

Minutes of the Joint Legislative Oversight Committee
August 24, 2006
West Conference Room, JR Williams Office Building
Boise, Idaho

Co-chair Representative Margaret Henbest called the meeting to order at 1:50 p.m. Attending the meeting were Senators Shawn Keough, John Andreason, Bert Marley, and Kate Kelly, and Representatives Maxine Bell and Debbie Field. Representative Donna Boe was out of the country and could not attend the meeting. Also present were Rakesh Mohan, Director, and Margaret Campbell, Administrative Coordinator, and all other OPE staff.

Co-chair Henbest welcomed those in attendance, including individuals from the following agencies:

Senate: Mel Richardson
House of Representatives: Robert Ring
Office of the Governor: Scott Phillips
Division of Financial Management: Randy Tilley, Jane McClaran
Controller's Office: Brandon Woolf, Patrick Hodges
Department of Health and Welfare: Richard Armstrong
Department of Education: Jana Jones
Board of Education: Dwight Johnson
Developmental Disabilities: Marilyn Sword

Mr. Mohan introduced two new staff members to the Oversight Committee: Brekke Wilkinson would begin employment the following Monday as the Research and Technology Assistant, and Jeff Conor had interned with the office the last three months and would be returning to Oberlin College in Ohio the following week.

Mr. Mohan pointed out several awards the office had received at a conference of the National Conference of State Legislatures in August. The National Legislative Program Evaluation Society presented the office the Excellence in Evaluation award for "best advancing the field of legislative program evaluation" from 2002 through 2005; and they presented an Impact award for the report on strategic planning and performance measurement. The Legislative Research Librarians presented the office two Notable Documents awards for excellence in reports "that explore topics of contemporary interest to legislators and staff by presenting substantive material in an outstanding format."

REPORT RELEASE: *IDAHO STUDENT INFORMATION MANAGEMENT SYSTEM (ISIMS)—LESSONS FOR FUTURE TECHNOLOGY PROJECTS*

Senator Marley moved to receive the report on ISIMS. Senator Keough seconded the motion, and it unanimously passed by voice vote.

Mr. Mohan introduced Amy Lorenzo and TJ Thomson, Performance Evaluators, to the Oversight Committee. Rachel Johnstone, Senior Performance Evaluator, Ms. Lorenzo, and Mr. Thomson

provided a summary of the report. Senator Kelly asked if Pearson Education Technologies provided the state with a uniform software package that met the terms of the contract. Ms. Johnstone indicated that Pearson had successfully piloted student management software in 13 districts, which met the terms of the contract. After the Legislature approved a centrally-hosted, two-part software system, Pearson indicated they could not provide integrated software.

In response to a second question from Senator Kelly, Ms. Johnstone said the information available to the Albertson Foundation per terms of the data warehouse contract was aggregate student data—student performance information without personal identifiers.

Co-chair Henbest asked if the Division of Technology Services in the Department of Administration should govern information technology contracts for all agencies in the state. Ms. Johnstone said the Department of Education has a technology program that supports the department and the school districts. However, staff in the program did not have experience deploying a statewide system. She said the ISIMS project was never formally presented for review to the Information Technology Resource Management Council (ITRMC).

Co-chair Henbest asked why the report's Best Practice Checklist did not include the Office of Management and Budget's (OMB) recommendation to generally purchase commercial software. Ms. Johnstone said OMB's recommendation fell under the checklist item of "components of the project [are] based on established or proven technologies."

Senator Andreason asked why the project failed. Ms. Johnstone said the project expanded and the vision was larger than the resources. The project did not work as conceived because it was too grand.

Co-chair Henbest asked about contract oversight and why the department issued payment for a product that did not meet the specifications of the contract. Ms. Johnstone said the dynamics of public-private partnership limited state oversight and control—payment was a result of unclear roles and responsibilities. If the Department of Education had more access to information, it may not have invested the funds.

Senator Kelly pointed to the foundation's unwillingness to provide the state with project documentation and asked if the information would be legally ruled public because it involved a public project. Ms. Johnstone said the foundation desired to put the project behind them and avoid negative publicity. Because the foundation retained sole control of the project, they could legally choose to withhold the information. During the development of the project, the state had no reason to anticipate a need to protect itself and write such verbiage into the contract.

Senator Marley questioned why the Office of the State Board of Education did not conduct a financial management review as requested by the board. Ms. Johnstone pointed to staff turnover at the office. New management had contemplated the review, but never pursued it.

Co-chair Henbest called on Randy Tilley, Senior Analyst in the Division of Financial Management, to address the committee. Mr. Tilley said the division would share the report with

ITRMC to ensure that future technology projects in the state adhered to the Best Practices Checklist.

