

Minutes of the Joint Legislative Oversight Committee
February 27, 2012
Capitol Auditorium
Boise, Idaho

Co-chair Senator Elliot Werk called the meeting to order at 4:35 p.m. Attending the meeting were Senators Jim Hammond, Dean Mortimer, and Michelle Stennett, and Representatives Maxine Bell and Shirley Ringo. Also present were Rakesh Mohan, director, Margaret Campbell, administrative coordinator, and other OPE staff.

Co-chair Werk welcomed the audience, including:
Senators Shawn Keough, Tim Corder, and Dan Johnson
Representatives Wendy Jaquet, John Rusche, Christy Perry
Brent Reinke, director, Department of Correction
Brandon Woolf, chief of staff, Office of the State Controller
Sam Haws, administrator, Commission on Aging

APPROVAL OF FEBRUARY 13, 2012, MINUTES

Senator Hammond moved to approve the minutes of the February 13, 2012, meeting. Representative Ringo seconded the motion, and it passed unanimously by voice vote.

FOLLOW-UP REPORT RELEASE: *OPERATIONAL EFFICIENCIES IN IDAHO'S PRISON SYSTEM*

Representative Ringo moved to receive the follow-up report *Operational Efficiencies in Idaho's Prison System*. Senator Stennett seconded the motion, and it passed unanimously by voice vote.

Mr. Mohan said the committee released an operations efficiency report in 2010. Because the economy had not been strong enough to support the recommendations, he had waited two years to conduct a follow-up report. Lance McCleve and Maureen Brewer, senior evaluators, summarized the follow-up report and answered questions.

Mr. McCleve said that policymakers needed a plan for added capacity to house the state's growing prison population and a plan to modernize Idaho's prison infrastructure as bed spaces were added. The initial review in 2010 ranked the efficiency of each of the state-operated prisons and all of the housing units within each prison, identifying several replacement options that would save the state money in the long term. The replacement options were increasingly important because estimates of the Department of Correction indicated that the state would be short 588 beds in 2012 and more than 1,200 beds by 2015.

Mr. McCleve said policymakers should begin a long-term planning process that will replace inefficient, poorly designed housing units and will support staffing standards. Adherence to staffing standards will improve the Department of Correction's ability to cost-effectively maintain safety and security. Although the Department of Correction had updated its staffing

plans, it did not have enough staff to continuously observe all inmates in all housing units and lacked funding to acquire more staff. Mr. McCleve said the department could better provide continuous observation in modernized housing units.

In response to Senator Stennett's question about the shift relief factor tool, Ms. Brewer said the tool calculated how many staff were needed to fill mandatory positions. When the initial evaluation was conducted, the department had furloughed staff to control for a shortage in funding; however, the furloughs had caused overtime and staff had accrued compensatory time.

Senator Mortimer asked the evaluators to explain the cost-benefit analysis. Mr. McCleve said the analysis of the initial evaluation compared costs to update prison facilities with costs to build new.

Representative Bell said the director of Correction was in a difficult situation that required extreme measures and good management. She agreed that the facilities were outdated but did not know how the state would find money to begin the planning process. She said she hoped the state would be in a position at another time to plan, but she did not see a way forward at this time.

Co-chair Werk said he was concerned about the projected inmate growth and the strain on the department. He said a follow-up review may be valuable to the Legislature if the review occurred when economic conditions had changed. Senator Hammond indicated that the committee had looked at efficiency and effectiveness and said that additional follow-up would move the committee into policy, which was the responsibility of the germane committees. Mr. Mohan said that OPE could not do much in terms of follow-up. Because upgrading and modernizing prisons was a policy issue, he recommended that JLOC close the report.

Co-chair Werk asked Brent Reinke, director, Department of Correction, to comment. Mr. Reinke said that the department was regularly reporting growth and staffing to other committees but would be happy to also report to JLOC. He said facilities needed to be replaced sometime in the future, and the department would take full advantage of staffing models with the design of new facilities.

Representative Elaine Smith joined the meeting in progress.

Representative Ringo moved to close the report on operational efficiencies in the prison system. Representative Bell seconded the motion, and it passed unanimously by voice vote.

REPORT RELEASE: *ESTABLISHING AN EFFICIENCY COMMISSION*

Representative Ringo moved to receive the report *Establishing an Efficiency Commission*. Senator Stennett seconded the motion, and it passed unanimously by voice vote.

Mr. Mohan said the report was informational and did not require an agency response. He thanked the Division of Financial Management, members of the Governor's 2020 Blue Ribbon Task Force, and staff at the Department of Labor for their input. Hannah Crumrine, senior evaluator, summarized the findings.

An efficiency commission was one tool for finding ways to improve state government operations and identify cost savings. The report identified six elements of a successful commission and discussed Idaho's most recent effort to restructure government—former Governor Kempthorne's 2020 Blue Ribbon Task Force, established in 2002. Ms. Crumrine noted that many of the task force's unimplemented recommendations could still be relevant and suggested that policymakers reassess the recommendations before deciding whether a new commission is needed. If a new commission is needed, policymakers should apply the six elements to commission development. Mr. Mohan said that a follow-up by OPE was not needed.

Senator Stennett moved to close the report on efficiency commissions. Senator Mortimer seconded the motion, and it passed unanimously by voice vote.

FOLLOW-UP REPORT RELEASE: *COORDINATION AND DELIVERY OF SENIOR SERVICES IN IDAHO*

Representative Bell moved to receive the follow-up report *Coordination and Delivery of Senior Services in Idaho*. Representative Ringo seconded the motion, and it passed unanimously by voice vote.

Representative Cliff Bayer joined the meeting in progress.

Mr. Mohan said the initial report had been released a year ago with 11 recommendations. He thanked the Commission on Aging and the six area agencies for their help in providing information. He noted that the agencies were working together to implement the recommendations. Bryon Welch, senior evaluator, summarized the findings.

