

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 21, 2024
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-Chairman Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Ward-Engelking, Just
Representatives Co-Chair Horman, Miller, Bundy, Raybould, Furniss, Handy, Lambert, Petzke, Tanner, Green
ABSENT/ EXCUSED: Senator Herndon

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

Ms. Christine Otto, Principal Analyst, LSO Budget & Policy, gave an overview of the Idaho Department of Correction (IDOC) Divisions of County and Out-of-State Placement and Medical Services. These two separate budgeted programs are grouped together because both budgets are based on population-driven costs. IDOC updates its offender forecast twice a year and then requests either a supplemental or line item request in the next fiscal year to reduce or increase the appropriations as needed.

Ms. Otto pointed out there are no FTPs associated with these Divisions. She gave historical information about the growth in the budgets over the last five years. These Divisions had no FY 2023 ongoing enhancements. Ms. Otto reviewed FY 2024 budget enhancements and explained the FY 2025 budget supplemental and enhancement requests.

In response to a committee question, **Mr. Josh Tewalt**, Director of IDOC, stated the Department is working on a build plan to handle the capacity of the state's prison population. He noted out-of-state placement is best of the worst options.

In response to another question, **Dir. Tewalt** explained the Medical Services numbers have decreased because of the allocation of the prison population and the amount of medical per diem required based on the new medical contract. IDOC pays a lower rate for people in the community reentry program vs. the incarcerated population. The new medical contract also specifies IDOC is not paying for positions or services the state is not receiving.

Mr. Tim Hibbard, Senior Analyst, LSO Budget & Policy, gave an overview of the budget of the Judicial Branch. The Judicial Branch is a unified court system in which all state courts are administered and supervised by the Idaho Supreme Court. For budgeting purposes, the Judicial Branch is comprised of three divisions: Court Operations, Guardian ad Litem, and the Judicial Council.

Mr. Hibbard reviewed the organizational structure of the Judicial Branch. He explained the Guardian ad Litem Program and the Judicial Council do not have FTPs. All FTPs are allocated within the Court Operations Division. Mr. Hibbard drew attention to the Court Technology Fund, which has a declining balance and an estimated zero dollar fund balance by the end of FY 2025.

Mr. Hibbard reviewed appropriations and expenditures for FY 2020-FY 2024 and pointed out the Judicial Branch has not yet used the ARPA funds appropriated for technology-related expenses; it is requesting reappropriation for those funds for FY 2025.

Mr. Hibbard gave a high-level review of budget activity over the last five years and reviewed FY 2023 expenditures. He reviewed FY 2023 and FY 2024 budget enhancements. Mr. Hibbard explained the FY 2025 budget requests for the Judicial Branch, including enhancements for court technology support.

Mr. Hibbard explained the Judicial Branch has not made a FY 2025 budget request for a Change in Employee Compensation (CEC) for judges and justices. Currently the budget includes a 1% placeholder for CEC; the Legislature is considering germane legislation for the Judicial Branch. This decision could impact the Judicial Branch budget.

In response to committee questions, **Mr. Hibbard** confirmed the Judicial Branch FY 2025 Maintenance Budget passed earlier in this legislative session included reappropriation of \$20M in ARPA funds and seven additional FTP. The seven FTP were initially appropriated as onetime in FY 2024; they have now been designated as ongoing in the base budget.

In response to additional committee questions, **Mr. Hibbard** explained the revenues deposited in the Court Technology dedicated fund have remained relatively flat, while expenditures have varied. The projected FY 2025 ending balance for the fund is zero dollars. In the current budget request, General Funds and revenues from the Court Technology Fund will be combined to pay for court technology.

Co-Chair Horman concluded the Court Technology dedicated fund can no longer support court technology as it has in the past.

Ms. Sara Omundson, Administrative Director of Courts, answered committee questions about the Court Technology fund. She explained in 2014, the Legislature decided to fund technology costs by increasing fees. The number of cases collecting fees is declining and the number of cases not charging fees is increasing. It is not practicable to raise fees on the second type of cases because the Courts are unlikely to collect that revenue. She further explained revenue into the Court Technology Fund is dropping 2.1% every year; the cost of technology, with inflation, is rising about 7% every year.

Dir. Omundson further cited findings of a third-party consulting firm. Experts have concluded the Idaho Court System has a high risk of a data breach; these technology upgrades are urgently required.

In response to additional committee questions, **Dir. Omundson** explained how the statewide court system will work with the various county court systems throughout Idaho. For counties preferring to remain on a county network with county computers, the state will provide a secure desktop hyperlink. If counties choose to adopt the statewide system, the Courts will provide the computers and access to the state network. Dir. Omundson emphasized the Courts will not allow the For the Record (FTR) court proceedings records system to be placed on county networks. This system must be on the state network to maintain the safety and stability of the data.

In response to further committee questions, **Dir. Omundson** explained the decision to make the FY 2025 budget request for court technology support an ongoing enhancement. By building this funding into the base budget, the Courts can adopt a long-term system refresh every three years. She also explained how the FY 2023 expansion of specialty courts has benefitted Idaho citizens.

In response to further committee questions, **Dir. Omundson** explained the Courts need to remain independent of the Office of Information Technology Service (OITS), in the event the state is one of the parties in a criminal case. She described the ways the Courts do work with OITS to secure better pricing for software licenses.

Dir. Omundson made concluding remarks. Idaho Courts face a serious challenge in maintaining safe and secure computer systems. She pointed out citizens are compelled to enter their private information into the court system; the state has an obligation to maintain a safe and secure IT system to protect their data.

Co-Chair Horman reminded the committee of the Chief Justice's observation the Judicial Branch, as the third branch of government, consists of 1% of the State's budget yet provides Idaho citizens with a value far exceeding the funding.

Ms. Beckah Bowman, Executive Director of the 3rd Judicial District, answered committee questions. She stated prior appropriations have improved recruitment and retention of guardian ad litem. The FY 2025 budget request will help the agency serve an additional 90 children.

Mr. Jeff Brudie, Executive Director of the Idaho Judicial Council, answered committee questions about the request for \$20K for investigations. Such investigations are necessary in the event of a complaint about a judge's conduct.

Ms. Otto gave an overview of the Department of Juvenile Corrections. She reviewed the organizational structure of the Department and explained it has three budgeted programs: Administration, Community Operations and Program Services, and Institutions. Ms. Otto gave a high-level review of the various dedicated funds associated with the Department as well the projected and actual expenditures for FY 2020-FY 2024.

Ms. Otto highlighted the FY 2023 and FY 2024 budget enhancements. She explained the FY 2025 budget requests, including funds for replacement items. She explained how the net-zero transfers better reflect where dollars are spent in the budget.

Mr. Monty Prow, Director of the Department of Juvenile Corrections, answered committee questions. He explained Assessment Centers aim to prevent and divert youth from juvenile justice and child welfare systems. When all 12 Assessment Centers are in place, 70% of Idaho youth will be within an hour of a facility.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 9:35 a.m.

Representative Horman
Chair

Alyson Jackson
Secretary