Co-chair Henbest called on Dwight Johnson, Executive Director of the Office of the State Board of Education, to address the committee. Mr. Johnson said his office would partner with the State Department of Education in using the Best Practices Checklist. He said his office did not intend to pursue an independent financial review of the project, but instead would refer to information in the OPE report.

Senator Kelly said the board had not provided a written response to the report and asked Mr. Johnson if he had anything in writing regarding the board's response to the recommendation. Mr. Johnson said he would follow the guidelines of the Best Practices Checklist.

Co-chair Henbest called on Jana Jones, Chief Deputy Superintendent of the Department of Education, to address the committee. Dr. Jones said the department did not view the project as a failure; rather, it had benefited from the knowledge and systems the project provided. She said the department was moving forward with small, incremental steps to develop a student management system.

Senator Keough moved to forward the report to the Senate and House Education Committees and the Joint Finance-Appropriations Committee with a cover letter to encourage policymakers to look closely at the report when considering the ongoing need for a student information management system. Representative Bell seconded the motion.

Senator Andreason said OPE staff did a good job with the report, but there were still many unanswered questions. He said the state needed the information the project would have provided and wondered if there were some way to put the project back together.

Representative Field said the federal government frequently had strings attached to funds, which made receiving money from it difficult. She wondered if the state could build a student information management system with state-provided funds and the collective experience of various individuals. Co-chair Henbest said the state needed information on whether children were dropping out of school or being home schooled.

The motion to forward the ISIMS report to various committees unanimously passed by voice vote.

PROPOSED STUDY PLAN: HEALTH CARE COST

Mr. Ned Parrish, Principal Performance Evaluator, presented a proposed plan for the health care cost study. Senator Kelly asked about costs and whether the \$250,000 allocation covered the entire study or the first phase of the study. Mr. Mohan said he did not think the amount would cover both phases, but he would do what he could to keep costs down. Mr. Parrish said that different local entities may be available to assist with data collection, which would control costs.

Senator Andreason moved to conduct the first phase of the health care costs as outlined in the proposed study plan. Senator Keough seconded the motion, and it unanimously passed by voice vote.

TOPIC SELECTION

Mr. Mohan reviewed the following requests for evaluation:

- Public Schools Average Daily Attendance, submitted by Senator John Goedde
- Virtual Charter Schools, submitted by Marilyn Howard through Senator John Goedde
- Virtual Charter Schools, submitted by Representative Donna Boe
- Higher Education Student Indebtedness, submitted by ProTem Robert Geddes and Speaker Bruce Newcomb
- Sheltered Workshops, submitted by Representatives Margaret Henbest and Debbie Field
- Public Versus Private Costs for Correctional Institutions, submitted by Senator Hal Bunderson and Representative Darrell Bolz

Mr. Mohan said the only new request since session came from Representative Boe on virtual charter schools. If the committee selected this request, OPE could combine it with the previous request on virtual charter schools. In response to questions about the number of requests the office could take, Mr. Mohan said the office could handle two evaluations in addition to the health care study. He said he would try to have at least one evaluation released before the end of the 2007 session.

The Oversight Committee discussed the various requests and the timeliness of the information for the next session. Members expressed concerns that an evaluation on scholarships and debt load may be soft and somewhat out of the control of state agencies. However, they said community colleges would be a very relevant topic.

Representative Field said the Judiciary and Rules Committees were meeting with the new Department of Correction director. **She moved to table a request to compare data between public and private correctional entities until more information was available from the Legislature. Senator Andreason seconded the motion, and it unanimously passed by voice vote.**

In light of recent developments, **Representative Field moved to table sheltered workshops until the next committee meeting. Senator Marley seconded the motion, and it unanimously passed by voice vote.** Co-chair Henbest asked OPE to provide a preliminary scope for sheltered workshops at the next meeting that included a section on other states.

Senator Marley moved to prioritize a study on virtual charter schools with a scope that included Representative Boe's questions. Senator Keough seconded the motion, and it unanimously passed by voice vote.

Senator Keough moved to conduct a study on public school average daily attendance. Senator Kelly seconded the motion.

Senator Keough said she thought the scope of average daily attendance was very good and would be helpful in education funding. **The motion for an ADA study unanimously passed by voice vote.**

Senator Kelly noted the committee had left the request by Legislative Council unaddressed. The topic was important, but a step beyond the scope of the Oversight Committee. She suggested assigning the study to the universities. Co-chair Henbest said the request could be refined to look at community colleges. Representative Field suggested looking at the findings of the Community College Interim Committee, and Senator Keough asked Mr. Mohan to provide the committee with a defined scope of community colleges for the next meeting. Co-chair Henbest said she would have an informal conversation with Legislative Council and report back to the Oversight Committee.

The committee took a brief break.