Many of the recommendations were in progress primarily because half of the staff at the commission were new this year. The commission and the six area agencies have taken preliminary steps to implement several issues, and the area agencies have continued to standardize reimbursement rates. Two regions had standardized rates before the initial evaluation occurred, and since that time, the remaining four area agencies on aging have either standardized rates or have reduced the level of variation for contracted providers. Additional work was needed on a statewide level to keep senior centers—the primary local access point for senior accessing nutrition programs—relevant and vibrant as Idaho's aging population continued to grow.

Representative Bell said a new director was restructuring the commission and agreed with Mr. Welch that the commission needed more time to implement recommendations. She suggested following up with the commission in eight months.

Co-chair Werk called on Sam Haws, administrator, Commission on Aging, to address the committee. Ms. Haws said she had been appointed administrator in July 2011 and was still plowing away with the help of her capable staff. Implementing the recommendations was a big task and she needed time. She thanked Mr. Welch for being easy to communicate and work with.

Senator Hammond moved to conduct a follow-up report in 8–9 months. Senator Mortimer seconded the motion, and it passed unanimously by voice vote.

TOPIC SELECTION

Co-chair Werk said the committee was selecting topics because OPE had released all of its assignments and needed new work. He suggested assigning a partial workload in the event other topics come up at a future meeting. Mr. Mohan said that a few teams were ready to start new projects, and he would like one or two projects assigned today. He reviewed 8 requests for evaluation:

- **Best practices for state contract management**—best practices could help the state develop a strong framework for contract development and management as well as vendor management, particularly since the state may be contracting soon for projects such as K–12 technology, Medicaid managed care, and health insurance exchange for Medicaid readiness. The study was requested by Representatives John Rusche, Fred Wood, and Jeff Thompson.
- **Analysis and comparison of Idaho’s tax rates with other states**—an independent, objective comparison would help the Senate Local Government Committee determine whether Idaho companies can compete with other states. The study was requested by Senator Tim Corder, on behalf of the Senate Local Government Committee. Representative Ringo and Senator Werk asked questions about an analysis of Idaho’s tax rates. Mr. Mohan said that evaluators would likely develop a checklist that policymakers could use when comparing taxes for Idaho and other states since taxes and tax rates vary among states.
- **State employee compensation models and employment barriers**—the state had lost a number of positions and a number of employees in the past four years. Some employees had left for higher paying jobs in the private sector. A study could help the state retain employees. The study was requested by budget committee members Senator Joyce Broadsword and Representatives Marv Hagedorn, Wendy Jaquet, and Shirley Ringo
- **Impact of EPA’s control and oversight of DEQ water programs**—a study could identify impacts to state sovereignty and control of its water resources, as well as the fiscal impacts and burdens on Idaho businesses and citizens. The study was requested by Speaker Lawrence Denney, Senators Monty Pearce and Jeff Siddoway, and Representatives Dell Raybould and Ken Andrus. Co-chair Werk noted that a senate concurrent resolution for the Legislative Council to study one water program, the National Pollutant Discharge Elimination System permitting process, was being considered by the Legislature.
- **Legislative oversight and coordination of state-funded technology infrastructure**—a study could determine whether the Legislature has appropriate oversight and whether planning and coordination exist to prevent duplicate efforts and ensure all areas of the state have access to the technology structure. The study was requested by Senate budget committee vice chair Senator Shawn Keough.
- **State law and policy comparisons for traditional and charter public schools**—a study could look at the differences and outcomes in statute, funding of facilities, and auditing

standards between traditional schools and charter schools. The study was requested by Senate budget committee vice chair Senator Shawn Keough.

- **Teacher recruitment, attrition, and retention in the state’s K–12 public schools**—a study could identify challenges and opportunities for recruitment and project future needs for educators. The study was requested by Senator John Goedde, on behalf of the Senate Education Committee.
- **Foster care program of the Department of Health and Welfare**—a study would look at the policies and procedures for placing children into and removing them from foster care. The study was requested by Representatives Mike Moyle and Christy Perry. Co-chair Werk noted that the foster care program was a substantial request and asked for background information to define the problems.

Senator Mortimer said that legislators had requested great topics. Because OPE staff needed work, he suggested selecting one or two evaluations and then come back to the next meeting to consider more.

Co-chair Werk called on requestors of the topics to address the committee.

Best practices for state contract management—Representative John Rusche said the state had recurrent problems with contracts. Agencies had put together contract requirements without skills or expertise. The Department of Administration had oversight for the contracts, but its authority was to ensure all the legal forms were followed. Several large contracts would be decided in the next few months and an evaluation could identify practices that could save the state millions in lost resources from poorly managed contracts.

State employee compensation models and employment barriers—Representative Wendy Jaquet said executive branch agencies were frustrated about turnover, particularly for high tech positions. Given the analytical capability of OPE, staff could suggest how the state could bring employee pay up to 80 percent or more of the Hay Group method and project costs to the state for each percentage. Representative Ringo added that the state was under statutory requirements for pay and a study could provide the Legislature with strategic ideas and structure for discussion.

Legislative oversight and coordination of state-funded technology infrastructure—Senator Shawn Keough said Idaho had state agencies, councils, and task forces working on the state’s technology infrastructure. Some areas of the state either did not have high speed Internet/broadband service or had duplicate services that have not been coordinated. She asked whether the Legislature had appropriate oversight given the amount of tax dollars being spent on the initiatives.

State law and policy comparisons for traditional and charter public schools—Senator Shawn Keough said the charter school bill was a good bill when she voted for it several years ago. She said that enough time had passed to look at the innovation and successes of charters that could be measured and applied to traditional schools. In response to a committee question,

Senator Keough said that the charter school request was a higher priority than the state-funded technology infrastructure.

Foster care program of the Department of Health and Welfare—Representative Christy Perry said she had been a foster parent and had some frustrating experiences with department procedures. With so much money going into removing children from their homes, she wanted to know the outcomes and whether rules were being followed.

