

Minutes of the Joint Legislative Oversight Committee

April 27, 1995

House Majority Caucus Room

Boise, Idaho

The meeting was called to order at 1:05 p.m. by Co-chair Representative Bruce Newcomb. Members present were Co-chair Senator Bruce Sweeney, Senators Atwell Parry and Sue Reents, Representatives Kitty Gurnsey, Marvin Vandenberg, and John Alexander. Staff members present were Nancy Van Maren and Margaret Campbell.

MINUTES

Co-chair Newcomb opened the meeting with a review of the minutes. **Representative Gurnsey moved to accept the minutes.** Senator Reents requested clarification on the 3/13 minutes. **Representative Gurnsey amended her motion to include the minutes from the executive session 10/5/94. Senator Reents seconded the motion and it passed unanimously by voice vote.**

COMMITTEE MATTERS

Enabling Statute

Ms. Van Maren went over the legal guidance the Attorney General's Office had provided the committee after the veto of S1092. The guidance covered three topics. First, it clarified that all papers submitted to or gathered by the JLOC staff are considered workpapers under I.C. § 67-461. Under statute, workpapers are exempt from disclosure until a performance evaluation is issued. Because some topics that come to the OPE never result in a written performance evaluation, some workpapers remain exempt from disclosure. Ms. Van Maren said she had discussed this with the Deputy Attorney General, and had asked whether the workpapers on a topic which would no longer be pursued could be released, even if no report would be published. She said she thought workpapers should be released if the OPE "closed a file" on a project and decided no longer to pursue it.

Senator Parry said he thought that records should be as open as possible. He asked Ms. Van Maren if she thought there may be cases in which the committee would decide not to pursue a given topic, but want to retain records related to topics they may pursue at a later date. Ms. Van Maren said she thought this was possible, and that the committee could keep those workpapers as part of an ongoing project.

Representative Alexander said he also thought the records needed to be as open as possible. He said that if the committee decided not to pursue something further, it was up to public scrutiny to determine whether to pursue it. Co-chair Newcomb said he agreed with Ms. Van Maren that once a topic will not longer be pursued, the workpapers associated with it should be available to the public.

Senator Parry clarified that he was interested in knowing more about the cases in which the committee might want to take a long look at a situation. Senator Reents said that, given her experience on the Judicial Council, she thought that it may not be a good idea to release investigative records if the allegations turned out to be unfounded. This may do damage to someone needlessly.

Senator Sweeney asked if Ms. Van Maren meant by "closing a file" that the committee had opted not to pursue the topic further. Ms. Van Maren answered that, yes, this was what was at issue. She said that while allegations are in her office, they are workpapers and are therefore confidential. In referring allegations to other authorities, she could transfer the workpapers.

Senator Reents asked if someone could come into the OPE and request to see all "closed files." Ms. Van Maren said that it was her understanding that any requests for information needed to be more specific. Senator Reents said that it sounded like the committee was operating on good ground. If a problem arose in the future, the committee may want to reevaluate its standard practice.

Ms. Van Maren asked if the committee wanted to hear the results of allegations she considers, including those which would require the confidentiality of an executive session. Co-chair Newcomb said that he thought when allegations were referred to other authorities, they were no longer JLOC's concern.

Ms. Van Maren said that some of the background papers will result in a performance evaluation and some may not be pursued in the future. Did the committee want to keep all on the agenda? Or vote to not pursue a given topic, so that the workpapers could be made public? Co-chair Newcomb said he thought some topics might be open for long periods of time before the committee had enough information to pursue or close them. Senator Parry said that there could be many allegations that the committee would not have to hear; the committee could leave it in Ms. Van Maren's best judgment. However, if the committee had asked OPE to look into a topic, they should always be given the requested background paper or other information.

Representative Alexander asked Ms. Van Maren, if in the course of doing an evaluation, she would immediately forward issues with legal ramification to the Attorney General or wait until the release of the report. Ms. Van Maren said that it was important to relay this information rapidly so that action could be taken.

Ms. Van Maren said the Attorney General's memo also addressed the issue of keeping the name of a source confidential and provided lengthy information on subpoena power. Regarding the latter, there was no question that JLOC chairmen could issue subpoenas. However, enforcement

of a subpoena required the support of either house, which made it difficult out of session. Senator Reents said this could have ramifications for other committees of the Legislature and could possibly be addressed in another way. Perhaps the Legislature could give authority to the Legislative Council to request a district court's enforcement? Senator Sweeney said the vetoed bill had addressed this by giving enforcement authority to the district court. Representative Gurnsey said that, in her experience, the public was generally cooperative and there had not been a problem.

Ms. Van Maren said it was necessary to reconsider the committee rules, which had been revised to reflect the statute as it stood. The committee then discussed changes to the rules. Representative Gurnsey asked why the State Controller had been added to the rules since audit authority had been given to the Legislative Auditor. Ms. Van Maren said this reflected current Code.

Representative Alexander moved to adopt the proposed revisions to the rules as written. Representative Gurnsey seconded the motion, and the motion passed unanimously by voice vote.

TOPIC SELECTION

Update on ongoing projects

Co-chair Newcomb turned the floor over to Ms. Van Maren to update the committee on projects underway. Ms. Van Maren said that data collection for the State Travel Management study would be completed in another week. Then the process of analyzing data and drafting the report would begin, with a release foreseen for July. Although the study crossed all state agencies, the OPE had held an opening conference with the Department of Administration (DOA). The department agreed to act as a contact agency and delayed making decisions regarding statewide management opportunities pending the release of the report.

