

(Draft-awaiting formal approval)
**MINUTES OF THE
EXECUTIVE OFFICES & CRIMINAL JUSTICE
APPROPRIATIONS SUBCOMMITTEE**
Fortitude Treatment Center, 1747 South 900 West, Salt Lake City, Utah
October 27, 2015

Members Present: Sen. Daniel Thatcher, Co-Chair
Rep. Eric K. Hutchings, Co-Chair
Sen. Jani Iwamoto
Sen. Scott K. Jenkins
Sen. Ralph Okerlund
Rep. Rich Cunningham
Rep. Sophia DiCaro
Rep. Brian S. King
Rep. Curtis Oda
Rep. Angela Romero
Rep. V. Lowry Snow

Members Excused: Rep. Keven J. Stratton, House Vice Chair
Sen. Curtis S. Bramble
Rep. Merrill F. Nelson

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

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

1. Call to Order

Co-Chair Hutchings called the meeting to order at 8:11 a.m.

Mr. Gary Syphus, Fiscal Analyst, thanked the Department of Corrections for hosting the meeting. They will be giving a tour of the facility after the meeting. Mr. Syphus explained the meeting materials are all online. He mentioned that Item #6 on the agenda includes several reports that are available for review but will not necessarily be discussed today.

2. Utah Communications Authority Report

Mr. Syphus explained that at the last General Session a bill was passed to have the newly created Utah Communications Authority (UCA) submit a financial report to this committee each year by November 1st. This is the first year of this report.

Mr. Steve Proctor, UCA Executive Director, assisted by Ms. Kathy Trees, UCA Finance Director, presented the [Utah Communications Authority Report](#). Mr. Proctor explained the UCA was created in July of 2014 which consolidated the Department of Technology Services radio shop and the Utah Communications Agency Network into one agency called the Utah Communications Authority. He explained they just completed their first-year audit.

Ms. Trees explained the various pages of the report. The first page shows the \$21 million collected from the Utah State Tax Commission and distributed to the various counties for the 911 fees.

Rep. Cunningham asked for clarification regarding the VECC acronym. Ms. Trees explained that it is the Valley Emergency Communications Center. He asked about the accountability required for the almost \$8 million in fees that are collected from Salt Lake County.

Mr. Proctor explained that the money goes from the Tax Commission directly to the agencies. He explained the Performance Audit will look at those issues.

Ms. Trees explained that Page 2 shows the 61-Cent Fund as well as the Unified State Emergency Fund and the Computer Aided Dispatch Fund. She explained that there are some reconciling differences because of the timing involved in collecting the information. She stated the two accounts UCA is responsible for are the 911 Emergency Service Account of \$3.1 million and Computer Aided Dispatch Restricted Account of \$2.1 million. She discussed these funds in more detail.

Co-Chair Hutchings asked for clarification about these differences and if this would be happening every year. Ms. Trees explained that because it is the first year, they are trying to establish a history. These amounts will have to be adjusted before going to appropriations. They are cognizant of the discrepancy and will not spend more than is actually appropriated.

Rep. Snow asked about the current trend of revenues and collections being received from all providers. Ms. Trees answered that all providers are reporting to the State Tax Commission. She stated that because this is the first year it is very difficult to identify a trend.

Ms. Trees indicated the first audit ended in June of 2015. She reported on the \$2.9 million and \$2.5 million initial appropriations as well as the \$3.7 million supplemental appropriation. There were funds that were collected prior that had not been spent. She discussed the \$2.9 million in operating expenses stating the majority of this was grant disbursements to the local PSAP (Public Safety Answering Point). Mr. Proctor explained that most of the grants were to update their local customer premise equipment.

Rep. Snow asked who determines that need for upgraded equipment. Mr. Proctor answered there is a five to seven year equipment cycle as well as network needs. They also look at growth in the area to establish grants. He stated that each agency that applies for a grant has to bring that request before the 911 Advisory Committee. Those grants that are approved go before the UCA board for final approval. Ms. Trees said that the next page lists the actual grants that were made. She explained there were some dollars intentionally left in public safety so there would be a buffer as the transition was made.