FOLLOW-UP REPORTS

Public Education Technology Initiatives

Ms. Johnstone provided a summary of the report. Co-chair Henbest asked why agencies were slow to implement the recommendations. Ms. Johnstone said the subcommittee of the council had lost its chair. In response to Senator Keough's questions about the timeframe for follow-up, Mr. Mohan recommended the summer of 2007.

Co-chair Henbest called on Senator Mel Richardson to address the committee. Senator Richardson said the report recommendations were good; council members had not followed up on the recommendations because the program had lost funding and subsequently lost staff. They have developed a new plan and will have the recommendations in place by next summer.

Senator Keough moved to conduct a follow-up report in one year. Senator Marley seconded the motion, and it unanimously passed by voice vote.

Mr. Dwight Johnson, Executive Director of the Office of the State Board of Education, said the board was committed to aggressively implementing recommendations.

Fiscal Accountability of Pupil Transportation

Ms. AJ Burns, Senior Performance Evaluator, provided a summary of the report. **Senator Marley moved to close the report. Senator Andreason seconded the motion, and it unanimously passed by voice vote.**

Mr. Dwight Johnson said the board would be clarifying the waiver criteria.

School District Administration and Oversight

Ms. Burns provided a summary of the report. Senator Keough asked if OPE could provide an update to this report during the 2007 session. Mr. Mohan said the information would be similar to the average daily attendance (ADA) evaluation and the office could incorporate an update of school district administration in the ADA report.

Representative Field said she did not understand why the department had not taken action on eight of the recommendations. Ms. Burns said the department indicated the inaction was due to a lack of staff and resources.

Mr. Tim Hill, Deputy Superintendent of the Department of Education, thanked the Joint Finance-Appropriations Committee for providing the department with new positions during the last session. He told the Oversight Committee that the department intended to address outstanding issues. Referencing the recommendation for purchasing procedures, Mr. Hill said the department had not been traditionally involved in the purchasing practices of school districts. He said the recommendation for uniformity and accuracy of fiscal data from school districts was doable with the cooperation of the department's Bureau of Technology Services. He indicated the department had made significant progress with annual school district financial audits, although he did not agree with the OPE recommendation suggesting that the department check the audit firms' work.

Senator Marley moved to conduct a follow-up report for release during the 2007 session. Senator Keough seconded the motion, and it unanimously passed by voice vote.

Higher Education Residency Requirements

Mr. Ned Parrish provided a summary of the report. Co-chair Henbest asked if the Legislature needed to make statutory changes to residency requirements before the State Board of Education made needed rule changes. Mr. Parrish said that the rules governing residency requirements needed to be changed regardless of whether the Legislature changed the residency statutes.

Representative Bell moved to conduct a follow-up report in one year and to provide the Oversight Committee with draft legislation at its next meeting. Representative Field seconded the motion, and it unanimously passed by voice vote.

Public Works Contractor Licensing Function

Mr. Parrish provided a summary of the report. Senator Andreason asked whether the board intended to implement the remaining report recommendations. Mr. Parrish indicated the board was still considering whether to establish testing requirements for license applicants. Senator Andreason requested that OPE provide him with a letter (copied to the division and the Public Works Contractors Association) of the outstanding recommendations.

Mr. John McAllister, Administrator of the Division of Building Safety, said the board had been missing members, so implementation had been slow. However, the Governor recently appointed

new board members and the board will now move forward in implementing the recommendations.

Senator Keough moved to close the report. She said she had worked with the board to make significant progress filling the vacancies and implementing the recommendations.
Representative Bell seconded the motion, and it unanimously passed by voice vote.

Timeliness and Funding of Air Quality Permitting Programs

Mr. Parrish provided a summary of the report. **Senator Marley moved to close the report. Senator Keough seconded the motion, and it unanimously passed by voice vote.**

Idaho Child Care Program

Ms. Burns provided a summary of the report. Co-chair Henbest asked the department to determine the financial impact to the program if the criteria for eligibility were changed to the current federal poverty rate. She requested the department bring that amount to the Joint Finance-Appropriations Committee during the 2007 session.

Senator Keough moved to close the report. Senator Marley seconded the motion, and it unanimously passed by voice vote.

Child Welfare Caseload Management

Mr. Parrish provided a summary of the report. Senator Andreason asked about the delay in implementing the recommendations. Mr. Parrish said OPE had released the report 18 months ago, and since that time, the department had looked at other states' workload processes and drafted an RFP for the workload study that was well underway. He said the department had made significant progress on the recommendations.

Senator Keough moved to conduct a follow-up report in one year. Representative Bell seconded the motion, and it unanimously passed by voice vote.

OTHER BUSINESS

Senator Keough thanked Senator Marley for his service, efforts, and levity in the Oversight Committee and in the Legislature. Senator Marley thanked the staff and JLOC members, indicating his years of service in the Legislature had been a good experience.

The meeting adjourned at 5:00 p.m.