Co-chair Werk thanked the requestors and told them that if their request was not selected today, it would be carried forward to the next meeting for consideration.

Senator Hammond suggested that instead of making a decision today, OPE could provide the committee with ballots to rank the requests, and the committee could come back and select topics using the ranking as a guide. Representative Bayer said he was concerned about a lack of time in today's meeting to appropriately consider the requests. He also said there were more requests that would be submitted to the committee and he did not want to cut the time short for those requestors.

Senator Hammond said a study about impacts of EPA's control and oversight of DEQ water programs duplicated SCR116 and should not be a high priority.

Co-chair Werk asked OPE to provide a ballot to committee members. He suggested setting aside 2 hours for topic selection at the next meeting.

The meeting adjourned at 6:00 p.m.

John Rusche
DISTRICT 7
Nez Perce County

HOME ADDRESS
1405 27th Avenue
Lewiston, Idaho 83501

HOME (208) 743-1339
jrusche@house.idaho.gov



COMMITTEES

Revenue and Taxation

Health & Welfare

Business

House of Representatives State of Idaho Minority Leader

February 8, 2012

Senator Elliot Werk
Representative Cliff Bayer
Chairmen, Joint Legislative Oversight Committee

Dear Chairmen Bayer and Werk,

Over the last several years the State of Idaho has participated in several large IT contract that have not gone smoothly. The Molina Claims project is, perhaps, a poster child for how a series of planning and contract management errors can end up costing the State and her citizens significantly in time, money and reputation.

In my investigation of this and other error prone projects (longitudinal data system, etc), it appears that we lack a framework for contract development and management and for vendor management around these big projects.

We know that more big projects are in the wings—ICD-10 Diagnosis coding of claims for H&W, health insurance exchange/Medicaid readiness, k-12 technology build out, Medicaid Managed care, and likely others we have yet to see as we recover from the recession.

An evaluation of Idaho's contracting process could examine existing criteria, identify the best-practice contracting principles, and compare that information against current practices in Idaho. An evaluation could assess whether agencies are following the guidelines set forth by the Division of Purchasing and whether more specific policies may be necessary to ensure consistency among agencies.

Some of the questions OPE could investigate include the following:

- What are the existing best practices in terms of developing, awarding, and managing state contracts? Are there best practices that account for the size of the contracting agency or the dollar amount of the contract?
- How well is Idaho applying these best practices?
- Are there policies that could be created or expanded to improve the management of state contracts and protect the state's interests throughout the contracting process?
- What changes, if any, to Idaho Code or Administrative Code could improve the contracting process in Idaho?

February 8, 2012

Page 2

As we move forward, the State of Idaho will continue to have projects and programs involving contract development and management. Developing a more formalized framework of contract requirements that are built around best practices will serve the state, agencies, vendors, and citizens well. JLOC and OPE can help clarify the need and opportunities for developing such a framework.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "John Rusche", with a long horizontal flourish extending to the right.

Representative John Rusche

A handwritten signature in blue ink, appearing to read "Fred Wood", with a long horizontal flourish extending to the right.

Representative Fred Wood

A handwritten signature in black ink, appearing to read "Jeff Thompson", with a long horizontal flourish extending to the right.

Representative Jeff Thompson

24-Hour Review Requested by Representative John Rusche

Best Practices for Managing State Contracts

Prepared by Amy Lorenzo

Effective contract management relies on clearly defined expectations, on the part of the state and the vendor. These expectations begin as soon as the state or agency identifies a need for goods or services and does not end until the contract closes. Throughout the contract process, the state must have the capacity to not only articulate clear and meaningful deliverables, but also evaluate the quality of product submitted by the vendor.

In the past few years, Idaho has entered into large-scale contracts with mixed results. For example, in 2004, the J. A. and Kathryn Albertson Foundation terminated its partnership with the state to build the Idaho Student Information Management System (ISIMS) because the project lacked clearly defined roles and responsibilities and did not adequately consider the end-user needs.¹ Most recently, the contract between the Idaho Department of Health and Welfare and Molina Healthcare, Inc. resulted in months of delays and costs to the state in dollars and resources.² Legislators have expressed concerns that Idaho does not have a sufficient infrastructure to protect the state's best interests throughout the duration of a contract.

Identifying Best Practices

Challenges with effective contract management are not unique to Idaho. A report released by the Minnesota Legislative Auditor in 2003 outlined 18 principles for state agencies as they issue contracts for professional and technical services.³ As shown on the next page, the principles follow the contracting process from initial development to completion. In addition, the principles highlight clear communication among the agency, the vendor, and the state.

¹ Idaho Legislature, Office of Performance Evaluations, *Idaho Student Management Information System—Lessons for Future Technology Projects* (August 2006).

² Idaho Legislature, Office of Performance Evaluations, *Delays in Medicaid Claims Processing*, (March 2011).

³ Minnesota Office of Legislative Auditor, *Professional/Technical Contracting* (January 2003).

Contracting Principles for State Agencies

Assessing the Need for a Contract

1. Identify what services are needed
2. Determine why the services are needed and how they will benefit the agency and state
3. Consider a range of alternatives to determine how the needed services can best be provided

Selecting a Contractor

4. Develop criteria to objectively evaluate how well potential contractors can meet the needs of the agency and state
5. Select the “best value” for the state
6. Ensure that there is no employee or organizational conflict of interest

Writing a Contract

7. Clearly define roles, responsibilities, and performance expectations of the contractor and agency staff
8. Identify a variety of tools to monitor contract and contractor performance
9. Link payment to the satisfactory completion of specific contract tasks or services, which should be spread throughout the life of the contract
10. Address the extent to which the state owns the final product

Executing a Contract

11. Obtain all necessary signatures on the contract before work begins
12. Ensure that funds are available before work begins

Monitoring a Contract

13. Maintain expertise within the agency to effectively manage contractors
14. Periodically evaluate the progress of the contract and determine whether it is wise to continue
15. Follow up on results of monitoring reviews, audits, and investigations

Closing a Contract

16. Ensure that all deliverables are satisfactorily completed before making final payment
17. Evaluate the contractor's performance and make written evaluations available for other state agencies
18. Use the final work product as intended

In addition to the study completed in Minnesota, we reviewed studies in Colorado and Texas that focused on contract management and oversight. We found that each of these states had encountered problems in effectively managing state contracts and ensuring those contracts complied with state guidelines. In Colorado, for example, evaluators found that agencies were not consistent in using performance measures to evaluate deliverables. Evaluators provided recommendations to strengthen oversight, improve communication, and require the contract deliverables were properly reviewed and approved before payment was made to vendors.