Co-Chair Hutchings indicated the committee does want to make sure the UCA appropriations are working effectively. It is anticipated that there will be differences that need to be made. The committee needs reasonable assurance that the requests are valid. Mr. Proctor indicated that one of the key factors is the performance audit of the 911 delivery system. He indicated that this study is due April 30, 2016.

Co-Chair Thatcher stated that usually the LFA can indicate when budget and actuals don't match up; but because this is brand new, LFA doesn't have these numbers yet. He knows that reports showing there is money set aside in case fee collection doesn't match appropriation raises several questions. He is confident these questions will be answered as LFA staff become more involved in this process.

Ms. Trees indicated there is some history as far as the 911 Fund is concerned. They have done a 7-year projection. They want to determine if they have enough funding to meet the needs on a long-term basis. They want to ensure they have the ability to implement new technology. She explained the Public Safety funding was a one-year item which will need to be re-appropriated to UCA.

Mr. Proctor mentioned that there has been a tremendous shift from land-line calls to wireless calls. This has caused some issues because locating these phones is difficult. These could be a text message, a photograph,

a video, etc. They have to determine new protocols for handling these new types of calls. He reported on the one-time appropriation to rebuild the public safety radio network.

Sen. Okerlund commented on the recent site visit by the task force. He indicated that it is important to upgrade equipment and technology to meet the needs of the very rural areas with limited electronic access.

Rep. Oda mentioned this has been a problem for over 15-20 years. Rep. Romero mentioned the problem with the Request for Proposal process. Co-Chair Hutchings asked Mr. Proctor and Ms. Trees to keep the committee informed and to let them know how they can help solve the problems.

Sen. Jenkins commented on the great job they are doing especially in light of the huge volume of calls they are handling, with Salt Lake County averaging 808 calls a day. Mr. Proctor indicated that the 808 calls per day are the calls from a citizen in Salt Lake County to a dispatch center. The radio dispatches 160,000 calls every 24 hours.

Rep. Romero indicated that although the challenges of handling these calls in rural settings is often discussed, it is important to note that urban settings also have many challenges.

3. Attorney General Budget Issues

a. Attorney General Audit

Ms. Clare Tobin Lence, Fiscal Analyst, explained that this item did not receive enough time at the September meeting so the auditors have returned to give a more thorough report.

Mr. Darin Underwood, Audit Manager, was joined by Mr. Brian Dean, Audit Supervisor, Matt Harvey and Zackery King, from the Office of the Legislative Auditor General. Mr. Dean reported on the [Performance Audit of the Office of the Utah Attorney General](#). Mr. Dean stated the Office of the Attorney General (OAG) was very cooperative. He discussed the four chapters of the audit. He stated that Chapter II emphasizes the need for improved accountability, comprehensive performance management, that public reports would increase OAG transparency and accountability, and that current internal employee whistleblower reporting processes are inadequate.

Mr. Dean reviewed the findings of Chapter III: Comprehensive Employee Evaluation System is Needed, which indicated that implementation of OAG's performance improvement program lacks documentation and a poor employee evaluation policy leads to faulty implementation. He listed some specific recommendations.

Mr. Dean reviewed the findings of Chapter IV: Efficiencies Will Increase with Improved Case and Document Management. He specifically mentioned that currently the OAG has 106 end users for each IT staff person. They estimate that added staff from an appropriation in the 2015 General Session related to implementing a new case management system will lower the ratio to 71 end users for each IT person. Even with these increases, the IT staff ratio is far greater than industry standards. He mentioned other recommendations found in this chapter.

Rep. Snow mentioned that performance evaluations are used in OAG offices in other states. He asked if these are successfully being accomplished in other states. He also asked if a case management software program would assist in doing performance evaluations. Mr. Dean reported that performance evaluations are a standard and seem to be working in other states. He indicated that an automated system would aid this evaluation process.

Mr. Underwood answered that data is needed at every level. A case management system could tie it all together. The direction they are taking is more important than where they are right now. This will take some time and resources. He wanted to make sure the committee understands the nature of an audit is to report negative things and that changes cannot happen without some resources.

Rep. Snow wanted to note that the current OAG administration is still recovering from many negative situations that were left from previous administrations. Mr. Underwood replied that when they first began the audit, Attorney General Reyes was very aware of the deficiencies and they outlined many of the audit areas together.

