 10:38 a.m.

Representative Horman
Chair

Alyson Jackson
Secretary