Understanding Contracting in Idaho

In our review of Idaho Code and Administrative Code, we found that statute provides a general description of the Department of Administration's Division of Purchasing and the contracting process.⁴ Idaho Administrative Code provides more detailed information on contract requirements, **yet allows for a significant amount of flexibility within the development and subsequent award of contracts.**⁵ **Further, we were unable to find specific requirements for how or when contracts should be monitored and enforced once awarded or whether agency size or contract amount impacts how the contract is managed.**⁶

The Division of Purchasing has guidelines for agencies in the development and administration of contracts, but the responsibility of development and administration ultimately lies with the agency. For example, rather than require agencies to work with the division early in the development process, **guidelines say the agencies are invited to involve the division.** The guidelines also outline some of the requirements for the evaluation team that reviews proposals but notes, "the larger the team, the longer it will take to finish the evaluation process." While not explicit, this guideline appears to suggest that smaller evaluation teams are a preferable choice.

The division is responsible for releasing payments to vendors once a contract is awarded, but it plays a limited role in ensuring contract deliverables align with the terms of the contract or meet the expectations of the agency. According to the division, **"the agency has full responsibility to manage the contract from cradle to grave, including contract compliance issues, change orders (modifications, amendments, renewals, extensions, assignments, notations, etc.),**

⁴ IDAHO CODE §67-57.

⁵ IDAHO ADMIN. CODE, IDAPA 38.05.01.

⁶ Contracts in excess of \$100,000 are generally subject to a sealed bidding process. IDAPA 38.05.01 does not provide additional guidance for larger contracts.

handling disputes, cure notices, liquidated damages, and, if necessary, contract cancellation.”⁷

Improving the Contracting Process

Given the contract issues we found in our recent study of delays in Medicaid claims processing, agencies may not always have the expertise or capacity to properly fulfill their role in developing, awarding, and managing contracts—particularly when the terms of the contract fall short. In light of available data, such as studies in other states and best practices, significant information exists to better determine how Idaho could make improvements to its contracting process.

An evaluation of Idaho’s contracting process could examine existing criteria, particularly the contracting principles outlined in the Minnesota study, and compare that information with the *current practices* in Idaho. An evaluation could assess whether agencies are following the guidelines set forth by the Division of Purchasing and whether more specific policies may be necessary to ensure consistency among agencies.

Evaluators could also review existing statute and administrative rules for ways to clarify roles and responsibilities, strengthen the oversight function of agencies, and reduce the expenses associated with missed deadlines, insufficient deliverables, and a lack of expertise in identifying issues before they significantly affect outcomes.

In requesting an evaluation, legislators may wish to consider the following questions:

1. What are the existing best practices for developing, awarding, and managing state contracts? Are there best practices that account for the size of the contracting agency or the dollar amount of the contract?
2. How well is Idaho applying these best practices?
3. Are there policies that could be created or expanded to improve the management of state contracts and protect the state’s interests throughout the contracting process?
4. What changes, if any, to Idaho Code or Administrative Code could improve the contracting process in Idaho?

⁷ Division of Purchasing, Contract Administration, *Guide to Roles and Responsibilities*.



Idaho State Senate

State Capitol
P.O. Box 83720
Boise, Idaho 83720-0081

February 22, 2012

Senator Werk
Representative Bayer
Co-Chairman, JLOC

Dear Sirs:

The Senate Local Government would like to request an evaluation of the tax rates in Idaho as compared to other states. There are national relative comparisons among states, but none using a weighted quantitative analysis.

There are many organizations that come before the committee saying that a particular tax is higher in Idaho than in another state, and thus Idaho companies cannot be competitive. However, with no independent and objective comparison available of the overall tax structure of Idaho in relation to other states, it is unfair to measure one specific tax between states. The committee would like to see what best practices are available to policymakers in other states.

This request would be of ongoing use not only for those who are on the committee today, but in years to come in order to make more informed and quantitative decisions related to tax policy.

The committee would like to have this completed by October of 2012.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Corder", written over a horizontal line.

Senator Tim Corder



House of Representatives State of Idaho

February 22, 2012

Representative Cliff Bayer
Senator Elliott Werk
Joint Legislative Oversight Committee

Dear Representative Bayer and Senator Werk:

We have heard concerns about employee compensation and turnover from executive agency directors this session. As a result we are interested in requesting that the Office of Performance Evaluation evaluate the following issues:

Where are we with regard to policy? We use the Hay Profile method in combination with market data. Due to funding constraints, we have been unable to follow this. A chart indicating comparison ratios to the private sector for FY 2010 and FY2011 is attached.

What kind of actions, possibly phased in, could the legislature take for agencies under 80% to reach 80% of policy? 90% of policy? Please consider breaking out dedicated from general fund agencies.

What would be the costs to reach these two benchmarks?

The concerns that have captured our attention are as follows:

- a. High turnover in most agencies or "churn"
- b. Employees leaving for higher pay
- c. Loss of technical skills for key agencies such as DEQ, ITD, Finance, PUC

In addition we are interested in the following:

Are there barriers, statutory, regulatory or other, that you can identify that are preventing the state from moving employees through the system?