Rep. Romero appreciated the term “inconsistent implementation,” stating that it is very helpful to indicate how to move forward as a department within a larger organization.

b. In-Depth Budget Review of the Office of the Utah Attorney General

Mr. Dean discussed the [In-Depth Budget Review of the Office of the Utah Attorney General](#). He indicated the OAG’s operating budget has grown from \$42.8 million in 2007 to \$56.1 million in 2014. He said that most of the revenue comes from the General Fund and dedicated credits. He discussed some of the other sources of revenue. He said that personnel services make up about 85 percent of the expenditures.

Mr. Dean reported on the findings discussed in Chapter II: Improved Budgetary and Accounting Controls Necessary for Legal Services. He said the long standing use of dedicated credits is not consistent with statute and lacks transparency.

Co-Chair Hutchings asked for clarification about this issue. Mr. Dean said that statute specifically states that the OAG may not collect dedicated credits for agency legal services, although the office may bill agencies for services. This is an accounting measure that needs to be corrected.

Rep. Snow commented that this is not the only agency that provides services or benefits to other agencies. In those situations, this is tracked using a different method. Mr. Dean indicated that those systems utilize dedicated credits but have better tracking mechanisms.

Mr. Dean noted that dedicated credits remitted to the OAG may be double counted in state-wide budget summaries; Mr. Syphus indicated there are lots of areas in state government that are flagged to ensure they are not double counted. Rep. DiCaro asked if, in other situations regarding dedicated credits, this is dealt with as a transfer and if this meets the statute requirements. Mr. Syphus indicated that other agencies cannot use dedicated credits to charge other agencies for goods and services, unless they are an Internal Service Fund (ISF), but facilitate this through a funds transfer.

Co-Chair Hutchings mentioned the committee has struggled with all of the pass-through funding items. Often the budgets presented are not really the specific budget for that agency. They include monies that are going off to other items. The whole state budget process should include a better way to identify and simplify these pass-through items.

Sen. Jenkins asked for clarification on Figure 1.1 regarding the settlement payments and asked if those settlement cases would stop. Mr. Werner Haidenthaler, Chief Administrative Officer, OAG, mentioned that most of the discrepancy is those settlement cases which are now completed.

Mr. Dean explained there were over 200 condemnation cases with UDOT involving the I-15 corridor and the Mountain View Corridor projects. Mr. Haidenthaler clarified that most of the large pass-through settlement payments in FY 2011 to FY 2014 were related to the Pelt Settlement.

Co-Chair Hutchings stated the OAG's budget did not go up to \$73.4 million, but these pass-through funds are reported as part of their budget. He mentioned that this very difficult for the citizens of the State to understand. It would make sense to take all transfer monies out of the budget and have a separate line item regarding pass-throughs. Mr. Haidenthaller mentioned there is now a separate line item for settlements, but it is still part of the OAG's total budget.

Mr. Dean explained Chapter II further, including that budgeting and accounting for legal services needs improvement and additional controls for legal services are necessary. They found that tracking of costs is not consistent.

Co-Chair Hutchings indicated that State Auditor John Dougall has also indicated there is not a great deal of efficiency in his auditing of state agencies. Agencies are billed the same whether they require 10 hours or 100 hours of the State Auditor's time; he is shifting to a more efficient process so that agencies are charged for services based on how long it takes to complete an audit, which has encouraged improved compliance from agencies.

Mr. Dean discussed creating an Internal Service Fund (ISF) for selected legal services. He stated that having an ISF would provide the needed controls. He stated the last part of Chapter II indicates that additional reporting and oversight of other funds is needed.

Mr. Dean said the infrastructure is already in place for an ISF, as the State already operates a number of other ISFs. Mr. Haidenthaller and Ms. Bridget Romano, Chief Civil Deputy, OAG, answered questions and discussed this issue. Mr. Underwood agreed there has to be a timeline and that implementing a new process takes time, but he emphasized that something needed to be done.

Mr. Dean discussed Chapter III: Spending of Building Block Appropriations Generally meets Intent. He stated they were unable to identify sufficient accounting results for three building blocks. Spending data for these programs was unreliable at the time of the review. He stated that implementation of S.B. 49 (Child Welfare Modifications) from the 2013 General Session is incomplete because of multiple effective dates for different provisions of the bill. They recommend that that Legislature follow up with the OAG on the implementation of this bill and ensure proper data tracking and performance.

