

## ANALYSIS

### Public Defense Services Commission Financial Update

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**Analyst:** John Borden

**Request:** Acknowledge receipt of the report and approve technical adjustments and actions requested in the report.

**Analysis:** The budget report for HB 5030 (2021), the primary budget measure for the Public Defense Services Commission (PDSC), included the following budget note:

The Public Defense Services Commission is directed to report to the Joint Committee on Ways and Means during the Legislative Session in 2022, and quarterly thereafter to the Legislative Emergency Board, on the Commission's restructuring and modernization efforts. The release of special purpose appropriation to the Commission is contingent upon the Commission's satisfactory progress, as determined by the Legislature and/or the Legislative Emergency Board, in executing the Legislative direction in HB 5030 budget report, and as related to Legislative expectations regarding the restructuring, modernization, financial controls, quality management, performance metrics, and governance of the agency. Reporting is to also include, but is not limited to, updated caseload and financial forecasts; procurement activities, including contract amendments and the alignment of contracting with the biennial budget process as well as the separation of adult criminal and juvenile trial-level contracts; and human resources activities, including the hiring of positions, staff turnover, unbudgeted position actions, compensation plan changes, and staff morale.

PDSC has chosen to report separately on the agency's financial update for the 2021-23 biennium. The Public Defense Services Commission did not vote on the submission of this report to the Legislature. The agency has also submitted a second report on the reorganization of the agency. Both reports were submitted to the Public Defense Services Commission at the January 2022 commission meeting

Neither report provides the requested information related to: caseload and financial forecasts; procurement activities, including contract amendments and the alignment of contracting with the biennial budget process as well as the separation of adult criminal and juvenile trial-level contracts; and human resources activities, including the hiring of positions, staff turnover, unbudgeted position actions, and staff morale.

#### **Background**

The genesis of the budget note was the Legislature's desire to be kept apprised of PDSC's efforts to restructure and modernization and concern for the effective delivery of state public defense services.

The 2021-23 legislatively adopted budget for PDSC includes a holdback of funding in the amount of \$100 million General Fund, which is placed in a special purpose appropriation (SPA) to the Emergency Board. The SPA is related exclusively to the agency's current service level funding and no provision was made for enhanced programmatic funding. The SPA reduced only select appropriations so as to

not impede PDSC's modernization efforts. The release of the holdback is contingent upon the Commission's satisfactory progress, as determined by the Legislature and/or the Legislative Emergency Board, in executing Legislative expectations regarding the restructuring, modernization, financial controls, quality management, performance metrics, and governance of the agency.

PDSC was also instructed to move Trial Criminal contracts to a biennial, or biennial fiscal year, contracting model beginning with the 2023-25 biennium. The agency has historically let procurement contracts on a two calendar year basis, which has resulted in a misalignment with the biennial budget. In addition, by July 1, 2022, PDSC was instructed to begin the procurement of trial-level representation to parents in juvenile dependency cases and termination of parental rights cases as contracts separate and distinct from Trial Criminal procurement which heretofore were commingled. PDSC was also directed to move Non-Routine Expenses to a biennial billing model beginning with the 2023-25 biennium. The agency was also directed to apprise the Legislative Fiscal Office of any material change in Title IV-E funding received from the Oregon Department of Human Services.

### **Agency Report**

PDSC's report includes information related to a variety of 2021-23 budget execution issues. Of note is that PDSC is not requesting the release of the SPA currently. Instead, the agency is planning to make a more comprehensive request to the Emergency Board in the spring of 2022.

### Current Service Level Funding Forecasted Surplus

PDSC reports that according to the agency's current caseload and financial projections, the agency will only need \$76 million of the SPA rather than the entire \$100 million. The projected \$24 million in unneeded funding is in the Trial Criminal, Non-Routine Expense, Court-Mandated, and Juvenile Divisions.

