

Minutes of the Joint Legislative Oversight Committee  
February 23, 2009  
East Conference Room, JR Williams Building  
Boise, Idaho

Co-chair Senator Elliot Werk called the meeting to order at 4:07 p.m. Attending the meeting were Senators John McGee, Jim Hammond, and Dick Sagness (substituting for Edgar Malepeai during session), and Representatives Maxine Bell, Donna Boe, and Shirley Ringo. Representative Cliff Bayer was excused from the meeting. Also present were Rakesh Mohan, Director, Margaret Campbell, Administrative Coordinator, and other OPE staff.

Co-chair Werk welcomed Senator Hammond as a new member of the committee. The co-chair acknowledged the following individuals in the audience:

Senators John Goedde and Bert Brackett  
Representative Marc Gibbs  
Donna Jones, State Controller  
Tom Luna, Superintendent of Public Instruction

Other attendees included

Office of the Governor: Dustin Kuck  
Office of the State Controller: Dan Goichoechea  
Board of Education: Mark Browning  
Department of Education: Jason Hancock  
Department of Health and Welfare: Richard Armstrong, Director  
Idaho Education Association: Robin Nettinga  
Idaho School Boards Association: Karen Echeverria

**MINUTES FROM 1/19/09 MEETING**

**Senator McGee moved to approve the minutes from the January 19, 2009, meeting. Senator Hammond seconded the motion, and it passed unanimously by voice vote from the seven members present.**

**REPORT RELEASE: *FEASIBILITY OF SCHOOL DISTRICT SERVICES CONSOLIDATION***

**Representative Boe moved to receive the report *Feasibility of School District Services Consolidation*. Senator Sagness seconded the motion, and it passed unanimously by voice vote from the seven members present.**

Mr. Mohan thanked the legislative division of Budget and Policy Analysis, the Department of Education, the Board of Education, and particularly school district superintendents, business managers, and principals for their assistance during the study. He said the broad, initial request for services consolidation was narrowly scoped by excluding instructional staff, administration, and school boards from analyses. Because any consolidation is political, he said OPE managed the study by asking stakeholders for their input on which services were feasible to consolidate.

Mr. Mohan introduced the study team: Principal Performance Evaluator Amy Lorenzo (team lead) and Performance Evaluators Jennifer Etter Hill and Jared Tatro, and consultants Dr. Kathleen Sullivan and Dr. Tedd McDonald. The team summarized the findings of the report with Ms. Lorenzo concluding that consolidation of services would most benefit small school districts; however, even consolidation of services may not provide significant state savings overall. For potentially greater savings, she suggested the committee consider a study of administration salaries, which may lead to a discussion of consolidating administrations or districts.

*(Senator McGee was excused from the meeting.)*

Co-chair Werk called on Tom Luna, Superintendent of Public Instruction, to comment on the report. Mr. Luna said the findings and recommendations were a good start in identifying additional cost savings. He recommended incentives for those districts that found ways to reduce transportation costs while maintaining safety. Incentives would encourage creativity and innovation in district use of transportation dollars.

Mr. Luna said the funding of regional service agencies could possibly create another level of bureaucracy in education and suggested careful study of whether service agencies would generate enough savings to be cost-efficient.

Mr. Luna said consolidation studies generally come from perceptions that the state is spending too many dollars outside the classroom and that consolidating would create a financial savings. He suggested the Legislature consider another approach—directing the department, the board, and others to develop a plan for the 2011 budget that reduces administrative costs in education by ten percent. He said that while he assumed this plan would have some level of consolidation, it would generate ideas and debate for running the management of education more efficiently.

Co-chair Werk called on Dustin Kuck, Constituent Services Representative from the Office of the Governor, to comment on the report. Mr. Kuck said Governor Otter saw potential in consolidating services in areas of professional development and the purchasing of supplies. He said the Governor asked for the support of the Legislature, the Board of Education, the Department of Education, superintendents, and principals to join him in those efforts.

Co-chair Werk called on Mark Browning, Chief Communications and Legislative Affairs Officer of the State Board of Education, to comment on the report. Mr. Browning said the board was committed to work on reducing education costs.

Representative Ringo, referring to exhibits 3.2 and 4.3 of the report, asked OPE to provide the employee counts for each district category.

Representative Bell said she was disappointed with the survey response rate of district superintendents, principals, and business managers, as well as the increase in pupil transportation expenses beyond the rate of inflation. Addressing the response rate, Dr. McDonald said that even though 35 percent was low for OPE, it was good compared with the average five percent response rate in marketing. Mr. Mohan indicated that OPE had more control at the state level than the local level for increasing response rates. Also, districts might have been tired of

responding to many OPE data requests. This study was the ninth OPE public education study in the past six years.

Mr. Tatro, addressing transportation expenses, said the funding cap provided savings to the state from 2004 to 2007. Expenses beyond the rate of inflation could come from the increased cost of buses or safety features.

