



Legislative *Perspective*

June/July 2008

Volume 16 Issue 2

Legislative Council Holds Interim Meeting

The Legislative Council met in May for a debriefing on the 2008 legislative session, to appoint legislators to interim study committees, and to hear updates on the General Fund, the Legislative Audits Division, the Office of Performance Evaluations, reapportionment, the "Legislature Live" pilot project, the Capitol restoration and expansion project and the conversion plan for the new electronic management system, GEMS. Staff is testing the new bill drafting and information management system this summer, and GEMS is scheduled to replace the existing 30-year-old system within the next few months.

Interim Committee Appointments

Medical Education Interim Committee - SCR 135

Sen. Robert Geddes, Co-chair	Rep. Maxine Bell, Co-chair
Sen. Bart Davis	Rep. Lawrence Denney
Sen. Dean Cameron	Rep. Fred Wood
Sen. Diane Bilyeu	Rep. John Rusche

Staff: Matt Freeman, Maureen Ingram, Charmi Arregui

Property Tax Interim Committee - HCR 45

Sen. Brad Little, Co-chair	Rep. Jim Clark, Co-chair
Sen. Tim Corder	Rep. Scott Bedke
Sen. Lee Heinrich	Rep. Lynn Luker
Sen. Jim Hammond	Rep. Raúl Labrador
Sen. Jeff Siddoway	Rep. Frank Henderson
Sen. David Langhorst	Rep. Bill Killen
Sen. Elliot Werk	Rep. George Saylor

Staff: Eric Milstead, Mike Nugent, Charmi Arregui

In Memoriam

The Idaho Legislature mourns the loss of Senator Tom Gannon of Buhl, who died June 24 at the age of 62. Senator Gannon, first elected to the Senate in 2002, was the chairman of the Agriculture Committee and a member of the Education Committee. He is survived by his wife Jeanne and two sons.

General Fund Update

At \$170.3 million, May General Fund revenues were \$7.8 million below the Division of Financial Management (DFM) forecast. However, cumulative General Fund revenues through May are \$40.7 million above the DFM forecast. Taking cumulative collections into account results in an estimated ending balance for FY 2008 of \$217.6 million. Rolling that balance into FY 2009, with no compounding, leaves an estimated ending balance of \$93.6 million, or 3.2 percent of the \$2.96 billion budget.

The complete financial picture for 2008 will crystallize further in July, when the exact amount of the year-end cash balance is known. Another key piece of financial information for the overall budget picture traditionally occurs in August when DFM revises its FY 2009 forecast. Currently, the state is collecting revenues about one percentage point higher than predicted.

Staff Contact: Cathy Holland-Smith

JFAC Meets in North Idaho

The Joint Finance-Appropriations Committee held its interim meeting in North Idaho June 10 through June 12. Legislators visited the University of Idaho Research Park and the North Idaho College campus in Coeur d'Alene, stopped along U.S. Highway 95 to view the Worley to Setters GARVEE project, and toured the Benewah Medical Center in Plummer and Heyburn State Park. The trip finished in Kellogg with a tour of the Sunshine Precious Metal Refinery, a visit to the Kellogg Middle School, and an update on the Coeur d'Alene Basin Superfund site from a Department of Environmental Quality representative.



Representatives Henderson, Brackett and Bolz with Budget Analyst Matt Freeman at the Benewah Medical Center in Plummer, Idaho

JFAC Co-chair **Representative Maxine Bell** has been selected by the Council of State Governments to attend the Henry Toll Fellowship Program in Lexington, Kentucky. This prestigious leadership development program for state officials is scheduled September 27 through October 2, 2008.

Citizens' Committee Recommends Legislator Compensation Increases

The Citizens' Committee on Legislative Compensation met in Boise on June 20 to consider all aspects of legislator compensation. Committee members are Chairman Richard Jackson, Boise; "Skip" Brandt, Kooskia; Bill Daniels, Boise; Katherine Moriarty, Idaho Falls; "Bud" Yost, Nampa; and Debora Kristensen, Boise. Their recommendations for the 60th session of the Idaho Legislature include

- ▶ increasing the annual salary of legislators by five percent, from \$16,116 to \$16,921;
- ▶ increasing the unvouchered per diem allowed for legislators who maintain a second residence in Ada County during a regular session by \$12, from \$122 to \$134;
- ▶ removing the \$25 per day cap on vouchered mileage expenses for legislators who do not maintain a second residence within 50 miles of the Statehouse;
- ▶ increasing the unvouchered constituent service allowance by \$300, from \$2,200 to \$2,500; and
- ▶ permitting a vouchered mileage expense reimbursement to a maximum of \$1,000 per year for constituent-related travel within a district if travel is preapproved, occurs while the Legislature is out of session and is greater than 50 miles from the legislator's home.