### Non-Routine Expense Deficit

PDSC reports that as of November 30, 2021 a \$50 million General Fund budget shortfall in the Non-Routine Expense Division. PDSC also reports that this deficit is growing at approximately \$1.5 million per month. This division is used to pay for a wide variety of non-attorney expenses, such as transcriptionists, investigators, mitigators, social workers, psychologists, polygraphers, and forensic experts, such as firearm experts, arson experts, DNA experts, medical experts, and interpreter services that fall outside regular, routine case-mandated expenses. PDSC is working to identify how much of the deficit may be material and affect which biennium.

### Application Contribution Program Revenue Shortfall

PDSC reports a potential Other Funds revenue shortfall in the Application Contribution Program (ACP) beginning in April of 2022. PDSC notes that the significant shortfall in this program is very likely due to courthouse closures during the pandemic. The ACP provides judges the authority to order those who apply for court-appointed counsel to pay the administrative costs of determining their eligibility and a "contribution amount" toward the anticipated cost of the public defense prior to conclusion of the case. ACP revenues for the 2021-23 biennium were originally estimated to total \$4.4 million Other Funds. Of that amount, \$3.6 million is to be transferred to the Oregon Judicial Department (OJD) to fund the verification specialist positions. PDSC notes that the agency is prioritizing payments to OJD over PDSC's court-mandated expenditures. This revenue shortfall may need to be backfilled with General Fund, if revenues do not recover, as courts fully reopen.

### Title IV-E Funding

PDSC report that Federal as Other Funds from Title IV-E reimbursements, received from the DHS “...are projected to be spend out completely.” In 2019, federal policy was revised, allowing Oregon to claim Title IV-E funds for administrative reimbursement of costs associated with legal representation of a child or parent in foster care proceedings. Reimbursement for training of contracted legal services providers is also included. In the 2021-23 biennium, PDSC anticipates \$14.0 million Federal as Other Funds for Title IV-E to reimburse state expenses. Title IV-E funding is important as it has been used to offset the Parent Child Representation Program General Fund costs.

### Agency-Wide Rebalance/Technical Adjustments

PDSC report notes the need to rebalance funding between divisions; however, the current rebalance presumes SPA funding, which has yet-to-be allocated by the Legislature or Emergency Board. These technical adjustments are reported to have a net zero effect on the overall agency budget, and can be made when the agency makes an official request for the SPA at a future meeting of the Emergency Board

### Other Issues

PDSC report notes the following budgetary risks: provider rate increases, appellate (conflict) panel, hourly providers, providers at capacity, and information technology applications. The agency may also need to request additional position authority across several divisions as well as administrative approval of a permanent finance plan. In addition, PDSC reports needing several technical adjustments to the agency’s budget. Some of these costs may be partially offset by the 2019-21 General Fund Carryforward (i.e., reversion) of \$269,369.

The Legislative Fiscal Office would note PDSC’s need to address several unbudgeted actions outside of the 2021-23 legislative adopted budget. These may require budgetary adjustments and should be more fully developed when the agency makes its expected request of the Emergency Board in the spring of 2022.

**Recommendation:** The Legislative Fiscal Office recommends acknowledging receipt of the report and deferring consideration of the budget request.



# Oregon

## Public Defense Services Commission

*Office of Public Defense Services*  
198 Commercial St. SE, Suite 205  
Salem, Oregon 97301-3489  
Telephone: (503) 378-2478  
Fax: (503) 378-4463  
[www.oregon.gov/opds](http://www.oregon.gov/opds)

January 14, 2022

The Honorable Representative Dan Rayfield, Co-Chair  
The Honorable Senator Elizabeth Steiner Hayward, Co-Chair  
Joint Committee on Ways and Means  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301-4048

Dear Co-Chairpersons:

### **Nature of the Request**

During the 2021 session, the Oregon Legislature passed HB 5030, which established the Public Defense Services Commission (PDSC) budget for the 2021-2023 biennium. HB 5030 contained four budget notes with reporting requirements throughout the biennium. The purpose of this letter is to provide the Agency's first financial update for the 2021-2023 biennium.

### **Action Requested**

The Public Defense Services Commission requests that the committee acknowledge receipt of this report. PDSC also requests that the committee recommend approval of the technical adjustments and actions requested in the report.

