

**MINUTES OF THE
EXECUTIVE OFFICES & CRIMINAL JUSTICE
APPROPRIATIONS SUBCOMMITTEE**

Room 25 House Building

January 28, 2015

Members Present: Sen. Daniel Thatcher, Co-Chair
Rep. Eric K. Hutchings, Co-Chair
Rep. Keven J. Stratton, House Vice Chair
Sen. Curtis S. Bramble
Sen. Jani Iwamoto
Sen. Scott K. Jenkins
Sen. Ralph Okerlund
Rep. Rich Cunningham
Rep. Sophia DiCaro
Rep. Brian S. King
Rep. Merrill F. Nelson
Rep. Curtis Oda
Rep. Angela Romero
Rep. V. Lowry Snow

Staff Present: Mr. Gary Syphus, Fiscal Analyst
Ms. Clare Tobin Lence, Fiscal Analyst
Ms. Jennifer Eyring, Committee Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov.

Co-Chair Thatcher called the meeting to order at 8:01 a.m.

1. Introduction

Co-Chair Thatcher welcomed committee members, introduced members new to the Legislature, and stated their purpose is to ensure that tax dollars are being spent in the best way possible.

2. Subcommittee Overview

Mr. Gary Syphus, Fiscal Analyst, explained some of the tools and resources committee members can use to effectively look at the budget and make decisions concerning it. He showed how to use the website at le.utah.gov to access meeting materials, base budget bills, and the Compendium of Budget Information (COBI). He also noted that some policy issues, such as prison location and the Justice Reinvestment Initiative, may have a potential effect on agency budgets.

3. Base Budget Review

LFA Budget Effectiveness Review

Mr. Syphus discussed "Budget Effectiveness Review Options" found in the meeting materials. The Executive Appropriations Committee asked each subcommittee to find ways to reduce each agency budget by 2%. These materials contain those possible budget reductions as a starting point for the

agencies and committee members to discuss. Agencies were asked to address these recommendations or alternatives along with Building Block requests.

Juvenile Justice Services (JJS)

Ms. Susan Burke, Director, introduced Cecil Robinson, Administrative Services Director, and Debbie Whitlock, Deputy Director. Ms. Burke discussed the purposes of JJS, programs and services provided, number of youth served, and results from their programs. Last year, a Legislative Budget Review showed that recidivism rates for Utah were higher than other surrounding states. Ms. Burke pointed out that recidivism rates are calculated differently in those states and that Utah compares much more favorably with states, who like Utah, use a broad definition of recidivism. The increase of recidivism rates found in the audit are likely caused by youth with more serious criminal histories and increased risk levels. To address the issue, JJS uses evidence based practices of risk assessment, targeting the criminogenic needs, and assuring that intervention responds to needs. Ms. Burke said Weber Valley Detention Center is a priority and requested \$1.6 million in funding for that facility. The facility is needed because detention rates are higher in Weber County, JJS has already scaled back 21% over the last several years, and there is not a way to redirect resources from other areas. Committee members requested statistics for additional past years. A progress report on the proposed Weber Youth Center was given.

Co-Chair Hutchings emphasized that the Weber Youth Center has been carefully designed using best practice research and a multi-purpose approach.

Ms. Burke noted they have looked at recommendations to reduce recidivism through program improvements, program evaluation, staff certification and competency, and clinical oversight and services. The recommendations would cost around \$1 million and take time to see results, but it was felt that it will save money in the long term. Ms. Burke addressed the "Budget Effectiveness Review Options" stating that a reduction of recidivism rates may not produce the cost savings estimated in the review. She outlined reasons for not closing the Wasatch Youth Center in Salt Lake City. It was re-emphasized that programs and funding need to remain intact to implement plans to reduce recidivism, the Weber Valley facility is a critical need, and that a 2% funding reduction would be devastating.

Ann Williamson, Executive Director, Department of Human Services, spoke about efforts to have a comprehensive services delivery system, using research based evidence, and provided on the local level. Appreciation was expressed for Ms. Burke for her leadership and vision.

State Treasurer

Ms. Clare Tobin Lence, Fiscal Analyst, gave an overview of information from the COBI, including background, line items, intent language, appropriation by funding source, and expenditures. Items on the "Budget Effectiveness Review Options" include cost reduction in Printing and Mailing through the development and enhancement of electronic processing, and Bond Refunding options.