**Representative Bell moved to send the report, with a cover letter from the co-chairs, to the Senate and House Education Committee chairs and the Superintendent of Public Instruction with the hope they will take some action on the report. Senator Hammond seconded the motion, and it unanimously passed by voice vote from the six members present.**

Mr. Mohan said the report had already been provided to the Education Committee chairs and the superintendent—OPE would send a letter from the co-chairs expressing JLOC intent. Also, OPE would be summarizing the report to the Senate Education Committee the following day.

**FOLLOW-UP REPORT RELEASE: *USE OF AVERAGE DAILY ATTENDANCE IN PUBLIC EDUCATION FUNDING***

**Representative Boe moved to receive the follow-up report on average daily attendance. Senator Sagness seconded the motion, and it unanimously passed by voice vote from the six members present.**

Maureen Shea, Performance Evaluator, assessed the progress of the Board of Education and the Department of Education to implement recommendations from the report.

Representative Bell said the report had been released two years ago, yet many recommendations had only been partially implemented or not implemented at all. She expressed her disappointment with agency progress. Representative Boe said she was disappointed too. She pointed out that board staff had undergone changes in the last two years and asked for the board to respond.

Co-chair Werk called on Mark Browning to respond. Mr. Browning said he did not have answers for why recommendations had not been implemented—possibly a reflection on numerous staffing challenges.

Mr. Mohan suggested a letter asking the Education Committee Chairs to work with the board and the department to implement recommendations. OPE could then follow up in one year. Senator Sagness said he supported a letter, and Representative Bell said, after the board's response today, she was sure recommendations would be implemented.

**Senator Hammond moved to send a letter to the Board of Education and the chairs of the Education Committees. Senator Sagness seconded the motion, and it unanimously passed by voice vote from the six members present.**

### **THIRD FOLLOW-UP REPORT RELEASE: *SCHOOL DISTRICT ADMINISTRATION AND OVERSIGHT***

**Senator Sagness moved to receive the follow-up report of administration and oversight. Senator Hammond seconded the motion, and it unanimously passed by voice vote from the six members present.**

Jared Tatro, Performance Evaluator, assessed the progress of the Department of Education to implement recommendations from the report. Representative Ringo commented that she was *not* disappointed in the progress of the department. Mr. Mohan urged JLOC to close the report. He said the only open recommendation, which was directed to the Legislature, was a study on health insurance.

**Representative Ringo moved to close the administration and oversight report. Representative Bell seconded the motion.**

In support of the motion, Senator Hammond said the Health Care Task Force was studying health insurance.

**After a question from Co-chair Werk, Representative Ringo amended her motion to include sending a letter from the co-chairs to the Health Care Task Force. Representative Bell agreed, and the motion to close the administration and oversight report unanimously passed by voice vote from the six members present.**

### **THIRD FOLLOW-UP REPORT: *CHILD WELFARE CASELOAD MANAGEMENT***

**Representative Boe moved to receive the follow-up report of caseload management. Representative Bell seconded the motion, and it unanimously passed by voice vote from the six members present.**

Co-chair Werk recognized Hannah Crumrine, Performance Evaluator, who had recently been promoted after an internship with OPE. Ms. Crumrine assessed the progress of the Department of Health and Welfare to implement recommendations from the report.

Senator Sagness asked for the meaning of “in process” and “addressed” in the implementation status of the report. Ms. Crumrine said “in process” acknowledged agency efforts to begin implementation; “addressed” indicated OPE approval with the agency’s alternative method for dealing with a report finding.

Co-chair Werk recognized Health and Welfare Director Richard Armstrong in the audience.

Mr. Mohan urged JLOC to close the report. He said only one recommendation on caseload analysis remained open. If the department needed funds for additional caseworkers in the future, OPE would suggest the department conduct a workload analysis to demonstrate need before requesting the positions.

**Representative Boe moved to close the caseload management report. Representative Bell seconded the motion, and it unanimously passed by voice vote from the six members present.**

*(Representative Bell was excused from the meeting.)*

**THIRD FOLLOW-UP REPORT RELEASE: *PUBLIC EDUCATION TECHNOLOGY INITIATIVES***

**Senator Hammond moved to receive the report. Representative Boe seconded the motion, and it unanimously passed by voice vote from the five members present.**

Mr. Mohan said that Senate Bill 1019, currently under legislative consideration, established the public school technology grant program in the Department of Education. He suggested closing the report and emphasized that recommendations were relevant for department consideration when implementing the program.

**Senator Sagness moved to close the technology initiative report and have the co-chairs send a letter to the Department of Education suggesting its review of the report's recommendations. Senator Hammond seconded the motion, and it unanimously passed by voice vote from the five members present.**

At its next meeting, Co-chair Werk announced that JLOC would select new studies for OPE to conduct in the coming year. He encouraged members to consider which topics to pursue.

The committee adjourned at 5:50 p.m.