### **Legislation Affected**

See report Attachment A.

Sincerely,

Stephen I. Singer  
Executive Director

cc:

John Borden, Principal Legislative Analyst, LFO  
Amanda Beitel, Legislative Fiscal Officer  
George Naughton, Chief Financial Officer  
April McDonald, Policy and Budget Analyst, CFO

# Public Defense Service Commission

## Financial Update to 2022 Joint Committee on Ways and Means

January 14, 2022

### Executive Summary and Nature of Request:

The Public Defense Services Commission (“PDSC” or “the Commission”) is submitting its first financial update for the 2021-23 biennium to the Joint Committee on Ways and Means, subcommittee on Public Safety. This report reflects several issues affecting the PDSC’s budget. PDSC expects to continue to work with the Assembly, the Legislative Fiscal Office, and the Department of Administrative Services Chief Financial Office to identify any actions management can take to balance the PDSC’s budget.

### Budget Issues for 2021-23

Although, with this first update the PDSC is not asking for money from the Special Purpose Appropriation (“SPA”) that was established in House Bill 5030 (2021), the PDSC does anticipate a proportionate share of relief from the SPA that was established for statewide salary adjustments. The Agency will be informing the committee of proposed actions that have or will be taken for any mandated caseload adjustments, technical budget adjustments, the anticipated need for additional attorneys throughout the public defense system, and for the possibility of inflationary rate increases and other forms of relief for contracted providers.

The sections below describe the current state and the main issues for the Agency. The table below summarizes the Commission’s General Fund position by major program area. (See attachment A for the appropriation changes that will be discussed throughout this document.) Together the issues presented show that the PDSC currently has a projected General Fund need of \$76.0 million. The figures in the following charts do not include the financial set aside in the SPA established in HB 5030 for the Commission.

### General Funds

November 30, 2021	LAB	Forecast	Variance
Executive Division	3,600,361	3,232,304	(368,057)
Compliance, Audit, & Perf. Division	4,656,251	4,265,039	(391,212)
Appellate Division	24,925,503	22,400,338	(2,525,165)
Trial Criminal Division	186,458,931	222,283,304	35,824,373
Non-Routine Expenses	43,663,533	60,986,523	17,322,990
Court Mandated Expenses	15,006,403	29,915,548	14,909,145
Juvenile Division	30,577,095	41,266,551	10,689,456
Administrative Services Division	12,296,098	12,835,510	539,412
Total General Fund	321,184,175	397,185,117	76,000,942

## Executive Division

<b>General Fund</b>	<b>LAB</b>	<b>Expenditures</b>	<b>Projections</b>	<b>Forecast</b>	<b>Variance</b>
Personal Services	3,031,923	464,573	2,348,619	2,813,193	(218,730)
Services & Supplies	568,438	170,253	248,858	419,111	(149,327)
<b>Total Funds</b>	<b>3,600,361</b>	<b>634,827</b>	<b>2,597,477</b>	<b>3,232,304</b>	<b>(368,057)</b>

The Executive Division was restructured to include a deputy director, executive assistants, general counsel, government relations, and policy analysts along with the executive director position. The Division is currently projected to remain within budgetary authority. Included in this forecast are the contract costs for the Coraggio Group which has a contract with the Agency to assist the Agency with restructuring and the strategic planning efforts. The Division expects to cover a Commission approved salary adjustment with a proportionate share of relief from the SPA for statewide salary adjustments. The Agency will take the necessary management actions to remain within budgetary authority.