Would you evaluate different options to policy makers for compensation models including but not inclusively, merit increases, across the board raises, targeting highly competitive positions with salary increases. Should the CEC Committee that recommended pay be reinstated?

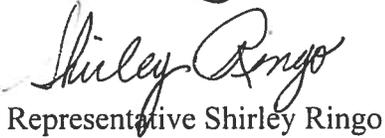
Finally, could you produce a report that accurately reflects the number of positions lost in the last four years, and the number of employees who have left for higher paying positions.

Thank you for your consideration of this very important issue confronting the state and its employees. We draw your attention to code sections 67-5309B and 67-5309A as reference points for your work. Due to the wide interest among legislators, this study can be considered time sensitive. We would appreciate this data in October/November, but will understand if you need to deliver this in January.

Sincerely,



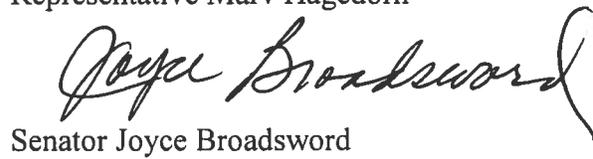
Representative Wendy Jaquet



Representative Shirley Ringo



Representative Marv Hagedorn



Senator Joyce Broadsword

Agency Name	Compa-Ratio 10/22/2010	Compa- Ratio 10/31/2011	Average Pay Rate	Average Policy Rate	Classified Employees	Average Years of Service
Financial Management	111.90%	114.20%	\$27.24	\$23.85	2	28.8
Office of Energy Resources	97.10%	105.30%	\$17.41	\$16.54	1	30.3
Endowment Fnd Investment Bd	102.30%	102.30%	\$23.99	\$23.44	2	25.7
Racing Comm	102.10%	102.10%	\$22.25	\$21.79	1	20.5
State Police	101.90%	100.20%	\$24.97	\$24.90	463	12.1
Dentistry Bd		99.70%	\$14.33	\$14.37	1	0.9
Nursing Bd	91.70%	95.80%	\$15.18	\$15.85	5	18.1
Prof Eng & Land Surv Bd	95.80%	95.80%	\$17.19	\$17.94	2	11.2
Accountancy Bd	88.90%	93.20%	\$18.02	\$19.33	2	22.2
Southwest Health District III	89.00%	93.00%	\$18.80	\$20.22	86	8.8
Prof-Tech Education	92.40%	92.20%	\$15.02	\$16.29	14	12.1
Central Health District IV	88.30%	89.80%	\$19.43	\$21.65	108	9.4
Building Safety	89.30%	89.00%	\$21.00	\$23.61	95	10.7
Lottery	87.90%	88.60%	\$14.26	\$16.10	11	9.2
Independent Living Council	77.70%	88.50%	\$18.71	\$21.14	3	6
Southeast Health District VI	86.10%	88.50%	\$19.03	\$21.50	79	10.7
Commission on Aging	86.50%	88.30%	\$23.70	\$26.85	9	9.4
Lava Hot Springs	89.00%	87.80%	\$12.64	\$14.39	12	7.2
Administration	87.90%	87.10%	\$19.58	\$22.49	122	11.9
Pharmacy Bd	86.90%	86.90%	\$17.74	\$20.41	9	10.5
Transportation	87.30%	86.50%	\$19.43	\$22.47	1689	14.2
South Central Health District V	84.70%	86.00%	\$18.31	\$21.29	71	9.8
Eastern Idaho Tech College	87.30%	85.90%	\$14.36	\$16.70	39	9.1
Finance	86.10%	85.70%	\$24.34	\$28.41	57	10.2
Liquor Division	86.40%	85.50%	\$14.28	\$16.71	192	9
North Central Health District II	84.80%	85.00%	\$19.02	\$22.37	42	9.8
Public Utilities Comm	85.80%	84.90%	\$22.75	\$26.81	36	13.9
Comm-Blind & Visually Impaired	83.90%	84.50%	\$19.02	\$22.50	38	11.8
Eastern Idaho Health District VII	84.20%	84.30%	\$18.98	\$22.51	81	10.8
Outfitters & Guides	84.00%	84.00%	\$13.11	\$15.61	4	8.1
Fish & Game	83.90%	83.60%	\$22.01	\$26.32	541	14.3
Panhandle Health District I	83.80%	83.60%	\$19.13	\$22.89	106	10.2
Water Resources	83.70%	83.50%	\$23.27	\$27.87	140	13
Historical Society	83.40%	83.40%	\$19.22	\$23.05	38	12.3
Veterans Services	83.90%	83.40%	\$15.32	\$18.37	279	7.4
Brand Inspector	83.30%	83.10%	\$16.00	\$19.24	28	14.3
Labor	83.50%	83.00%	\$20.47	\$24.66	626	12
Health & Welfare	83.00%	82.60%	\$20.37	\$24.67	2647	10.3
Public Television	83.70%	82.50%	\$18.76	\$22.73	48	13.4
PERSI	82.30%	82.00%	\$18.04	\$22.00	55	12.1
Insurance	81.70%	81.60%	\$18.98	\$23.28	56	9.7
Lands	81.90%	81.50%	\$22.07	\$27.07	237	13.7
Medicine Bd	82.10%	81.20%	\$13.83	\$17.03	7	13.5
Industrial Comm	81.60%	80.90%	\$15.00	\$18.53	77	10.1
Commission For Libraries	80.30%	80.80%	\$18.26	\$22.59	35	11.7
Lewis-Clark State College	81.30%	80.30%	\$12.96	\$16.14	132	9.6
Occupational Licenses	80.90%	80.30%	\$16.00	\$19.92	32	10.4
Soil & Water Conservation	85.00%	80.30%	\$20.96	\$26.09	13	8.3
Environmental Quality	80.40%	80.00%	\$24.21	\$30.27	317	12.5
Human Resources	82.40%	80.00%	\$23.56	\$29.46	9	13.6
Juvenile Corrections	80.80%	79.80%	\$17.19	\$21.54	383	9