Mr. David Damschen, Chief Deputy Treasurer, introduced Jason Nielsen, Financial Manager and Budget Officer, and Dennis Johnston, Deputy Treasurer and Unclaimed Property Administrator. Mr. Damschen provided and discussed the presentation, "Utah State Treasurer, Agency Overview and Update". The

Office manages state banking operations and initiatives, including ePayables, electronic check processing, prepaid debit card programs and merchant services. Investment Operations include management of the Public Treasurer's Investment Fund (PTIF), the Permanent State Trust fund, OPEB (Other Post-Employment Benefits) Trust Funds, Labor Commission Funds, and School and Institutional Trust Funds. In response to committee questions, Mr. Damschen explained that PTIF is managed by the State investment officer and the School and Institutional Trust Fund Board of Trustees has been established and a new Chief Investment Officer is under selection. The interim director is Allen Rollo. The Money Management Council oversees the deposit and investment of public funds throughout the state. The Office is the issuer of the state's bonds and debt management, a conduit issuer of charter school bonds, and administers the School Bond Guaranty program. The Utah Council on Financial and Economic Education is chaired by the State Treasurer and encourages financial education.

Mr. Damschen stated that the State Constitution provides for the State to contract debt. The State also has other binding obligations that are not considered debt in determining the State debt level. The State Auditor has issued the opinion that those obligations should be included. The Treasurer's Office disagrees with that assessment and is awaiting an opinion from the Attorney General's Office. Until that issue has been resolved, they cannot move forward on bond refunding. It is estimated the refunding will save \$10 million to \$15 million.

Mr. Jason Nielsen said they have one time funds from FY 2014 to continue projects and the 2% budget reduction would be handled through efficiencies.

Mr. Dennis Johnston explained the Unclaimed Property mission statement and purpose, and gave statistics from FY 2014. Efficiency initiatives include document imaging, paperless claims, a new phone system project and promotional efforts.

Mr. Damschen added that they are working on promotions to assure the public that State efforts to return unclaimed property to their owners is safe and legitimate.

Attorney General

Ms. Lence gave an overview of the Office, including responsibilities, funding, and expenditures. Items from "Budget Effectiveness Review Options" to address a 2% budget reduction were outlined. It was recommended the Citizen Communication Portal be discontinued because the information is now provided by others on the Internet. It was noted, however, those funds were also used to run the VINE (Victim Information and Notification Everyday) program that had recently been moved to the Attorney General Office. Ms. Lence suggested that \$50,000 to run the program be addressed as a Building Block request. Other possible reductions include reducing FY 2014 funding for two criminal appeals attorneys to one attorney and taking the remaining reduction from the Administration main line item. Building Block requests include \$115,000 for the Evans case settlement, with an additional \$50,000 to cover costs incurred in defending the case. The Office is requesting \$800,000 one-time and \$300,000 ongoing to implement a new electronic case management system; \$1,072,700 from the General Fund and \$700,000 from dedicated credits for salary parity increases; and \$928,000 for staffing needs consisting of four attorneys and one paralegal.

Sean Reyes, Attorney General, said it was a privilege to work with the great people in the Office and they have been working to improve their structure and approach and to maximize the funds given them to provide quality service. The Office has recruited an executive team, commissioned audits of their office, returned unused assets to the State, initiated outside reviews, re-established leadership throughout, and worked on repairing and building relationships with State officers. He noted their effort to hire and promote on merit alone has resulted in more women and minorities in leadership. Mr. Reyes praised the work of the Secure Strike Force team. The Office has worked on training, ethics, comradery, process and procedures, and technology. The Building Block request for a new case management system would update the technology, especially as more things are processed electronically.

Co-Chair Hutchings requested to see the full cost of the system so the committee would be aware how much the Office was allocating from their own funds.

Mr. Brian Tarbet, Chief Civil Deputy, explained the process of selecting the best IT system for their needs. The funding to hire IT specialists would allow for any future software updates to be done by the Office. Several members of the committee cautioned the Office to be careful in their choice of software. Mr. Tarbet addressed the building block request for salary parity. Last year funding was used to retain people and to move salaries closer to parity with other state and local agencies.

Mr. Reyes stated that with funding from the previous year, they have improved salaries, efficiency, and added incentives based on merit. He emphasized that it has also increased morale and productivity, which is a return on investment because the Office brings revenue to the State. It was reiterated that reductions in funding would mean reducing personnel which affects revenue to the State.

4. Federal Funds

Mr. Syphus told committee members that information on Federal Funds can be found in the meeting materials and will be addressed in a future meeting.

5. Adjourn

MOTION: Rep. Oda moved to adjourn. The motion passed unanimously with Sen. Bramble, Sen. Jenkins, Sen. Okerlund, and Rep. King absent for the vote.

Co-Chair Thatcher adjourned the meeting at 10:51 a.m.

Sen. Daniel W. Thatcher, Co-Chair

Rep. Eric K. Hutchings, Co-Chair