## Compliance, Audit and Performance Division (CAP)

<b>General Fund</b>	<b>LAB</b>	<b>Expenditures</b>	<b>Projections</b>	<b>Forecast</b>	<b>Variance</b>
Personal Services	4,176,464	491,858	3,602,780	4,094,638	(81,826)
Services & Supplies	479,787	210,030	(39,630)	170,400	(309,387)
<b>Total Funds</b>	<b>4,656,251</b>	<b>701,889</b>	<b>3,563,150</b>	<b>4,265,039</b>	<b>(391,212)</b>

The CAP Division is currently experiencing a slight savings in personal services due to the difficulty in hiring audit staff. It is currently in the recruitment process for the new Criminal Trial Chief and Juvenile Trial Chief counsel as well as supporting deputy counsel for each as funding becomes available. The Division has identified an audit professional with whom it has contracted to perform audit services. Further relief will come from a technical adjustment movement of \$200,000 of services and supplies from the Appellate Division.

There are a couple of invoices incorrectly coded in the expenditures, but they will be corrected, and the expenditures will be moved to the appropriate area. The Division expects to cover a Commission approved salary adjustment with a proportionate share of relief from the SPA that was established for statewide salary adjustments.

## Appellate Division

General Fund	LAB	Expenditures	Projections	Forecast	Variance
Personal Services	23,341,841	4,357,828	17,458,019	21,815,847	(1,525,994)
Services & Supplies	1,583,662	3,108	581,383	584,491	(999,171)
<b>Total Funds</b>	<b>24,925,503</b>	<b>4,360,936</b>	<b>18,039,402</b>	<b>22,400,338</b>	<b>(2,525,165)</b>

The Appellate Division is a mandated caseload and is currently experiencing projected vacancy savings due to the temporary assignment of one senior deputy defender in the Division's Juvenile Appellate Section to act as the interim Juvenile Chief Trial counsel in the CAP Division. There are also several senior deputy defender positions that are underfilled in the Criminal Appellate section and two in the Juvenile Appellate Section until incumbents are identified who meet the qualifications of a senior deputy defender.

In December, the Commission approved a new compensation plan for the Division's deputy defenders and senior deputy defenders to achieve parity with the Executive Branch and the Department of Justice. The Agency estimates this will cost \$42,272 which will be defrayed by other savings in the Division. A one-step adjustment will also be made to the Paralegal salary range to maintain parity with the Executive Branch's equivalent. The cost of this change is estimated to be \$13,552, which the Agency plans to cover with existing budgeted funds. The Division also expects to cover other Commission approved salary adjustments with a proportionate share of relief from the SPA that was established for statewide salary adjustments.

There are several technical adjustments that will need to be made which will transfer authority from the Appellate Division to other major program areas. First, the Division will transfer \$110,000 of service and supplies to the Administrative Services Division (ASD) which should have otherwise been in ASD's budget prior to execution. The second transfer is a movement of one million dollars of services and supplies to Court Mandated Expenses to defray the cost of transcription and deposition services in appellate matters. The last technical adjustment is a movement of \$200,000 of professional services to the CAP Division.

## Trial Criminal Division

General Fund	LAB	Expenditures	Projections	Forecast	Variance
Services & Supplies	186,458,931	46,823,405	175,459,899	222,283,304	35,824,373
<b>Total Funds</b>	<b>186,458,931</b>	<b>46,823,405</b>	<b>175,459,899</b>	<b>222,283,304</b>	<b>35,824,373</b>

The Trial Criminal Division is a mandated caseload that provides funding to contracted service providers to include non-profit public defender offices, law firms, consortia of attorneys and sole practitioners. The Division is currently presenting a shortfall of \$35 million; however, it is spending in accordance with the Commission approved contracts and their amendments. The Division has \$70,250,989 allocated in the SPA which should result in savings after the execution of the technical adjustments.

There are two technical adjustments that need to be made. The first adjustment moves \$10,602,500 of professional service dollars to Court Mandated Expenses to account for noncontract hourly trial attorney charges. The second adjustment moves \$250,000 of professional service dollars to Court Mandated Expenses to account for appellate attorney charges.