Mr. Underwood stated that this in-depth budget review was requested to find out what is actually working. He said that 50 of 53 Building Blocks were appropriate and the others just need follow-up verification.

Mr. Dean indicated there are some additional spending and budgeting concerns the committee may want to address, especially in the mortgage and financial fraud investigations area and insufficient revenue to cover ongoing expenditures in the Constitutional Defense Restricted Account.

Mr. Dean introduced Chapter IV: Compensation on Low End but Turnover Rates Are Favorable. He reported that dedicated credits limit the OAG's ability to cover all salary increases if state agencies are not also appropriated the increase. The OAG was not able to collect about \$700,000 for salary increases in FY 2014. He felt that an ISF would address this issue. Co-Chair Hutchings emphasized that \$700,000 worth of work that was completed was not collected.

Mr. Haidenthaller indicated there was an appropriation for salary increases, but the issue is that when dedicated credits are appropriated, that money is not actually given to the agency, but rather they are given permission to go and find that money. The appropriation is giving the OAG authority to bill these agencies, but this is very complicated if the agencies do not have the money to pay.

Mr. Dean continued discussion regarding Chapter IV, including that attorney compensation is comparatively low and assistant AG turnover and retention rates are reasonable. They listed some recommendations. Mr. Dean briefly discussed Chapter V: Isolated Events Increased Attorney Contracting Costs.

Ms. Lence mentioned the LFA has prepared an Issue Brief that does discuss some different billing options: [Attorney General Audit Follow-Up: State Agency Billing Issue Brief](#).

Several members of the committee including Sen. Okerlund, Rep Cunningham, Co-Chair Hutchings, Co-Chair Thatcher, Sen. Jenkins and Rep. Snow discussed the issue in-depth and asked several clarifying questions. They discussed when would be the right time to bring legislation forward regarding possible solutions such as an ISF.

Ms. Romano mentioned that a bill file could possibly be opened for an interim study. At the committee's request, the OAG could identify certain agencies that might benefit from an ISF. She reported the OAG has asked Co-Chair Hutchings to open a bill file to require the OAG office to complete an annual performance report. She reported on other measures that have been taken as a result of this audit.

Co-Chair Hutchings asked that a follow-up report regarding this issue be added to the agenda of one of the first meetings in January.

MOTION: Rep. DiCaro made the motion to have staff study this issue and bring recommendations regarding early steps or implementation of an ISF or a similar billing options back to the next committee meeting. The motion passed unanimously.

4. Division of Juvenile Justice Services: Council of State Government (CSG) Recommendations

Ms. Susan Burke, Director, Division of Juvenile Justice Services (JJS), discussed the full continuum of services provided by the division. She gave an example of how they are providing activities for young adult boys to mature and to teach them accountability.

Mr. Josh Weber, Program Director, Juvenile Justice, Council of State Governments Justice Center, discussed the presentation [Reducing Recidivism for Youth in Juvenile Justice System](#). He discussed the role of the Council of State Governments Justice Center. He reported that JJS contacted them voluntarily and asked them to assess the policies and practices of JJS.

Mr. Weber reported that about 51 percent of JJS-involved youth receive new misdemeanor or felony charges within one year of release. One of the goals is to discover what is driving these recidivism rates and how they can be improved. JJS works not only with the highest risk youth, but also with those who are low risk. The recidivism rate is also a concern for early intervention programs.

Mr. Snow asked for clarification with respect to the ranking of "high recidivism." Mr. Weber indicated that every state is different, but the report shows that 50 percent of the youth being served come back to the system and it would be desirable to have this number as low as possible.

Sen. Okerlund asked if gang activity is evaluated. Mr. Weber answered they spent over a year conducting research in the field to determine several causes of recidivism and what actually works to reduce recidivism.

Mr. Weber reported on the steps taken towards adopting and implementing best practices. Principle 1: "Use Validated Assessments." He mentioned four points specifically regarding risk screening and assessment tools. He stated that Utah is one of the leaders in the country in utilizing these tools. Seventy-seven percent of youth who are in JJS secure facilities are considered high risk youth. The goal would be to not have low and moderate risk youth in these high-expense secure facilities. He discussed diversion programs. It is

judicial discretion, rather than risk assessments, used to determine eligibility for diversion or work camp programs. The question for JJS is to determine if this is the best use of this \$7 million resource.

