

Minutes of the Joint Legislative Oversight Committee

March 28, 2019

Room EW20, Capitol, Boise, Idaho



Cochair Representative Mat Erpelding called the meeting to order at 4:12 p.m. Attending the meeting were Senators Mark Harris (cochair), Ray Mosman (substitute for Dan Johnson), Michelle Stennett, Yvonne McCoy (substitute for Cherie Buckner-Webb), Representatives Mat Erpelding (cochair), Caroline Nilsson Troy, and Elaine Smith. Also present were Rakesh Mohan, director and other staff from the Office of Performance Evaluations (OPE). Audience members included the following:

Senator Brackett

Seth Grigg, Executive Director, Idaho Association of Counties

Françoise Cleveland, Associate State Director of Advocacy, AARP

Nick Veldhouse, Executive Director, Idaho Association of Highway Districts

Approval of minutes from March 21, 2019

Senator Harris moved to approve the minutes from March 21, 2019.

Representative Smith seconded the motion, and it passed by voice vote.

Discussion and decision on SCR116

Cochair Erpelding asked Rakesh to explain the framework for discussion and decision on SCR116. Rakesh said JLOC had met two weeks ago to select topics in its traditional way for the coming year. This traditional process was not the only process the committee had used. Another method used was through a joint concurrent resolution. In 2008, a request for evaluation had come to JLOC through a joint resolution passed by the Senate and House. JLOC had met to approve the evaluation because by statute, any project done by OPE must be approved by JLOC.

Rakesh said several conditions would need to be met for SCR116 to move forward. The resolution had passed the Senate but still needed to go to the House. If passed, JFAC and the Legislature would then need to approve a trailer bill for \$450,000, and the Governor would need to sign it.

Rakesh said the committee would decide today whether to assign the study to OPE and how the study would affect the workload assigned two weeks ago. If the study were to be approved and the bills passed, Rakesh would hire consultants. No staff would be involved except Rakesh, who would be heavily involved working with the consultants in deciding the scope, methodology, report message, and delivery of the report to the Legislature. Based on his 2008 experience, Rakesh said he would have a lot of work in the evenings and weekends. He said approval would affect his role and interaction with OPE staff in the projects they have been assigned. If the committee were to assign OPE the SCR116 study [and in light of already assigned workload], Rakesh requested that members reprioritize the five projects as to when reports should be released or whether evaluations should be conducted in phases.

Cochair Erpelding invited Senator Brackett to discuss SCR116 with the committee. Senator Brackett explained that the concurrent resolution asked JLOC to direct OPE to evaluate the formation of a county-wide highway district system in Idaho. This resolution was prompted by

House Bill 292. If HB292 passed, Idaho would move to a county-wide highway district system. Senator Brackett said the Legislature would need data and information to make this move. An evaluation, conducted by an out-of-state consultant and supervised by OPE, would provide objective information.

Senator Brackett said an evaluation would be patterned after the 2008 evaluation of the Idaho Transportation Department. By 2011 and 2012, the department had completed nearly all OPE recommendations. The board had adopted a new strategic plan and acquired a new financial system. A more efficient department resulted in a savings of millions of dollars. So, instead of spending dollars internally, the department had put those dollars into roads. He said he assumed that consolidation of county-wide highway districts would result in efficiencies. An outside evaluation could show the Legislature what those efficiencies might be. In addition, SCR116 included an analysis of the Local Highway Technical Assistance Council (LHTAC), which had provided local systems with technical help.

Senator Stennett said the Senate had debated a bill about the surplus eliminator that would take LHTAC out of the equation and instead contribute money directly to counties. If the Legislature eliminated the chance of LHTAC to pool resources to work on projects for counties and local governments, she asked how evaluating LHTAC would be helpful. Senator Brackett said the bill that Senator Stennett referenced was in flux. He said there were several approaches where LHTAC would have a role, one of which was the administration and awarding of strategic initiative grant money. Under the grant program, LHTAC could have a role pooling dollars so larger, more meaningful projects could be done. In his two years of experience, he said pooling dollars had been successful. Another role of LHTAC was child pedestrian safety. An evaluation could provide data for which to make an informed decision.

