

Minutes of the Joint Legislative Oversight Committee
March 16, 2009
East Conference Room, JR Williams Building
Boise, Idaho

Co-chair Representative Cliff Bayer called the meeting to order at 4:12 p.m. Attending the meeting were Senators Elliot Werk and Dick Sagness (substituting for Edgar Malepeai during session), and Representatives Maxine Bell, Donna Boe, and Shirley Ringo. Also present were Rakesh Mohan, Director, Margaret Campbell, Administrative Coordinator, and other OPE staff.

Co-chair Bayer welcomed the following individuals in the audience:
Representatives Phil Hart and Grant Burgoyne
Richard Armstrong, Director of the Department of Health and Welfare
Dan Goichoechea, Office of the State Controller
Colonel Bill Shawver, Director of Bureau of Homeland Security
Teresa Luna, Department of Administration

MINUTES FROM 2/23/09 MEETING

Senator Werk moved to approve the minutes from the February 23, 2009, meeting. Senator Sagness seconded the motion, and it passed unanimously by voice vote from the six members present.

Senators John McGee and Jim Hammond arrived to the meeting.

SECOND FOLLOW-UP REPORT RELEASE: *MANAGEMENT IN THE DEPARTMENT OF HEALTH AND WELFARE*

Representative Boe moved to receive the second follow-up report *Management in the Department of Health and Welfare*. Senator Hammond seconded the motion, and it unanimously passed by voice vote from the full committee.

Performance evaluators Maureen Shea and Jared Tatro summarized the report—all but one recommendation had been implemented. The Division of Behavioral Health was still working to develop more useful workload and staffing models.

Co-chair Bayer called on Dick Armstrong, Director, to comment on the report. Mr. Armstrong said the department wanted more progress, but made its best efforts within financial limitations of the economy. He said he appreciated OPE's assessment of department efforts.

Senator Sagness complimented the department on its excellent progress, and Mr. Mohan recommended closing the report.

Senator Sagness moved to close the report *Management in the Department of Health and Welfare* and recognized the department for the fine job it did in implementing recommendations. Senator Hammond seconded the motion.

Representative Boe noted improved morale in the department. Senator Werk asked if the motion would be more meaningful with a letter from the co-chairs, and Co-chair Bayer said they could elect to send a letter without a motion.

The motion to close *Management in the Department of Health and Welfare* was unanimously passed by voice vote from the full committee.

STATUS ON FOLLOW-UP REVIEW OF *GOVERNANCE OF INFORMATION TECHNOLOGY AND PUBLIC SAFETY COMMUNICATIONS*

Mr. Mohan said he had received all three department responses and had begun follow-up review on the report. He would try to have the final report completed before the end of session.

Co-chair Bayer said the co-chairs would schedule another JLOC meeting toward the end of session to select evaluations because the legislative body had some pending requests for consideration. At this meeting, JLOC would informally evaluate current requests.

REQUESTS FOR EVALUATION

Mr. Mohan said OPE was ready for two to three studies, depending on size, for release in December, January, or no later than February. If a study was too large, it could be broken down into smaller eight-to-nine month projects. He referred to the eight submitted requests—each with different challenges—and asked JLOC to consider the following factors when selecting requests for evaluation:

- Usefulness in resolving legislative budget or policy issues
- Availability of necessary data
- Primarily asks questions that have an evaluation component

In response to Senator Werk's question about financial resources available to do the next round of studies, Mr. Mohan said OPE could absorb budget cuts by reducing consultant costs. Reports released during this session (ITD, Education Funding, and Education Services Consolidation) needed expertise that OPE did not have in-house. Mr. Mohan said he could design the next study scopes to be less dependent upon consultant expertise.

1. Indigent Health Care

Requested by Representative James Rusche

Mr. Mohan said OPE released five reports on health care costs in July and December 2007. Although significant work was done at that time, a study on indigent health care could look at best practices of other states.

Representative Bell asked whether indigent health care would dovetail with catastrophic fund activities. Senator Hammond cautioned JLOC about duplicating Health Care Task Force efforts, and Senator Werk pointed out that the requestor was a member of the Health Care Task Force, possibly making indigent health care very timely.

Senators John McGee and Jim Hammond were excused for the rest of the meeting.