Sen. Iwamoto asked for clarification about the work camp programs. Ms. Burke answered there are two state-run work programs. Youth are ordered to these work programs usually because they owe significant restitution; these youth go to the school during the day and then work out in the community in the afternoon.

Mr. Weber said they looked at the use of detention, which is also based on judicial discretion. He indicated that almost half of the youth are being detained because of a misdemeanor, and 43 percent were detained because of a contempt or status infraction. This raises the question of whether this the most efficient use of the \$340 per day cost per youth in a detention facility.

Co-Chair Hutchings asked for clarification regarding the contempt category. Mr. Weber answered that generally these are young people in the community, who failed to follow the rules. Often these are rules that only apply to youths, such as curfews or truancy. There is no research that shows that detention is an effective use of sanction.

Mr. Weber discussed the fact that the length of stay in facilities is not based on the time needed for effective treatment or the efficient use of resources. He stated that more than six months in residential placement can actually increase recidivism. He stated that lengths of stay in Utah are significantly greater than six months. He said the highest risk youth are staying the least amount of time in these facilities.

Sen. Iwamoto asked how youth are tracked to see if they are staying too long. Ms. Burke answered that each youth is assigned a case manager who develops a needs assessment service plan. This plan determines how long the youth will stay in the facilities. She indicated the current contracts allow these treatment providers to determine the length of stay. They have made significant changes to these contracts to provide more treatment planning, accountability, transition and after care services. They hope to have the new contracts in place by January 2016.

Rep. Snow asked about the research involved in determining that the length of stay was excessive. Mr. Weber indicated that a number of states have looked at this in great detail. If a juvenile is detained more than six months it makes things worse. Research has also shown it is best to limit placing low risk young people in these facilities. The intention is to minimize harm and do some good.

Rep. Romero asked about the demographics in ethnicity and race in these findings. She asked if there was an over-representation of youth of color. Ms. Burke reported that 50 percent of the youth in long-term care are youth of color. She also mentioned the high proportion of Native Americans in these facilities. They have been working with the Utah Board of Juvenile Justice to look at these disproportionate numbers, and said that it is important to look at the front-end of the system.

Mr. Weber explained that risk assessments should be made at every point in the system rather than relying on standardized objective criteria.

Co-Chair Hutchings asked if information is being gathered in these risk assessments that would help take appropriate measures when these individuals are first going truant. Ms. Burke indicated that JJS is also for families who are having a crisis with their teenager. They can assist families in dealing with all types of situations. They have several screening tools and can bring in schools and the Division of Child & Family Services and bring additional services in the home. They want to avoid removing children from the home whenever possible. Their goal is to keep families together.

Mr. Ray Wahl, Assistant Court Administrator, indicated that 30 percent of the referrals to juvenile court are diverted into non-judicial closures. He stated that 75 percent of those kids do not come back to the system.

Co-Chair Hutchings asked if the recidivism rate includes all youth who have not been diverted. This would provide a great argument for funding all the right types of programs.

Ms. Burke answered that she will provide the committee with more detail about this. She stated that as youth go further into the system, the recidivism rate and costs increase. They accumulate a history of delinquency.

Sen. Iwamoto mentioned that one possible reason for the disproportionate number of minorities was the lack of sensitivity for cultural differences. She asked if the State had an early case resolution program. Ms. Burke answered that JJS has a very diverse workforce. They incorporate cultural competency training for all employees. Mr. Wahl indicated that the juvenile court has similar programs for ethnicity training. As a youth is referred to the juvenile court an appointment is set up with a probation officer. That officer interviews the youth with their parents or guardian. For many minor offenses the youth signs a non-judicial closure agreement that requires them to perform community service, write an essay, speak to another youth group, or complete a similar activity.

Sen. Jenkins clarified Mr. Wahl's statement that 75 percent of those kids do not come back. He asked when one does come back, how do they come to the court system? Mr. Wahl indicated that it would be a new referral to the juvenile court because of a new offense. He stated there are sentencing guidelines and they determine what kids go where.