Representative Smith asked how many of the projects assigned two weeks ago would be curtailed if the SCR were to be approved. Rakesh said two large studies, retirement and correction, needed to be done in multiple phases, delayed, or limited in scope. The correction study may not turn out to be large, depending on what was found once the study began.

Cochair Erpelding noted that the statement of purpose for SCR116 gave the office two years before being presented. He asked if the timeframe would help the office manage its workload. Rakesh indicated that Senator Brackett had wanted an evaluation to be released in January 2020. However, if the evaluation was done over a two-year period, it would be a relief for OPE. Cochair Erpelding asked Senator Brackett what his expectation was. Senator Brackett said if possible, he would like to see the report in January 2020, but no later than 2021.

Senator Harris asked how long the evaluation would take. Rakesh said he did not know, but it would be a large study. If the study was approved, he would acquire consultants and go through an extensive scoping process with them. At that point, they would know how long the study would take. He said flexibility would allow OPE to do the best job.

Senator Stennett asked why this request had not gone through the proper process. She questioned whether this was fair to other requesters, especially for those where the requests may need to be slowed down or put on the back burner. Senator Brackett said the legislation and resolution took time to evolve. As far as being fair, he said most of the work would be done by out-of-state consultants and should not impact staff time, except for Rakesh's time. It was not his intent to displace other projects.

Senator Stennett said crafting a letter and submitting it for consideration would have been an easier process than a resolution. She said the committee has a process that other legislators have

gone through and she wanted to ensure that everyone had equal consideration. Senator Brackett said he understood the process, but he had put in letter requests for this study before. He said it was more than just writing a letter to get a quality request. He had wanted to do it right.

Senator Harris asked Rakesh to explain how he determined an estimate of \$450,000 for the evaluation. Rakesh said he called two consultants from the 2008 project and discussed an estimate of \$300,000. When the LHTAC component was added to the SCR, Rakesh looked at the cost estimate of \$250,000 from a resolution that had not passed in 2015. Since both studies would be done together, he estimated \$100,000 less at \$450,000. Senator Brackett commented that the 2008 study had a surplus, and OPE returned \$110,000 to the state. He said that Rakesh was very frugal with the state's money.

Cochair Erpelding suggested the committee discuss how to adapt the current projects to make room for the resolution and the deadline for the resolution. He suggested that maybe the retirement study could be done in phases with an initial report and a substantive follow-up. Representative Troy asked about the priority of the original vote. Bryon Welch, principal evaluator, and Representative Smith clarified the vote priority: (1) correction with 7 votes, (2) nonemergency medical transportation and county revenues tied with 6 votes each, and (3) retirement and chained CPI tied with 5 votes each.

Cochair Erpelding asked if the office would have more time if retirement was done in two phases. Rakesh explained that the chained CPI study could likely be done in three months, which was why he was able to say yes to five studies. In hindsight, he should not have done that. Rakesh said the retirement study would be huge and should be split into two phases. He said the first phase could be working with AARP on its upcoming surveys. Phase two could conduct further analysis. Rakesh said the county revenue project could get big. He asked Representative Troy about narrowing the scope. Representative Troy said the scope of the state mandates evaluation had been narrowed, and she was amenable to doing so again. Representative Troy asked whether narrowing the two projects would provide enough bandwidth to add the resolution. She added that she thought SCR116 was a powerful proposal that came to JLOC from a vote of the Senate, not just a letter. She said it was important for JLOC to consider the request.

Senator Harris said he was hung up on the cost of the study. Senator Harris asked if it could be done in-house next year. Rakesh said it had to be done by outside consultants for two reasons: (1) no matter how much the other five studies were narrowed or reprioritized, staff would not have enough time to take on the resolution and (2) the resolution would be a very technical study that would take internal staff a much longer time to complete than it would for expert consultants. He added that he hoped JLOC would give him flexibility in issuing the report during the 2020 session.

Representative Troy moved to accept the study request contingent upon approval of HCR116 by the House and upon approval of a JFAC appropriation. OPE would be given flexibility to determine when to wrap up the evaluation. Senator Harris seconded the motion, and it passed by voice vote.

Other committee business

Rakesh thanked the committee for their support. He said he talked with people around the globe who were impressed with the process of how the committee assigned and received evaluations.

The meeting adjourned at 4:50 p.m.