The committee voted not to recommend an increase in the \$49 per diem legislative session allowance paid to legislators who do not maintain a second residence within 50 miles of the Statehouse. Also, no increase was recommended for the additional \$4,000 per year paid to the President Pro Tempore of the Senate and the Speaker of the House.

These recommendations will go into effect on December 1, 2008, and will apply for the 60th Idaho Legislature, unless legislators reject the recommendations by concurrent resolution prior to the 25th legislative day of the first regular session.

Staff Contact: Paige Alan Parker

Legislative Services Staff Update

Research and Legislation

Carol Green has announced her intention to retire in August after 22 years of service to the Legislature. Editor in the Research and Legislation Division for the past 16 years, Carol began her service as the first legislative librarian, a position she held from 1978 to 1985. Carol and her husband Steve are relocating to Coeur d'Alene to be closer to their children and granddaughter.

The editorial responsibilities have been realigned and will now be fulfilled by co-editors **Toni Hobbs** and **Jackie Gunn**. Toni, an assistant in the Research and Legislation Division since 1996, earned a bachelor's degree in secondary education from Idaho State University. Jackie earned a bachelor's degree in government from the University of Virginia and a master's degree in public administration from the University of Oklahoma. Prior to joining the Research and Legislation staff, Jackie served as a board member for Habitat for Humanity in Goldsboro, North Carolina.

The co-editors in the Research and Legislation Division will edit draft legislation and bill descriptions, coordinate the bill preparation process, prepare Session Laws for print and coordinate with the Idaho Code Commission to help ensure the accurate publication of laws.

Budget and Policy Analysis

Lisa Kauffman, an assistant in the Budget and Policy Analysis Division for nearly 10 years, resigned her position in May to become the Idaho director for the Humane Society of the United States. **Margaret Major** has been hired to fill the administrative assistant position. She was an attaché for the House Agricultural Affairs Committee during the 2008 session and served as the events coordinator for the Esther Simplot Performing Arts Center from 2006 to 2007. Margaret has also been an administrative liaison and management consultant in Saudi Arabia, working mainly in support of McDonnell Douglas Aircraft and the U.S. Air Force.

Legislative Audits

The Legislative Audits Division has recently welcomed two staff auditors.

Mark Schoenfeld has worked as an accounting intern at Rosebud Operating Services and Washington Group International and has a strong background in information technology. Mark, who graduated from Rutgers University with a bachelor's degree in economics, completed CPA coursework at Boise State University in 2007.

Kyle Wilmot is a recent graduate of Northwest Nazarene University, earning a bachelor's degree in accounting, with a minor in management. Kyle has worked as a tax specialist intern for the State Tax Commission and was also employed by Cenex Harvest States in Bruce, Washington.

Legislative Audits Division Releases Multiple Reports

The Legislative Audits Division released opinion reports for the following entities during the first six months of 2008:

- ▶ Idaho Horse Board
- ▶ DEQ Clean Water State Revolving Fund
- ▶ DEQ Drinking Water State Revolving Fund
- ▶ Payment in Lieu of Taxes (PILT)
- ▶ Southwest District Health (III)
- ▶ Bean Commission
- ▶ Alfalfa & Cloverseed Commission
- ▶ Mint Commission
- ▶ Oilseed Commission
- ▶ Pesticide Management Commission
- ▶ Idaho Bond Bank Authority

The Idaho Bond Bank Authority report has two findings: 1) Material errors existed in the financial statements due to the lack of an accounting system and accounting expertise within the Authority; and 2) Costs of salaries and fringe benefits provided by the State Treasurer's Office are not disclosed in the Authority's financial statements as required.

Legislative auditors also have completed management reports for the State Liquor Dispensary, Commission on the Arts, Idaho Transportation Department, Office of the Secretary of State, Division of Building Safety, Board of Nursing, Department of Health & Welfare, and the Department of Environmental Quality. Management reports with findings are outlined below.

Commission on the Arts: 1) The ACCESS database is not reconciled to the STARS accounting system, resulting in unsupported financial reports to the Commission's Board. 2) The high volume of expenditure adjustments and coding errors indicates the need for improved oversight and review. 3) Federal funds are drawn early in error. 4) A gift to a commissioner exceeded the limits allowed by Idaho Code.

Idaho Transportation Department: 1) The cost effectiveness and need for three state-owned aircraft should be analyzed.

Division of Building Safety: 1) Sensitive personal and financial data of customers is not properly safeguarded.