Rep. Romero asked if there are data that show there is a fair system in place. Mr. Weber stated the research shows to try and divert as many low risk youth as possible from formal system supervision. It is important to ensure the highest risk youth get the supervision and services they need.

Co-Chair Hutchings asked if a high risk individual means a high risk to society. Mr. Weber said that high risk generally means high risk of re-offending, but that there are many tools to assist in this risk assessment.

Mr. Wahl reported that Utah is one of the few states that has a common risk assessment tool for juvenile court and juvenile justice services. He said there are two major considerations in sentencing guidelines: previous delinquency history and severity of the offense. This model needs to be revisited.

Mr. Weber continued with Principle 2 of his report: "Programs that Work." JJS is taking steps towards adopting effective programs and evaluating youth outcomes. They are working with the University of Utah to establish correctional guidelines. He said that youth's treatment needs are not assessed fully or in an efficient manner. Youth are placed in observation and assessment centers for 45 days for the sole purpose of assessment at an average cost of \$11,395 per offender. This is up to 50 times more than the cost of in-depth validated assessment in the community.

Mr. Weber discussed the lack of evidence-based treatment models used in residential placements. There is a need to improve the type of services in facilities. There are very few services available to youth in the community. Co-Chair Hutchings asked if Utah were to try and implement some of these programs, whether they could be integrated into an existing facility. He asked the committee to think about ways to better utilize the receiving centers.

Mr. Weber stated that Principle 3 is "Collaboration Across Systems." He discussed the steps taken toward system collaboration. He stated that one of the major challenges is the lack of mental health and substance use services. He stated that not many programs are Medicaid-eligible.

Co-Chair Hutchings asked for clarification on this because many of the mental health authorities are state-funded but run by the counties. Ms. Burke explained the State Medicaid Plan actually carves out the juvenile

justice population who are court involved. The local authorities have stepped back because of this state involvement. However, there is a great population who need these services prior to court involvement. Rep. Oda reminded committee members that the current Medicaid expansion proposals only impact the adult population.

Rep. Snow asked for specific detail about the needs that are not being met. Mr. Wahl answered that youth get one-third the amount of pass-through resources that adults receive. There should be parity in the system. Co-Chair Hutchings asked why this is happening: Why is there not parity? Who is making those decisions? Mr. Wahl indicated he does not know the answers to those questions. There are pass-through dollars that have been assigned. Co-Chair Hutchings asked LFA staff to bring more information to the committee regarding funding for early intervention for pre-delinquent youth who need substance abuse and mental health services, specifically on how this relates to state funding and Medicaid expansion.

Rep. Romero stated there are many families who may be eligible for Medicaid but the parents have not filled out the required paperwork.

Mr. Weber reported on Principle 4: "Policies and Practices Developmentally Appropriate." He discussed the importance of designing approaches that are appropriate to youth. He showed that Utah has a significant number of youth who are in residential placement as a response to contempt offenses. There should be a continuum of sanctions.

Mr. Weber discussed three key recommendations. He discussed four key changes to use supervision resources more efficiently. Ms. Burke reported that the Youth Parole Authority recently implemented a release matrix that takes the risk assessment into consideration.

Rep. Snow asked if there were challenges getting JJS and the courts on the same page. Ms. Burke indicated they are making some significant structural and organizational changes. They are getting some feedback from the courts regarding this.

Mr. Wahl indicated that this report provides very valuable information. He expressed concern about the funding that had been lost in recent years. Co-Chair Hutchings indicated that this funding was not state funding, but federal funding. Mr. Wahl indicated that some of the dollars were reallocated to areas that were more important.

Rep. Snow mentioned some parallel concepts to the Justice Reinvestment Initiative that could be utilized in retooling juvenile justice. He could see that based on this report, resources could be redirected. Co-Chair Hutchings indicated that he had not seen this as a building block request.

Ms. Burke introduced [JJS Comments on CSG Report](#). She indicated that JJS was able to get some federal grant dollars to implement an in-home observation and assessment program. They had 41 kids go through this in-home observation. Over 70 percent of these students were considered moderate or high risk (1/3 were high risk). Only one out of those 41 re-offended. In 97 percent of the cases brought to court, the judge followed the recommendation that was in the report.

