

Minutes of the Joint Legislative Oversight Committee
January 29, 2004
East Conference Room, J.R. Williams Office Building
Boise, Idaho

Co-chair Representative Margaret Henbest called the meeting to order at 3:10 p.m. Committee members Senators Shawn Keough, John Andreason, Bert Marley, and Marti Calabretta, and Representatives Debbie Field, and Donna Boe attended. Representative Maxine Bell joined the meeting in progress. Staff members Rakesh Mohan, Director, and Margaret Campbell, Administrative Assistant, also were present, as were all other OPE staff.

Co-chair Henbest welcomed those in attendance, and thanked the Office of the Governor for their attendance and written responses to the reports. She acknowledged the attendance of Representatives Jack Barraclough, House Education Committee Chair, and Steve Smylie.

APPROVAL OF MINUTES

Senator Marley moved to accept the minutes of the January 15, 2004 meeting. Senator Keough seconded the motion, and it passed unanimously by voice vote.

REPORT RELEASE: *MANAGEMENT OF STATE AGENCY PASSENGER VEHICLES: A FOLLOW-UP REVIEW*

Senator Calabretta moved to receive the report and Representative Boe seconded. The motion passed unanimously by voice vote. The report was publicly distributed.

Ms. A.J. Burns, Senior Performance Evaluator, presented a summary of agency implementation of recommendations to the report.

Senator Keough moved to send a thank you letter to the 20 agencies referenced in the follow-up and request a report of progress in six months from the Division of Financial Management, providing reasons why agencies are not in compliance. Senator Andreason seconded the motion.

In committee discussion, Representative Henbest said the Committee had not seen much progress from the agencies and suggested looking at approaches with more "teeth." Senator Andreason asked if the Division of Financial Management could include a review of agency vehicle policies as part of the budget requirements.

Co-chair Henbest called on Mr. Brad Foltman, Administrator, Division of Financial Management, to respond. Mr. Foltman said the fiscal year 2005 budget was almost totally void of replacement capital outlay, and he expected to see more requests from agencies to transfer available funds from other areas of the budget to meet capital outlay needs. DFM's approval is required for budget transfers, and he will ensure that requesting agencies have actively complied with the report's criteria for vehicle plans.

The motion for DFM to follow-up on agency progress passed unanimously by voice vote.

REPORT RELEASE: *SCHOOL DISTRICT ADMINISTRATION AND OVERSIGHT*

Senator Marley moved to receive the report and Senator Keough seconded. The motion passed unanimously by voice vote. The report was publicly distributed.

Mr. Mohan expressed appreciation for the cooperation he received from the school districts, the Department of Education, the Board of Education, the Office of the Governor, Legislative Audits, and Budget and Policy Analysis. He emphasized that none of the recommendations suggested any shift in decision making away from the local school districts.

Mr. Chris Shoop, Performance Evaluator, Mr. Ned Parrish, Principal Performance Evaluator, and Ms. Brook Smith, Performance Evaluator, presented a summary of the report findings and recommendations. Committee members asked questions to clarify their understanding of issues in the report. Senator Calabretta asked if the Department of Education had staff resources to implement recommendations. Mr. Parrish said some recommendations could be implemented with existing staff by simply changing reporting processes. Other recommendations may require the department to request additional staff or re-allocate existing staff. Implementing the report recommendations should not necessitate a large staffing increase.

The Committee heard from Mr. Randy Tilley, Division of Financial Management, who said the Governor's office appreciated OPE's work and would be willing to work with the State Department of Education and the Board of Education to implement recommendations.

Co-chair Keough called on Dr. Thompson to respond to the report. Dr. Thompson said the board would be discussing the report at a future meeting and would provide JLOC its plan to implement the recommendations.

Representative Field said the report provided a great tool for management, and asked Mr. Tim Hill, Finance and Transportation Services Bureau Chief, Department of Education, if he viewed the report as a tool to help the department. Mr. Hill said he thought the department did much of what had been recommended with regard to reporting of district expenditure information. Mr. Parrish responded that the department's publications contain a great deal of information, but were not presented in a way that lawmakers and the public could easily compare district expenditures or see how expenditures change over time. Mr. Hill said the coding mistakes at the district level should be corrected. He added that the department relies heavily on the audit firms conducting school district audits to review the accuracy of data. He said the department would consult with Legislative Audits about reviewing the work of these firms, but questioned whether his staff had the expertise to review the auditors' work. Mr. Hill thanked OPE staff for their hard work and said he appreciated working with them.

In response to questions, Mr. Hill said the number of certified administrative staff in school districts had not increased. Senator Calabretta questioned the discrepancy between Mr. Hill's

remarks and the report finding. Mr. Hill responded that the total number of administrators and administrative support staff may have gone up during the *five-year period* that OPE reviewed, but the number of certified administrative staff had declined somewhat in the *past year*. Mr. Parrish said the report included administrative support staff and non-certified program managers in its review because lawmakers and the public would likely consider these positions to be administrative and wanted to know the full cost of district administration. Representative Bell said OPE had used the department's data when compiling its staffing numbers, so even though Mr. Hill was talking about how staff were classified in statute, the data was not in question.

Representative Field thanked OPE staff and said she was appreciative that costs were broken down between what was spent in the classroom and what was not.

Representative Field moved to forward the report to the Education committees, JFAC, the Division of Financial Management, and the Board of Education, and ask the Education chairs to report to JFAC if the department would require additional resources. The motion also requested a status report in six months. Senator Marley seconded the motion and it passed unanimously by voice vote.

ADMINISTRATIVE BUSINESS

Committee Rules

Mr. Mohan reviewed changes to the committee rules as requested at the last meeting. Changes included clarifying that topics for evaluation shall be submitted through a legislator or the director of Legislative Services, and extending the length of time between follow-up reviews to one year. **Senator Calabretta moved to accept the changes in committee rules. Representative Bell seconded the motion and it passed unanimously.**

Proposed Legislation

Mr. Mohan presented suggested legislation to implement recommendations in the pupil transportation report and the higher education residency report. Senator Calabretta said she had voted no at the last meeting to a motion to formulate statutory language because the Committee had not taken the time to discuss issues in-depth. She said she was concerned about one of the recommendations of the residency requirements report. Representative Field said the intent of her motion at the last meeting was to forward the suggested legislation to the germane chairs for use as the germane committees saw fit.

The Committee discussed how to propose legislation and decided that first preference was to forward information to germane chairs for further consideration.

Senator Keough moved to forward the *pupil transportation* draft legislation to the germane and JFAC chairs with a cover letter saying the draft is a suggestion. Senator Marley seconded the motion. In discussion, Representative Henbest said the cover letter should come from the Committee communicating that suggestions are a work product and not a JLOC recommendation.

The motion to forward suggested legislation passed unanimously by voice vote.

Senator Marley moved to forward suggested legislation on *higher education residency requirements* to the germane and JFAC chairs with a cover letter saying the legislation draft is a suggestion. Representative Boe seconded the motion. The motion passed by voice vote. Senator Calabretta was recorded as voting no.

Performance Measures

Mr. Mohan provided the Committee a copy of the OPE performance measures, which were changed in FY2003 to reflect qualitative measures. Representative Henbest suggested the members review the measures and get back to Mr. Mohan with individual comments.

The meeting adjourned at 5:15 p.m.