Department of Health & Welfare: 1) Medicaid eligibility data in EPICS is still not reconciled to the Medicaid Automated Information system (AIM). 2) The Medicaid program has not coordinated the efforts to recover benefit costs through the child support program as required. 3) Medicaid costs are not consistently reconciled to ensure that the appropriate federal reimbursement ratios are used. 4) Drug rebates are processed by a contractor without adequate oversight by the department. 5) Medicaid repayment agreements are inconsistently processed and not always established in the accounts receivable system. 6) CHIP-B premiums were not billed for the first 17 months of the program. 7) Records are not created in the accounts receivable system for all CHIP-B cases tested. 8) Costs for services to ineligible clients are still charged to the Child Support Grant. 9) TANF funds are improperly used for child support receipting costs. 10) Foster care training costs are incorrectly allocated to the TANF Grant.

All reports published by the Legislative Audits Division are available in their entirety on the Legislature's Web site at www.legislature.idaho.gov/audit.

Staff Contact: Don Berg

OPE Conducts Studies of the Idaho Transportation Department and the Department of Education

Transportation

In March, the Joint Legislative Oversight Committee approved a request from the Legislature for a study of the Idaho Transportation Department. House Concurrent Resolution 50 lists the areas of study, which OPE has separated into two phases.

Phase 1 will study the resolution questions and topics that can be addressed in time for the Legislature's consideration in January 2009. The topics cover management and performance, contractor selection and oversight, and outsourcing. With the approval of the Oversight Committee, a second phase would address any emerging issues from the first phase that need further analysis. Phase 2 would also include in-depth reviews of outsourced professional services and work performed in-house.

After seeking input from the Oversight Committee, legislative leadership, Senate and House Transportation Committee chairs, and other stakeholders, OPE recently finalized the scope of work for the study's first phase (see www.legislature.idaho.gov/ope/ScopeITD.pdf) and issued a request for information to potential consultants with an application deadline of July 9. OPE plans to finalize the selection of consultants by the end of July.

The Legislature appropriated \$550,000 to cover the cost of both phases of the study, including the cost of two supervisory consultants who will assist OPE in managing the entire study.

Education

OPE is working on two education studies for release in January 2009. The first, a study of the consolidation of school district services, focuses on the types of services provided by school districts and the amounts and costs of those services. The study will also focus on the feasibility of consolidating services and the potential impacts of consolidation.

The second study reviews school funding methodologies to evaluate how Idaho's approach to funding compares to the approaches taken by other states. OPE will look at the basic funding formula and selected areas of interest, such as special education and alternative schools, to identify and evaluate adequacy issues in public education funding. Specifically, OPE will study how the current funding formula allocates state moneys to school districts and, in turn, how school districts allocate funds to individual schools.

Director to Attend Fellowship Program

Rakesh Mohan has been selected by the Council of State Governments (CSG) to join 39 leaders from across the country this fall to attend the Henry Toll Fellowship Program in Lexington, Kentucky. The fellowship program is a premier leadership development opportunity for state government officials, providing tools to improve leadership skills and gain a greater understanding of the challenges of public service.

Staff Contact: Rakesh Mohan

The Office of Performance Evaluations is located in the basement of the J.R. Williams Building, Suite 10. The office number is 334-3880. Reports published by OPE are available online at www.idaho.gov/ope

New to the Legislative Library

Annual Reports

2007 Annual Report. Idaho 25 X '25 Renewable Energy Council. (333.794 I33 2007)

Annual Report of the Idaho Invasive Species Council, 2008. (333.9523 I33 2008)

Idaho Vital Statistics 2006. Idaho Department of Health and Welfare, Division of Health, Bureau of Vital Records and Health Statistics, 2008. (304.6021 I 2008)

The Prosecution of Child Sexual Abuse: Report to the Idaho Legislature. Idaho Office of the Attorney General, 2008. (364.15554 I33 2008)

Budget

Idaho Economic Forecast. Idaho Division of Financial Management. (330.9 I33 2008 vol. 1)

Idaho Fiscal Sourcebook. Idaho Legislative Services Office, Budget and Policy, 2008. (352.4979604 I 2007)

Legislative Budget Summary. Idaho Legislative Services Office, Budget and Policy, 2008. (351.7223 I FY2009)

Directories

Directory of Idaho County Elected Officials. Idaho Association of Counties, 2008. (352.0073 I 2008)

Performance Evaluations

Child Welfare Caseload Management: Second Follow-up Report. Idaho Office of Performance Evaluations, 2007. (352.439796 I 07-10F)

Governance of Information Technology and Public Safety Communications: Evaluation Report. Idaho Office of Performance Evaluations, 2008. (352.439796 I 08-01)

Management in the Department of Health and Welfare: Follow-up Report. Idaho Office of Performance Evaluations, 2007. (352.439796 I 07-10F)

School District Administration and Oversight: Second Follow-up Report. Idaho Office of Performance Evaluations, 2007. (352.439796 I 07-11F)