**Nonroutine Expenses Division**

<b>General Fund</b>	<b>LAB</b>	<b>Expenditures</b>	<b>Projections</b>	<b>Forecast</b>	<b>Variance</b>
Services & Supplies	43,663,533	12,494,248	48,492,275	60,986,523	17,322,990
<b>Total Funds</b>	43,663,533	12,494,248	48,492,275	60,986,523	17,322,990

The Nonroutine Expenses Division, which the agency now refers to as Case Support Services to better reflect the Division’s essential role in supporting adequate trial level representation is a mandated caseload that funds reasonable and necessary case-specific non-attorney services and is currently presenting a \$17.3 million shortfall. The Division has \$14,544,511 allocated in the SPA which may provide some relief but will not solve the current shortfall. This shortfall will continue to grow as new caseloads grow and continue to exist without resolution.

The Agency’s current policy states that work on Case Support Services (CSS) authorizations must start within two years of the authorization date of the CSS. The authorization must be billed against within two years of the last date of service on the case. This policy is creating indeterminate encumbrances that are rapidly becoming unsustainable. Currently the Division is approving authorization requests at levels that are twice the current clearing rate. For example, over the last six months the Division has issued authorizations at a rate of \$4.2 million per month while only paying out invoices at a rate of \$2.5 million per month. This means that the Division can expect future invoices in significantly greater amounts than are currently being paid out. The Agency currently has approximately \$50 million in unpaid authorizations or encumbrances which are expected to grow substantially over the term of the biennium. The Agency does not currently have sufficient funding to cover either the current shortfall or the future expenses for this Division.

The Agency is currently reviewing the Division’s policies and procedures; working to create better workflows, documentation, and processes; and developing a better understanding of the throughput associated with these elements. The delicacy of this issue must be considered as this is a mandated caseload and is a necessary element of support in the defense of indigent clients to include criminal, juvenile delinquency, juvenile dependency, termination of parental rights and other practice areas such as civil commitment, post-conviction relief and others relevant cases.



## Court Mandated Expenses Division

<b>General Fund</b>	<b>LAB</b>	<b>Expenditures</b>	<b>Projections</b>	<b>Forecast</b>	<b>Variance</b>
Services & Supplies	15,006,403	4,939,021	24,976,527	29,915,548	14,909,145
<b>Other Funds</b>					
Services & Supplies	858,362	56	3,872,239	3,872,295	3,013,933
Special Payments	3,591,305	565,441	0	565,441	(3,025,864)
<b>Total Funds</b>	<b>19,456,070</b>	<b>5,504,518</b>	<b>28,848,766</b>	<b>34,353,284</b>	<b>14,897,214</b>

The Court Mandated Expenses Division is a mandated case load that funds trial and appellate representation by attorneys who are not funded through a provider contract. These attorneys are often referred to as noncontract or hourly attorneys from the Agency's private bar list. This Division also funds routine services that are associated with representation, such as discovery or psychological evaluations, when ordered by a court. Typically, cases are assigned to the contracted providers in the jurisdiction unless there is a capacity issue or an ethical conflict, in which case the Agency locates other counsel.

The Division is currently presenting a \$14.8 million shortfall. The Division has \$5,002,135 allocated in the SPA which may provide some relief but will not solve the current shortfall. Further relief for this area will come from the technical adjustments from the Trial Criminal Division that moves \$10,602,500 of professional service dollars to Court Mandated Expenses to account for hourly trial attorney charges. The second adjustment moves \$250,000 of professional service dollars to Court Mandated Expenses to account for compensating appellate panel attorneys as necessary to handle conflict cases, and to handle overflow cases from the Juvenile Appellate Section due to its lack of capacity. More relief will also come from the technical adjustment for the Appellate Division that moves one million of professional service dollars to Court Mandated Expenses to pay for funding transcription and deposition service expenses. The anticipated relief from the SPA and the technical adjustment will resolve the current shortfall, but the shortfall will continue to grow as new caseloads increase and older cases remain unresolved.

While the Agency is working with partners, there remains a certain level of difficulty with attempting to forecast this area, as the number of future conflict cases is unknown and unknowable and capacity issues are still evolving. To further complicate things, the current Agency policy for submitting invoices for this work allows providers sixty days to bill after completion of services, unless approved for interim billing that allows a provider to submit invoices monthly and no less than quarterly. The current method of forecasting will be to continue to rely on historical payment of expenses; however, there will be a focused effort to better track the number of cases that are being sent to non-contract attorneys and any deviations to the standard rate.