Agency Name	Compa-Ratio 10/22/2010	Compa- Ratio 10/31/2011	Average Pay Rate	Average Policy Rate	Classified Employees	Average Years of Service
Agriculture	80.10%	79.60%	\$21.29	\$26.75	162	12.6
Tax Comm	81.10%	79.60%	\$19.23	\$24.16	398	11.3
Tax Appeals Bd	79.50%	79.50%	\$24.02	\$30.21	3	11.9
Boise State University	79.90%	79.30%	\$13.43	\$16.94	570	10.3
Real Estate Comm	79.20%	78.80%	\$17.52	\$22.24	12	6.8
Commerce	80.00%	78.50%	\$19.87	\$25.33	44	8.7
Hispanic Commission	78.50%	78.50%	\$15.17	\$19.33	1	11.1
Idaho State University	79.30%	78.40%	\$13.16	\$16.79	612	9.8
Parks & Recreation	78.40%	77.90%	\$18.39	\$23.60	136	13.1
Correction	77.00%	76.40%	\$17.27	\$22.60	1499	8.2
Vocational Rehab	76.80%	76.40%	\$14.75	\$19.31	54	9.6
Education Bd	74.90%	76.30%	\$14.75	\$19.33	2	2.1
Pardons & Parole Comm	73.80%	73.40%	\$17.63	\$24.01	28	10.1
Veterinary Med Bd	71.40%	71.40%	\$13.80	\$19.33	1	14.8
Averages	83.40%	82.80%	\$18.98	\$22.92		11

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House of Representatives
STATE OF IDAHO
CAPITOL BUILDING
P.O. BOX 83720
BOISE, ID 83720-0038

February 23, 2012

Joint Legislative Oversight Committee
Idaho State Capitol
700 W. Jefferson
Boise, ID 83720

Re: Request for Analysis of EPA Oversight and Control of Idaho Water Quality Programs

Dear Committee:

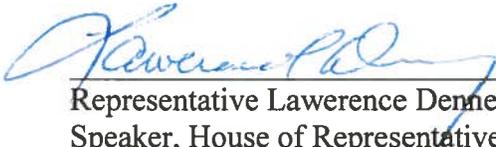
The undersigned request that the Joint Legislative Oversight Committee (“JLOC”) evaluate the impacts of the Environmental Protection Agency’s (“EPA”) oversight and control over Idaho water quality programs. We are concerned about the impacts of EPA oversight and control over Department of Environmental Quality (“IDEQ”) development, interpretation, and implementation of Idaho Water Quality Standards, of Total Maximum Daily Loads (“TMDLs”), and NPDES permitting. We are specifically concerned about the impact of EPA oversight and control on:

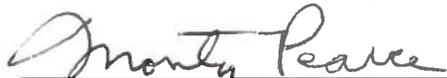
- a. the development, interpretation and implementation of state Water Quality Standards and TMDLs which reflect the concerns and values of Idahoans, and set realistic, and economically attainable expectations;
- b. NPDES permitting by EPA with IDEQ certification, that may result in inefficient, unnecessarily duplicative administration that is not directly responsive to the needs of NPDES permittees and the concerns and priorities of the State of Idaho;
- c. consideration and utilization of local water quality expertise and experience, and the implementation of locally-developed, consensus-based water quality solutions;
- d. analysis of the feasibility, cost versus benefits, and economic impacts of water quality policy choices and requirements;
- e. use of the best available, site-specific data and analysis of water quality conditions as the basis for water quality policy and management,
- f. reasonable enforcement that achieves compliance without imposing unnecessary penalties.

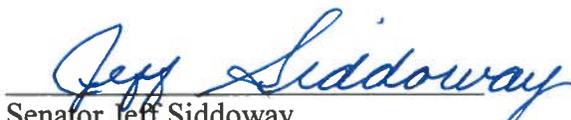
Given the importance of Idaho's water resources to the State, these issues are of obvious statewide interest. This is reflected in Senate Concurrent Resolution No. 116, which would authorize a committee to study the resources and statutory changes required for the State to obtain primacy over NPDES permitting in Idaho.

We respectfully request that JLOC evaluate the above-described impacts of EPA oversight and control over Idaho's administration of water quality programs, including Idaho's Water Quality standards, TMDLs, and NPDES permitting. This study should include the impacts to State sovereignty and control of its water resources, as well as the fiscal impacts to the State of Idaho and the costs and burdens imposed upon Idaho businesses and citizens.

Thank you for your consideration.


Representative Lawrence Denney
Speaker, House of Representatives


Senator Monty Pearce,
Chairman, Senate Resources & Environment Committee


Senator Jeff Siddoway,
Chairman, Senate Agricultural Affairs


Representative Dell Raybould
Chairman, House Resource, Environment, Energy & Technology Committee


Representative Ken Andrus
Chairman, House Agricultural Affairs Committee



House of Representatives
STATE OF IDAHO
CAPITOL BUILDING
P.O. BOX 83720
BOISE, IDAHO 83720 - 0038

March 9, 2012

Joint Legislative Oversight Committee
Idaho State Capitol
700 W. Jefferson
Boise, ID 83720

Re: Amended Request for Review of Idaho Water Quality Programs

Dear Committee:

Based upon JLOC's last meeting and discussions with Office of Performance Evaluations (OPE) Director Rakesh Mohan, the undersigned hereby refine our February 23, 2012 request for Joint Legislative Oversight Committee ("JLOC") review of Idaho water quality programs.