JJS will not request additional funding; they will ask to be allowed to use their current non-lapsing dollars to fund Weber Valley Detention one-time. It is their intent to fund that facility ongoing beyond that with internal savings.

Mr. Wahl indicated that juvenile court referrals have gone down dramatically. They have probation officers with low caseloads. They have converted these positions to dollars to contract for programs. They are investing in front-end alternatives rather than expensive back-end programs.

Rep. Snow commended Director Burke for asking CSG to come and evaluate JJS.

5. Base Budget Review

Mr. Syphus explained that Fee Review and Corrections Medial Shortfall will be discussed in a subsequent meeting.

a. Balances, Actual to Projected, etc.

Mr. Syphus discussed the [FY 2015 Preliminary Lapsing and Non-lapsing Balances](#) report presented to EAC. He stated this is a state-wide view of what balances have done over time, as well as by agency and subcommittee. He highlighted the Corrections amount that is up from \$8 million to \$12 million which is primarily due to the drop in the total prison population. He stated that this report could signal to committee members where to start asking questions and where items should be prioritized. He mentioned that agencies will be presenting requests to retain their nonlapsing balances for FY 2016 during the next General Session.

Ms. Lence showed a new online tool that is in draft form and will be available with other LFA tools for legislators at budget.utah.gov. She discussed a handout entitled "State Agency Expenditures."

Sen. Okerlund asked for clarification regarding the Retirement and Independent Entities graph in the lapsing and nonlapsing balance report. Mr. Syphus explained they over-estimated what the amount was at the end of the year. Rep. DiCaro asked for clarification. Co-Chair Thatcher indicated that this is probably an anomaly because for several years the amount was at 0 and then some of that was spent. Mr. Syphus indicated that this is not double counting. Co-Chair Thatcher mentioned that building blocks are taken out of non-lapsing first. Agencies with non-lapsing balances should be able to use that money to fund other programs. This would have to be approved by the Legislature. The committee would like to discuss this in more detail.

b. POST Shortfall

Mr. Joe Brown, Director of Administrative Services, Department of Public Safety, introduced Major Scott Stephenson, Peace Officer Standards and Training (POST) Director. Mr. Brown said they have a restricted account that collects money from surcharges on tickets. He explained that in the last four or five years collections have decreased, but the costs for POST have increased. These increases are from Internal Service Fund increases and personnel cost increases. The result has been a shortfall in this fund for several years. In the past they have used some carryover money to supplement POST. The Legislature has allowed them to move funding between line items within the department as well.

Mr. Brown said that last year a bill was passed to allow them to take \$500,000 out of the Uninsured Motorist Restricted Account and allocate it to POST for five years. Co-Chair Hutchings stated that some of the shortfall is a result of the changes to speed limit. The committee needs to look at some long-term solutions.

Sen. Jenkins asked if the officers who are in the training program have already been picked up by a department. He thought the costs should be passed on to the departments who are using the program. Mr. Brown indicated they are required to be hired before they come to the training.

Mr. Stephenson explained there are nine POST locations in the State. He said that the Sandy location hosts only trained officers who are re-hired. The other satellite academies are self-sponsored, so the individual encumbers the cost if they have not already been hired by an agency.

Co-Chair Hutchings asked how many people are trained for the State and how many are for a local agency. Mr. Stephenson indicated that most are for the State. He could provide more detailed numbers if needed. Sen. Jenkins asked about the per-person cost. Mr. Stephenson said it was between \$5,000 and \$6,000.

Co-Chair Thatcher mentioned there are many more local agencies than state agencies and wondered why there would be more individuals for state agencies. Mr. Stephenson indicated that the local agencies are often very small, and the state agencies are larger.

6. Subcommittee Reports

a. Alcoholic Beverage Enforcement Act Fund

Mr. Syphus indicated that several reports have been included with the online materials and in the packet, which were not discussed at this meeting. These will be listed at the end of the minutes. However, there were two specific reports that merited committee attention.

Mr. Syphus explained [FUND 2390 - \(DPS\) Alcoholic Beverage Control Act](#) where one percent of all alcohol sales revenue goes into an expendable special revenue fund. This is used to fund liquor law enforcement. This includes funding for DUI and liquor law enforcement officers. Beginning in July of 2016, one additional officer will be required to meet the mathematically calculated ratio.