Finally, one other issue in this Division lies with the other funds associated with the Application Contribution Program (ACP). The ACP revenue supports a special payment to the Oregon Judicial Department for program staff and a portion is to cover some of PDSC's court mandated expenses. Expected revenue is not materializing at the projected rate and at the current rate the Other Funds balance will run out as soon as April 2022. The Agency has prioritized the special

payment to OJD for staff and has not used any of the revenue to offset the Commission’s expenditures.

**Juvenile Division**

<b>General Fund</b>	<b>LAB</b>	<b>Expenditures</b>	<b>Projections</b>	<b>Forecast</b>	<b>Variance</b>
Services & Supplies	30,577,095	9,875,587	31,390,963	41,266,551	10,689,456
<b>Other Funds</b>					
Services & Supplies	14,000,000	0	14,000,000	14,000,000	0
<b>Total Funds</b>	<b>44,577,095</b>	<b>9,875,587</b>	<b>45,390,963</b>	<b>55,266,551</b>	<b>10,689,456</b>

The Juvenile Trial Division is not a statutorily mandated caseload but does provide trial level representation to children in delinquency cases, parents and children in dependency and termination of parental rights cases. This Division is currently spending as expected and is showing an overage of \$10.7M. The Juvenile Trial Division has \$10,192,365 in the SPA which the Division will need to request at the Emergency Board in May. This will provide some relief but will still leave the program with a projected shortfall of \$500,000, and if all things remain *status quo*, any increase in cases and expenditures over what is projected will create an urgent request for funding.

The Title IV-E funding in the Division is represented as other funds and is also projected to spend out completely. There will continue to be an application of reimbursement of General Funds to cover expenses that are eligible, and future reimbursements are or will be built into the forecasts of Court Mandated Expenses, Trial Criminal Division, Juvenile Trial Division, Juvenile Appellate Section and Case Support Services.

**Administrative Services Division**

<b>General Fund</b>	<b>LAB</b>	<b>Expenditures</b>	<b>Projections</b>	<b>Forecast</b>	<b>Variance</b>
Personal Services	7,910,418	1,549,293	7,014,564	8,563,857	653,439
Services & Supplies	4,385,680	963,313	3,301,828	4,265,141	(120,539)
Capital Outlay	0	6,513	0	6,513	6,513
<b>Total Funds</b>	<b>12,296,098</b>	<b>2,519,118</b>	<b>10,316,392</b>	<b>12,835,510</b>	<b>539,412</b>

The Administrative Services Division provides agency-wide administrative support and central services through the following sections: Administration, Budget, Accounting/Accounts Payable, Human Resources, Procurement, Facilities, and Information Services. The Division is currently presenting a \$540,000 shortfall. The division recognizes the issue and will attempt to mitigate it through management actions. The Division expects to cover Commission approved salary adjustments with a proportionate share of relief from the SPA that was established for statewide salary adjustments. Another source of relief should come from a technical adjustment that will move \$110,000 of professional service dollars from the Appellate Division.

In June 2020, the Agency expanded to three facilities and there was an increase in the scope and responsibilities of a position that was formerly classified as a Procurement Analyst 2. Human

Resources did an official audit of the position and found that the appropriate classification is a Manager 2. A permanent finance plan was never submitted to officially reclassify the position and in accordance with Agency policy once a reclassification is finalized the employee is placed at the corresponding step within the salary range of the new classification. The Agency plans to submit a permanent finance plan to officially reclassify the position. The cost for this action on a biennial basis would be approximately \$91,000. The second challenge is that during the Agency restructure a Program Analyst 1 position in the procurement section was mistakenly abolished by LFO. This position is very crucial to the work of the Case Support Services Division. The cost to reestablish this position on a biennial basis is \$230,338. The Agency requests the re-establishment of this position as a permanent FTE.