As previously mentioned, we are concerned that the Environmental Protection Agency's ("EPA") oversight and control over Idaho water quality programs may adversely affect state administration, local involvement and the use of sound science in the administration of Idaho Water Quality programs. We are also concerned that such oversight and control imposes unnecessary regulatory burdens and costs. We believe that the quality of Idaho's waters is most cost-effectively protected by state and local officials working collaboratively with local communities and stakeholders who have the greatest knowledge, interest and concern about Idaho's water resources.

Our prior request identified five areas of concern for potential JLOC review. One of these is EPA's primacy over NPDES permitting for Idaho point source dischargers. We understand that JLOC members believe that previous studies and analysis that may be performed if SCR is approved by the House of Representatives adequately address this issue. We, therefore, withdraw our request for JLOC evaluation of this concern.

The NPDES permitting process, while important, does not address several fundamental aspects of Idaho water quality policy. The objectives, priorities and requirements of water quality

programs in Idaho are established by water quality standards (the designated uses and water quality criteria assigned to Idaho waters), water quality impairment determinations, and the establishment of Total Maximum Daily Loads (TMDLs) for impaired water bodies. EPA exercises oversight and control over each of these areas. We are specifically concerned about situations in which EPA dictates or overrides state and local determinations of these aspects of Idaho water quality policy. EPA, the Idaho Department of Environmental Quality (IDEQ), local governments and communities and stakeholders each have a role to play in establishing, implementing and complying with water quality programs in Idaho. Within the established, regulatory structure, we request that JLOC identify and evaluate opportunities to optimize state, local and stakeholder determination and implementation of water quality policy for the State of Idaho. We would like this evaluation to include analysis of our premise that Idaho's waters are most cost-effectively protected by state and local officials working collaboratively with local communities and stakeholders who have the greatest knowledge, interest and concern about Idaho's water resources.

We understand that there are numerous examples in Idaho and other states through which JLOC may study both the impacts of EPA oversight and control of state water quality programs, as well the benefits that can be achieved through greater state and local autonomy in establishing and implementing water quality policy. We are specifically interested in JLOC's evaluation of:

1. Whether and how state and local determination of the objectives, priorities and requirements of Idaho water quality policy may be optimized within current statutory authorities and regulations.
2. Changes to state law, regulations and administrative procedures and practices that may enhance state autonomy in establishing and implementing water quality policy.
3. Opportunities for state, local and stakeholder partnerships to optimize utilization of local water quality expertise and experience, and the implementation of locally-developed, consensus-based water quality solutions.
4. Integrating analysis of the feasibility, cost versus benefits, and economic impacts of water quality policy choices and requirements.
5. Methods to ensure use of the best available, site-specific data and analysis of water quality conditions as the basis for water quality policy and management.
6. Changes to enforcement policies and practices that achieve compliance without imposing unnecessary penalties.

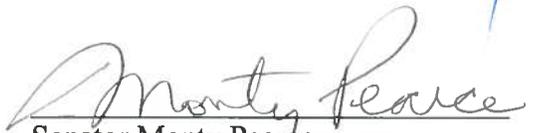
Joint Legislative Oversight Committee
March 9, 2012
Page 3

We understand that JLOC and OPE may need to revise and/or stage the topics to be evaluated under this request. We hope that the underlying theme of the evaluation will be how to optimize state and local autonomy in establishing water quality policy for the State of Idaho.

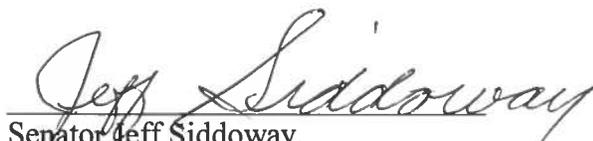
Thank you for your consideration.



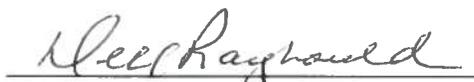
Representative Lawrence Denney
Speaker, House of Representatives



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Chairman, House Environment, Energy & Technology Committee



Representative Ken Andrus
Chairman, House Agricultural Affairs Committee

District 1
Boundary & northern Bonner Counties
Statehouse (208) 332-1349
(Session Only - January - March)



Home Address
P.O. Box 101
Sandpoint, Idaho 83864
(208) 263-1839
skeough@senate.idaho.gov

Shawn Keough
Idaho State Senator

State Capitol
P.O. Box 83720
Boise, Idaho 83720-0081

February 23, 2012

Senator Elliot Werk, Co-Chair
Representative Cliff Bayer, Co-Chair
Members
Joint Legislative Oversight Committee
c/o Office of Performance Evaluations
P.O. Box 83720
Boise, Idaho 83720-0055

Dear JLOC Co-Chairs & Members,

I am writing to ask for you to consider this request as you contemplate the next cycle of performance evaluations and staff assignments for the Office of Performance Evaluations.

I have two areas of evaluation for consideration as outlined below.

1 The first topic for consideration is in regards to publicly funded technology infrastructure in Idaho. With all the tax dollars we are spending on technology infrastructure does the Legislature have appropriate oversight? Is there planning and coordination that prevents duplicative efforts and insures that **all areas** of the state gain access to the technology infrastructure we are building?

One does not have to search very long to find a plethora of state agencies, projects, councils, and task forces focused on technology infrastructure. The list includes: the Information Technology Resource Management Council, Idaho Education Network, the Dept. of Administration, Idaho Technology Council and Idaho Research Optical Network. **This list is not complete.** Additionally, we know that many rural areas of our state are not yet connected to reliable internet service or broadband service. A recent New York Times article noted: "Idaho had the slowest download speeds in the country earlier this year for residential customers - a "dismal" average of 318 kilobytes per second, a company's study found."

http://www.nytimes.com/2011/09/14/us/downloads-are-slowest-in-idaho-study-finds.html?_r=1&nl=todaysheadlines&emc=tha23

Our goals for economic growth and public education demand that we are planning and coordinating the build out of our technology infrastructure, not duplicating installation, and making it accessible to all areas of our state. Doing so requires Legislative oversight to ensure our success.