2. Treatment Needs for Substance Abuse Requested by Representative Grant Burgoyne

Co-chair Bayer called on Debbie Field, Director, Office of Drug Policy, to speak to the request. Ms. Field said the Office of Drug Policy had treatment information that was easily retrievable and could be used as it exists. The information could also be pulled together in a more cohesive way. Senator Werk asked Representative Burgoyne to meet with Ms. Field about this information and get back to JLOC about any additional issues.

3. Land Rental for Manufactured Housing Requested by Representative Phylis King

Mr. Mohan said OPE had done some background research on land rental for manufactured housing. Most of the questions could be answered by the Tax Commission, a report from Boise State University (BSU), and a report by the Governor's Office. He said that determining costs to the state would present some data challenges.

Representative Bell said land rental for manufactured housing was a local zoning issue. She noted that the request had no budgetary impact and did not involve a state agency. Senator Werk said land rental issues came up in a task force that ended with Governor Jim Rische's term. Senator Werk said he would speak with Representative King about her request.

4. Resources for the Legislative Branch Requested by Representative Phil Hart

Mr. Mohan said a study of resources in the Legislative Branch would be a conflict of interest for OPE. He could conduct a research study, but OPE could not be perceived independent, which is an industry standard for conducting evaluations.

Senator Werk said the request was an intriguing proposal for legislative effectiveness. He asked whether OPE could conduct an evaluation by eliminating the audit function from the study. Mr. Mohan said he would still have to release the report with a conflict-of-interest disclaimer.

Representative Phil Hart said his request came from a sense of frustration that he and other legislators did not have enough information to make decisions. He said Idaho ranked 13 as most heavily taxed, but it did not rank that high for government involvement—government needed money to manage money.

Senator Sagness suggested a master or doctorate study from a university; however, anticipating additional space in the Capitol when it reopens in December, a university study would not be timely enough. Representative Hart said he had talked to Dr. Gary Moncrief, Professor of Social Sciences and Public Affairs at BSU, who was willing to contribute to a study. Representative Hart expressed concern that a university study would lack officialness.

Co-chair Bayer asked Mr. Mohan to introduce a way to address this study at the next meeting.

5. Funding Formula for Virtual Schools Requested by Senator John Goedde

Mr. Mohan said the request asked to look at how transportation funding goes to virtual schools. The study could be easily completed within a year.

6. Administration Salary Expenditures Requested by Senator John Goedde

Mr. Mohan said the request came from OPE's report on school district consolidation of services. He said that if the committee's focus was for more savings, the scope could look at school district administration—particularly of superintendents and principals. The challenge with this request was that school districts may be fatigued from the number of previous OPE requests for data. Also, a study would have some data challenges and may need to rely more on best practices and models.

Senator Sagness said he recommended limiting the studying so it would not be as demanding on school districts. He said he would like to see OPE systematically conduct evaluations on each topic recommended by the report *Feasibility of School District Services Consolidation*. He asked OPE to prioritize the topics and bring a recommendation to JLOC.

7. Post-secondary Graduation Delays Requested by Senator John Goedde

Mr. Mohan said a study on post-secondary graduation delays had challenges for acquiring and analyzing data. Senator Werk added that the targets would change with program elimination and schedules, and Senator Sagness said the request was more complex than implied.

8. Management of Highway Districts Requested by Senators Mortimer and Winder

Mr. Mohan said a study of highway districts would be big and complex. He said the study request asks OPE to work with ITD, which would inhibit OPE's independence. Representative Bell said the timing was not right because ITD needed to focus on stimulus funding it will be receiving.

Senator Werk asked if the study would be consultant-rich, and Co-chair Bayer asked Mr. Mohan to review the status of the ITD report. Mr. Mohan said the ITD report was a monumental effort,

particularly at the policy level—costing \$450,000 plus OPE resources. He said by committee rule, OPE would do a follow-up review in a year.

Co-chair Bayer said his intent was to have additional information available on these topics at the next JLOC meeting.

Representative Ringo said the request for manufactured housing was part of a larger issue—the lack of low-cost housing in the state. Manufactured housing was an option for lower costs, but when the land is taken away, owners of manufactured housing typically do not have resources to move the home—likely ending in abandonment.

Senator Werk suggested looking at what other states might do to provide low income housing. He said he would talk with Representative Phylis King.

The committee adjourned at 5:35 p.m.