Rep. Cunningham asked if this includes SBI officers who are used for liquor enforcement. Mr. Brown answered that it includes both the SBI and the DUI squad.

Sen. Jenkins indicated that the public outcry regarding liquor law seems to have settled down and asked if that was a correct assessment. Mr. Brown answered that he had not heard of any recent issues.

Co-Chair Hutchings asked if there is open legislation to increase the number of liquor licenses. Sen. Okerlund answered that there are perhaps a few new requests.

b. Attorney General Litigation Fund

Ms. Lence explained [Fund 2005: Attorney General Litigation Fund](#). She said that it was one of four “off-budget” or expendable special revenue funds in the OAG’s budget. The OAG can withdraw money from these funds without legislative appropriation. There is an issue because the Legislature does appropriate some money out of this fund to the OAG each year.

Ms. Lence reported that the Legislative Auditor General recommends removing this appropriation and instead reflecting the fund in a separate part of the appropriations act, the special revenue section. Although the Legislature does not appropriate from the funds in this section, listing these funds in the act helps them be aware of fund status. The other recommendation from the auditors is for the agency to report the status of all expendable special revenue funds to this committee annually. There are three other similar reports from the Attorney General’s Office in the meeting materials:

[Fund 2000: Attorney General Consumer Programs Fund](#)

[Fund 2010: Attorney General Crime & Violence Prevention Fund](#)

[Fund 8060: Attorney General Financial Crimes Trust Fund](#)

Mr. Haidenthaller gave some historical background on this issue. He indicated they are aware of this situation and are in agreement with the auditors.

MOTION: Sen. Jenkins moved to relocate this fund to the special revenue section of the appropriations act, include the other three funds in the same section, and ask the agency to report on these funds to this committee each year. The voting was unanimous with Rep. King and Romero absent for the vote.

7. Other Business

Co-Chair Hutchings asked if committee members had other issues they would like discussed during the upcoming legislative session.

Rep. DiCaro asked to have more information regarding the human trafficking issue and especially if there is anything that the committee can assist with in this effort. Co-Chair Hutchings indicated that Rep. Romero has started some bills regarding this issue. He stated that it is hard to imagine that this happens even in Utah. He was very surprised by the number of women in Utah that get trafficked, the numbers were ten times what he had anticipated.

Sen. Okerlund expressed the concern from local communities who are worried about the local match that is required when legislation is passed. He stated that often local budgets are very small and cannot handle these matches even when they are a small percentage. Mr. Syphus has arranged some meetings with Utah Association of Counties and local providers to try and work through this issue.

Co-Chair Hutchings mentioned that the recent change to the Justice Reinvestment Initiative required collaboration and cooperation between the agencies involved regarding this match, and they have been able to reach an agreement.

Mr. Syphus asked committee members to think about timing of bills and budget-related items especially as it applies to the Observation and Assessment process for JJS and the ISF issue for OAG among others.

Co-Chair Hutchings congratulated committee members for their work on rape kit processing. Co-Chair Thatcher thanked committee members for being active participants. He was grateful that at a second interim meeting everyone was engaged in the process.

Co-Chair Hutchings asked Mr. Syphus and Ms. Lence to send an e-mail giving some simple instructions for utilizing the new budget tools. He asked committee members to let Mr. Syphus and Ms. Lence know if there are some specific agenda items for the first meetings during session.

Mr. Syphus indicated the following reports have been prepared for committee members' review. Please let staff know if there are questions or items that need to be addressed:

[CCJJ Annual Fund Report](#)
[Sex Offender Treatment Report](#)
[Attorney General - Bad Faith Patent Infringement Report](#)
[Governor's Office Off-Budget Funds Report](#)
[FUND 8150 - Public Safety Seized Cash Fund](#)

Mr. Jeremy Shaw, Director Fortitude Treatment Center gave information to committee members regarding a tour of the facility.

MOTION: Sen. Okerlund moved to adjourn. The motion passed unanimously.

Co-Chair Hutchings adjourned the meeting at 1:00 p.m.

Several committee members toured the Fortitude Treatment Center.