2 The second topic for consideration is a review and comparison of state laws and policies relating to traditional and charter public schools. As you well know, we have two public K-12 systems in Idaho now and it is important to evaluate the differences between our charter schools and our traditional schools to measure if the goals of changing the system are being met. Originally, the introduction of the charter school option, which I supported, was characterized as allowing choice in public education, injecting the benefit of competition as a means of betterment to the entire system and as laboratories for examining changes that could benefit the traditional schools. At this point in time it seems reasonable to measure our progress. What are the differences in statute between charter schools and the traditional schools? Have they added value to the system? For example, the policies differ between the two on facilities: K-12 funds school buildings by a vote of the people on the property tax while charter schools are able to seek private financing and donations but not property taxes. What are the benefits of this difference? What are the detriments? Is one system preferable than the other? Should both options be allowed to both systems? Another example: the auditing standards appear to be different: are those differences of benefit? If so, should one standard apply to both? There are other places where there is one standard for the charter school and one standard for the K-12 system. It is timely to measure the outcomes of the differences especially as we contemplate expansion of the charter system.

I know that JLOC receives many suggestions and requests for the scarce time of our professional evaluation staff at the Office of Performance Evaluations. I truly appreciate your time and consideration.

Sincerely,



Shawn Keough
Idaho State Senator
District One: Boundary and Bonner Counties



Idaho State Senate

State Capitol
P.O. Box 83720

Boise, Idaho 83720-0081

February 22, 2012

Senator Elliot Werk and Representative Clifford Bayer
Joint Legislative Oversight Committee
HAND DELIVERED:

Dear Senator Werk and Representative Bayer:

The Senate Education Committee has heard conflicting reports on public school educators. Some reports suggest teachers are moving to states where pay is more lucrative; other reports state union membership is falling; while others suggest educators are staying in their classrooms longer because of the effects of the recession on their pensions. There is concern that our universities are not graduating educators in the numbers to fill positions likely to open in teaching ranks in the near future.

We believe a study is warranted, specifically in the following areas:

1. Educator recruitment – How do new teachers find their way into this profession and why?
2. Teacher attrition – Why do teachers leave the profession, where do they go, and in what numbers?
3. Teacher retention – What keeps Idaho teachers in the classroom?
4. Projected future needs – In the face of an aging teaching workforce and a growing population, what are Idaho's anticipated needs for future educators?
5. Are teachers graduating with the skills to be successful in today's classrooms and, if not, what are those deficiencies?
6. National statistics would support the theory that educators moving from one state to another, lose about half their pension potential over their work careers. How does PERSI treat educators moving from another pension system to Idaho's and vice versa?
7. Identify the challenges and opportunities to attract new teachers and retain current staff.
8. Provide a decade of historical data on supply of educators verses job openings.
9. The ratio of students to certified teachers does not always reflect the number of students in a classroom since many certified teachers focus on other duties. An effort to segregate certified teachers associated with a classroom would help better understand the issue.
10. Examine changes in duties of teachers and whether there are new burdens on time and attention created by a loss of Community Resource Workers, counselors and other support staff.

Sincerely,

A handwritten signature in blue ink, appearing to read "John W. Goedde", written over a circular stamp or mark.

Senator John W. Goedde

cc: Rakesh Mohan, Office of Performance Evaluation

JG/lms

DISTRICT 5
KOOTENAI COUNTY

HOME ADDRESS
4556 WEST FOOTHILL DRIVE
COEUR D'ALENE, IDAHO 83814
(208) 666-1122



STATE CAPITOL
P.O. BOX 83720
BOISE, IDAHO 83720-0081
(208) 332-1300
FAX: (208) 334-2320
jhammond@senate.idaho.gov

Idaho State Senate

SENATOR JIM HAMMOND

February 27, 2012

The Honorable Senator Elliot Werk
The Honorable Representative Clifford Bayer
Co-Chairmen,
Joint Legislative Oversight Committee (JLOC)
HAND DELIVERED

Dear Senator Werk and Representative Bayer,

I understand you received a study proposal from Senator Goedde, Chairman of the Senate Education Committee, exploring various aspects of teaching and teachers as a profession. If JLOC pursues Senator Goedde's proposal, I suggest adding another area to the list; to wit, data on class size variations in Idaho.

Idaho currently maintains data on student/teacher ratio, but that includes all certificated staff in the school district. It would be helpful to also have a handle on the class size – whether it is high, low, average, median – and it should probably be segregated by school district size.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Jim Hammond".

Senator Jim Hammond
Chairman, Senate Transportation Committee
Legislative District 5



House of Representatives
State of Idaho
MAJORITY LEADER

TO: Joint Legislative Oversight Committee
FROM: Representative Mike Moyle *MM*
Representative Christy Perry *CP*
DATE: March 5, 2012
RE: Department of Health & Welfare

We would like to make a request of the Joint Legislative Oversight Committee to investigate certain aspects within the Idaho Department of Health and Welfare. There have been reported cases of severe difficulties associated with the Idaho Foster Care Program.

Specifically, the manner and reasons children are being placed into foster care, as well as the manner and reasons they are removed from foster care and entered into the adoption process.

The focus of the evaluation should be on the uniformity of process and decision making hierarchy. Additional questions to be answered would include:

- 1) Reasons as to why children (foster and natural) are being taken into custody and are they in line with federal regulations regarding the use of imminent danger?
- 2) Are case plans being accurately followed?
- 3) Are parents being sufficiently informed of their parental rights?
- 4) Are parents and family members being informed of their legal options?
- 5) Are those children being presented for adoption being protected by a Guardian Ad Litem?
- 6) What is the hearing process when and if a conflict exists?

We would like to request that determinations regarding the evaluation be made available no later than December 1, 2012 in order to discuss the evaluation and work with the Idaho Department of Health and Welfare to make legislative changes in the 2013 legislative session if necessary.

Thank you for your time and consideration of this very important matter.

scf