### General Fund Reversion

Public Defense Services Commission 2019-2021 GF Carry Forward Amounts		
Appn No	Title	GF Carryforward
80000	Public Defense Services Account GF	\$ 1,697.25
80001	Appellate Division GF	\$ 135,221.32
80002	Contract and Business Services GF	\$ 126,916.81
80003	Public Defense Studies GF	\$ 5,533.00
	Total GF Carry Forward into AY23	\$ 269,368.38

The Agency is expecting to have a General Fund carry forward amount of \$269,368.38. The Agency asks that this money be utilized to relieve the shortfall within the Administrative Services Division considering that the majority of the money was previously allocated to the Contract and Business Services Division, and most of the rest was allocated for Appellate Division staff which is projecting to remain within budgeted authority.

### Risks

PDSC is working diligently to continue to implement and meet the expectations outlined in HB 5030 and HB 2003. There are significant risks that are high on the Agency's radar and need to be highlighted.

- Finance and Case Management system – This is imperative to the future success of the Agency and the indigent population that it serves.
- Access databases – Currently the most important data is being housed on this platform which is outdated and subject to frequent failures. The Agency has one person dedicated to maintaining these databases and is working with OJD to migrate them to a more sustainable platform until such time that a Finance and Case Management system is deployed.
- Nonroutine Expenses/Case Support Services – The Agency is working to review the current policies and procedures to better manage this process. However, as long as the number of cases for which the Agency must provide counsel continues to grow the

liability of approved expenditures will continue to increase as will the shortfall unless additional funds are appropriated to the Agency.

- Contract Providers – The contracted providers are rapidly reaching capacity if not currently at or over capacity. The increased workload will eventually take its toll on the system and attorneys may leave causing further strain on existing capacity.
- Hourly providers – When ethical conflicts and capacity become an issue with the contracted providers, hourly providers are looked at to handle the overflow. This creates problems with the average cost per case increasing and exhaustion of hourly-provider capacity.
- Rate increases – All providers are asking for rate increases which puts further strain on all levels. Contract providers want inflationary rate increases, parity with attorneys representing the State, and additional funds for administration and investigation. The risk of not acting will create stress on the system as attorneys may leave for opportunities elsewhere.
- Appellate Panel – Panel attorneys are also requesting inflationary increases to move close to parity with state employed attorneys. The Appellate Division, especially the Juvenile Appellate Section, depends greatly on maintaining the relationship with these attorneys.

## **Conclusion**

PDSC looks forward to working with the Legislature to address the budget issues outlined in this report and any other outstanding issues to ensure that the Legislature has the information it needs to make decisions about this financial update and requests.

Public Defense Services Commission  
 2021-2023 Financial Update/February 2022  
 Session  
 APPROPRIATION AND LIMITATION  
 ADJUSTMENTS  
 ATTACHMENT A

PROGRAM	PROPOSED LEGISLATION / SECTION	APPR #	FUND TYPE	ADJUSTMENTS	REQUEST FROM SPA	NET ADJUSTMENTS
<b>Compliance. Audit and Performance Division</b>	ch. 444, sec 1 (2)	82000	General	200,000		200,000
						-
<b>Appellate Division</b>	ch. 444, sec 1 (3)	83000	General	(200,000)		(200,000)
	ch. 444, sec 1 (3)	83000	General	(1,000,000)		(1,000,000)
	ch. 444, sec 1 (3)	83000	General	(250,000)		(250,000)
	ch. 444, sec 1 (3)	83000	General	(110,000)		(110,000)
<b>Trial Criminal Division</b>	ch. 444, sec 1 (4)	84000	General	(10,602,500)		(10,602,500)
						-
<b>Court Mandate Expenses Division</b>	ch. 444, sec 1 (6)	84500	General	10,602,500		10,602,500
	ch. 444, sec 1 (6)	84500	General	1,000,000		1,000,000
	ch. 444, sec 1 (6)	84500	General	250,000		250,000
<b>Administrative Division</b>	ch. 444, sec 1 (8)	86000	General	110,000		110,000
<b>TOTALS</b>						
				-	-	-