

Minutes of the Joint Legislative Oversight Committee

May 15, 1997

Senate Majority Caucus Room, Statehouse

Boise, Idaho

Co-chair Representative Bruce Newcomb called the meeting to order at 8:40 a.m. Committee members Senators Bruce L. Sweeney, Atwell Parry, and Grant Ipsen, and Representatives Robert C. Geddes and June Judd were present. Staff members Nancy Van Maren, Tom Gostas, and Margaret Campbell were present.

Co-chair Newcomb opened the meeting with a review of the minutes. **Senator Parry moved to approve the minutes of the last meeting and Representative Geddes seconded the motion. The motion passed unanimously by voice vote.**

EVALUATIVE REVIEW RELEASE: *LICENSE PLATE DESIGN ROYALTIES PAID TO THE IDAHO HERITAGE TRUST*

Mr. Tom Gostas, Performance Evaluator, reviewed the findings and recommendations of the evaluative review. After questioning Mr. Gostas, Co-chair Newcomb called upon Mr. John Taylor, Chairman of the Board of Trustees of the Idaho Heritage Trust, to respond to the report. Mr. Taylor summarized the Trust's response to the review. Overall, he said the Trust agreed with the report and would agree to formalizing its relationship with the state in a written document. However, they disagreed with the finding that the Trust had not fully met legislative intent to match revenue from license plate fees. Mr. Taylor clarified that if one included the matching funds from the grants given out by the Trust, the Trust would have more than met its obligations. JLOC members concurred that putting terms into a written document was a good idea, to help address some recurring concerns.

Senator Parry moved that the Office of the Attorney General work with the Idaho Heritage Trust to develop a mutually acceptable contract to present to the Legislature. Representative Geddes seconded the motion, and the motion passed unanimously by voice vote.

Committee members discussed at length which state agency should have responsibilities for overseeing the agreement with the Heritage Trust. Ideas discussed included the Transportation Department, as it currently acts as the collection and disbursement agency for the funds; the Historical Society, as it is closely involved in issues of historic preservation; Parks and Recreation, due to its involvement with some sites; and the Office of the Attorney General, because of its legal expertise regarding the ramifications of the ongoing relationship between the state and the Trust. Committee members also considered specifically empowering legislative audits to conduct an annual audit, or placing responsibility in the Secretary of State's Office.

Senator Parry clarified that the intent of his motion was to allow the Legislature to give full feedback. Several committee members said they thought the contract should be firm enough so that JFAC would not turn to these funds in a tight budget year, and that the contract should be sufficiently specific to give legislative audits the ability to review it.

Senator Whitworth joined the meeting in progress.

Senator Parry moved to accept the review and Senator Sweeney seconded the motion. The motion passed unanimously by voice vote.

ADMINISTRATIVE MATTERS

Budget

Ms. Van Maren said she anticipated there would be approximately \$51,000 remaining in OPE's budget at the end of fiscal year 1997. She noted that after reimbursements to date, the Department of Administration had paid \$28,000 toward the cost of OPE's new office space. How would the committee like to proceed with the anticipated surplus? Saying that it was important for the committee to pay its own way, **Representative Geddes moved to transfer \$28,000 to the Department of Administration for the costs of constructing the new office space. Senator Parry seconded the motion, and the motion passed unanimously by voice vote.**

The committee said they were pleased with the management of the budget and were pleased that some funds would revert.

New staff member

Ms. Van Maren provided biographical information about the OPE's new evaluator, Ned Parrish. Mr. Parrish was moving from Phoenix, Arizona, where he had worked as a performance auditor for 8 years. Mr. Parrish would begin work the end of May.

Minutes

Ms. Van Maren reviewed OPE's current method for completing committee minutes. She noted that the committee had originally asked for detailed minutes as a means of recording decisions about the operation of the performance evaluation function. She summarized the discussion Legislative Council had regarding meeting minutes during 1994, resulting in adoption of a joint rule. Was the current level of detail still useful to committee members? Senator Parry said he thought minutes would be sufficient if they showed a motion, a second, and clarification of the motion; discussion could be brief. Overall, committee members thought that briefer minutes would be sufficient.

The committee discussed how long to keep tape recordings of the committee meetings. **Members concluded that tapes should be kept for at least two years, and then recycled at the discretion of the co-chairs.**

REPORT ON IMPLEMENTATION OF REPORT RECOMMENDATIONS

Review of implementation monitoring activities

Ms. Van Maren reviewed OPE's implementation process for report recommendations, and summarized the projected cost-savings from report recommendations. The committee discussed JLOC-sponsored legislation during the 1997 session and decided that, in the future: (1) a majority of JLOC should decide to move forward with legislation before it comes out of JLOC; or (2) germane committees should sponsor the legislation. Committee members concurred that germane committees were the most appropriate for consideration of many policy matters, and JLOC should involve the germane committees as much as possible.

Committee members asked OPE staff to present report information to the corresponding germane committees early in the session, summarizing findings, recommendations, potential cost-savings, and legislation that would be needed to implement the recommendations. Rep. Geddes said there also needed to be a mechanism in the budget-setting process that would help the state to realize identified cost-savings. **He said JFAC should receive a summary of which agencies/programs were evaluated in the past year, the cost-savings potential, and the rationale to any recommendations before agencies began making their budget presentations to JFAC. He added that it would be appropriate to receive this information before JFAC begins budget hearings at the beginning of session.**

Sen. Parry suggested that Budget and Policy's letters notifying agencies of their presentation times could include a list of JLOC's findings and recommendations from the last year, asking agency directors to be prepared to comment on the identified issues in their presentations.