State Substance Abuse Treatment Efforts: Second Follow-up Report. Idaho Office of Performance Evaluations, 2008. (352.439796 I 08-02F)

Virtual School Operations: Follow-up Report. Idaho Office of Performance Evaluations, 2008. (352.439796 I 08-03F)

State Legislation

Legislative Session Summary: Sine Die Report. Legislative Services Office, 2008. (342.796 L 2008)

Subject Compilations of State Laws: an Annotated Bibliography. Cheryl Nyberg, 2007. (016.34973 N 2006-07)

Suggested State Legislation. Council of State Governments, 2008. (348 C 2008 Vol. 67)

Staff Contact: Kristin Ford

Proposed Administrative Rules

Accountancy, Board of

01.01.01 Idaho Accountancy Rules

Agriculture, Department of

02.02.14 Rules for Weights & Measures

Building Safety, Division of

07.01.05 Rules Governing Examinations - Building Safety

07.05.01 Fee Rule of the Public Works Contractors Licensing Board

Education, Board of

08.01.11 In-State Non-Accredited Institutions & Correspondence or Private Courses (Repeal)

08.01.11 Registration of Postsecondary Educational Institutions & Proprietary Schools (Rewrite)

Education, Board of and Department of

08.02.02 Rules Governing Uniformity - Recertification Coursework

Education, Department of

08.02.03 Thoroughness - Idaho Extended Content Standards

Environmental Quality, Department of

58.01.01 Air Pollution Control (Revise Sec. 200, 204 & 205)

58.01.01 Air Pollution Control (open burning/crop residue H 557)

58.01.12 Administration - Water Pollution Control Loans

Finance, Department of

12.01.10 Idaho Residential Mortgage Practices Act

Health and Welfare, Department of

16.02.02 ID Emergency Medical Services Physician Commission

16.02.08 Vital Statistics Rules

16.03.03 Rules Governing Child Support Services

16.03.04 Rules Governing the Food Stamp Program in Idaho

16.03.08 Temporary Assistance for Families in IDAHO (TAFI)

16.05.06 Criminal History & Background Checks (Fee Rule)

16.06.12 Rules Governing the Idaho Child Care Program /ICCP

Idaho State Police

11.11.05 Idaho Peace Officer Standards & Training Council

Industrial Commission

17.02.04 Workers' Compensation Law - Benefits

17.02.08 Miscellaneous Provisions

Insurance, Department of

18.01.29 Restrictions on Discretionary Clauses & Maximum Benefit Limits in Health Insurance Contracts

18.01.62 Annual Audited Financial Reports

Occupational Licenses, Bureau of

24.02.01 Rules of the Board of Barber Examiners

24.18.01 Rules of the Real Estate Appraiser Board

Potato Commission of Idaho

29.01.02 Tax Payment & Use of Certification Marks, Trademarks

Tax Commission, State

35.01.03 Idaho Property Tax Administrative Rules

Veterans Services, Division of

21.01.04 Rules Governing the Idaho State Veterans Cemetery

Staff Contact: Charmi Arregui

Relocation Project Update

The Capitol restoration and expansion project has been underway for just over one year. It continues on schedule and within budget, with completion expected in November 2009, just in time for the 2010 legislative session. The success of the project thus far can be attributed to the team involved — the Division of Public Works coordinating with Lemley-3DI of Boise to manage the project; the lead architect, CSHQA Architecture & Engineering of Boise; McAlvain Construction, also of Boise, who is responsible for the core and shell of the wings; and Jacobsen-Hunt Joint Venture of Salt Lake City, the construction manager at risk overseeing all construction-related components.

Construction continues at a steady pace, with approximately 160 laborers working five days a week to complete the renovation and expansion. The framing, insulation and drywall, along with mechanical, electrical and plumbing infrastructure are being installed. Most of the new construction on the third and fourth floors of the Capitol is now complete, and steel studs are going up in portions of the first and second floors as well.

The scagliola work on the House, Senate and rotunda columns is almost complete. The scagliola contractor, EverGreene Painting Studios, is also doing the extensive plaster work throughout the building. Another exciting milestone of this project was reached with cutting of the foundation wall between the Capitol proper and the wings to open up and connect the new wings with the 100-year-old building. With this connection complete, the roof of the wings will be covered with concrete, steel beams and metal, plus a water protective membrane, geofoam insulation and, finally, 18 inches of dirt. The tenant improvements in this space will begin in September of this year. This includes placement of internal conduit, structural walls, drywall, ceilings and finish work.

Tours of the construction in progress will be available throughout the summer. Please contact Robyn Lockett at 334-4855 if you'd like to schedule a tour.

Staff Contact: Robyn Lockett

Legislative Perspective

An Internet Newsletter —

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