The committee concurred with both suggestions by unanimous consent and asked Ms. Van Maren to work with Jeff Youtz on the details.

Update provided House Health and Welfare Committee during 1997 legislative session

Ms. Beth Harris, Performance Evaluator, presented information on the school district Medicaid billing process for services provided to students with disabilities. She estimated that cost-savings would be approximately \$695,000 each year for services districts were already required to provide. School districts would benefit the most from the savings, as they would receive Medicaid reimbursement for services they were already providing. On the other hand, there were some costs of setting up and administering a Medicaid reimbursement program, for which good estimates were not available.

Ms. Harris added that Chairman Reynolds had written a letter to the Department of Health and Welfare requesting that they use Boise School District's expertise to develop materials to assist school districts in billing. To date, the Department had not responded to the letter. Co-chair Newcomb added that he and Senator Sweeney had sent a letter to Director Caballero during session requesting a meeting with her regarding this and other issues arising out of OPE's Medicaid evaluation, but had received no response. **The committee discussed how to address**

similar situations and asked that reports to JFAC and germane committees of the Legislature note when no response was received by the department.

Co-chair Newcomb invited Representative Max Black to speak on behalf of Chairman Reynolds. Representative Black suggested that the Legislature and school districts could learn a lot from Oregon, which had been successful in establishing methods for billing Medicaid for eligible services provided in school districts. As school district funding for the services otherwise comes in part from property taxes, he suggested school district Medicaid billing would provide a form of property tax relief.

Review of agency status reports

Ms. Van Maren reviewed the six-month progress of report recommendations from *State-Owned Dwellings* and the implementation status of *State Travel Management* and the pupil transportation reports. OPE had not received a response from the State Board of Education on recommendations pertaining to them in the pupil transportation reports. However, staff indicated the State Department of Education was addressing some of the recommendations to the board; more information could be available soon. Ms. Van Maren added she had learned that the Wyoming Legislature had begun a study of state-owned dwellings after reviewing OPE's report.

UPDATE ON ONGOING EFFORTS

Ms. Van Maren reviewed the projects currently in progress: the Bishop's House, alternatives to incarceration, and Medicaid reimbursement for outpatient occupational and speech therapy. She said staff resources were available for only one additional project.

TOPIC SURVEY

Ms. Van Maren summarized the results of the April Legislative Survey. Ms. Van Maren said she thought the new format had better met the goals of eliciting Legislator involvement and helping JLOC focus on topics of legislative interest. Responses increased from 12 in 1996 to 47 in 1997. The survey asked Legislators to designate which three suggested topics were most important, list additional questions they had about the topics suggested, and request any additional topics of interest or concern. In all, 47 Legislators responded and 12 requested additional topics.

TOPIC SELECTION

After lengthy discussion regarding the 22 topics on the topic selection list, **Senator Parry moved to do an evaluation of Presiding Officers/Administrative Hearing Officers. He added that after completing this evaluation, the OPE should move as quickly as possible into an evaluation of public school use of tobacco tax funds. Senator Ipsen seconded the motion.**

After discussion, the committee decided an evaluation of Presiding Officers should focus on the fairness of the system, and, secondarily, cost-savings. Given data that was not centralized and may be difficult to collect, Ms. Van Maren estimated a report on this topic could be ready in November.

Senator Parry said that OPE should start a study of tobacco tax funds as possible without waiting for a meeting of the committee. Legislative Survey results showed Legislators were most interested in the tobacco tax study; however, committee members were concerned that school district staff would not be available to provide data to OPE during the summer and that OPE resources were limited. The committee discussed the timing of the release of this evaluation and decided that, even if it could not be completed before next session, Legislators would be assured it was underway.

The committee said the evaluation should focus on accountability for use of the funds. Questions asked included: What are schools doing with the funds? Are they being accountable for use of these funds? Have the funds gone only to substance abuse prevention programs? The committee also voiced interest in whether the programs were "working," but acknowledged this question may not be able to be answered. Members also asked that the study look at the allocation of the funds: Did small districts receive enough funding to do something with? Did larger districts receive too much that the funds made little difference in their efforts?

The motion passed unanimously by voice vote.

The committee set the next meeting for July 23, 1997.

Ms. Van Maren asked the committee to consider an opportunity: with the co-chairs initial approval, she had applied and been selected for NCSL's professional exchange and internship program in West Africa, to occur in September or October. In exchange, Idaho would likely be asked to host two professional staff from West Africa as interns during the legislative session; Ms. Van Maren would help to select these staff and act as their liaison with the Legislature. NCSL would cover all costs except outgoing intern salaries, which they requested the host Legislatures provide. After discussion, **Senator Parry moved to approve Ms. Van Maren's participation in the internship program, with salary decisions to be made by Legislative Council. Representative Geddes seconded the motion, and the motion passed unanimously by voice vote.**

The meeting adjourned at 2:40.