Regarding the Medicaid Services for Children with Disabilities study, the OPE had followed up on the committee's request to work closely with the department in scoping the report. OPE met with department officials and concerned parents to develop an issue outline. OPE sent out over 60 copies of an RFP for assistance on the Medicaid study with a return deadline of April 28. The study officially begins in May. Representative Gurnsey asked how the OPE was working with the department in developing issues and whether the department was working on the identified issues. Ms. Van Maren said the department was holding meetings with parents and trying to address concerns of respite care, daycare, and burden of paperwork. The staff had met with regional Medicaid units to streamline necessary paperwork, but found it was not clear how much they were able to do with respite care. There remained some confusion over the requirements under federal law, state law, and departmental rule.

Public Education Transportation

Ms. Van Maren briefed the committee on the background paper they had received on *State Funding of Public School Transportation*. Overall, it was difficult to evaluate efficiency between and within districts. District costs varied, and costs varied between owning bus services and contracting for them. Safety bussing (bussing for students who live closer than a mile and a half to the school but could be endangered by walking to school), terrain and roads, and population density all caused differences in cost between districts. Within a given district it was difficult to know which routing decisions were most effective. Some districts used software to help make routing decisions.

Ms. Van Maren said the background paper outlined at least four levels of oversight regarding the costs involved. The most intensive was the full transportation audit in three districts per year. Co-chair Newcomb asked whether there were sanctions for districts with audit findings. The Co-chair recognized Dan Medenblik, Performance Evaluator, to address that question. Mr. Medenblik said the main sanction required districts to repay funds received on nonreimbursable costs. He said, to his knowledge, there were no additional sanctions. Co-chair Newcomb asked whether there was follow-up the on sanctions to see whether the district refrains from claiming those same costs another year. Mr. Medenblik said he did not know. Representative Vandenberg asked whether a district had ever had to pay back state money. Mr. Medenblik said that adjustments have been made on mistakes in both directions.

Senator Reents said that 85 percent reimbursements from the state did not create incentives for school districts to spend money in the most efficient way. There was lack of district route and bus contracting analysis. More information was necessary if the state wanted to determine the most efficient use of funds. Co-chair Newcomb said contracting avoids employees and the costs associated with them; those costs needed to be considered in any cost comparisons.

Representative Gurnsey said she was concerned this study could be an effort in futility because Legislators tended to support changes only if it benefited their districts. Senator Sweeney said that the Legislators have never had the amount of information this report could provide, and have been unable to make comparisons. He said safety bussing varied widely by district and standards needed to be developed. Senator Parry said that if the committee asked OPE to continue their study, Legislators should take the issue seriously enough to consider action.

Senator Reents said given the options for study in the background paper, she thought a review based on existing data was not what was needed. The more detailed study was necessary, so that recommendations on efficiencies could be made. Ms. Van Maren said a detailed report would require sampling, so some districts would not be specifically included in the study.

Representative Gurnsey moved that the OPE pursue the topic of state funding of public school transportation. Senator Parry seconded the motion.

Representative Gurnsey said she was interested in knowing more about the costs of reimbursing parents to pick up their children at the airport in Coeur d'Alene every weekend after they had been transported from the School for the Deaf and Blind in Gooding.

Representative Vandenberg said that in 1951 he sat through the same discussion on transportation costs. The only difference was that now the committee was talking about computer software. He said it had been an arbitrary decision as to how to deal with the transportation issue when the formula was created.

Senator Reents asked if pursuing this topic would create a "hornet's nest" amongst Legislators. Co-chair Newcomb said Legislators should explain to voters who may be upset about restrictions or cutbacks that their state income tax dollars, not local dollars, were funding education transportation. Did they want to waste this money? He then introduced Eldon Nelson, Supervisor of Support Services at the Department of Education, and invited him to address the committee.

Mr. Nelson said the Department of Education was supportive of pursuing the report. He said they had been concerned for some time with the public education transportation program.

Representative Gurnsey asked Mr. Nelson if they looked at bus size when transporting a small number of students. Mr. Nelson said they can make recommendations, but had limited authority when reviewing school districts. When there was a violation of State Board rule or Idaho Code, districts are asked to respond in writing on their plans for correction, or money would be withheld. Otherwise, the department had no way to enforce recommendations. In general, he said, there had been good cooperation with positive changes.

Ms. Van Maren requested a clarification on the motion. **Representative Gurnsey said that her motion was that the OPE look into how the system could be changed to operate more cost-effectively.**

Senator Sweeney said that some data may not be available, or impossible to get. Even determining what data is necessary may be a start. Ms. Van Maren said OPE had started to look at costs for transportation specialists and specialized software. They had learned that both were expensive and could reach several hundred thousand dollars. Representative Alexander said there may be a transportation specialist at INEL who could provide technical assistance.

Senator Parry asked about the time frame of the study. Ms. Van Maren said the staff could begin the study in August when the travel study was released. If OPE contracted for assistance, the contractor may be able to start earlier. To be useful to the Legislature next session, the study needed to be released in December or early January. Senator Parry asked about funds available for the study. Ms. Van Maren said technical consulting funds from this fiscal year and the next together might finance half of a study. Senator Parry asked if that would allow additional funds for any other studies in FY96. Ms. Van Maren said no. Senator Parry said they may want to look at a supplemental in January; this was an important issue, and if the study resulted in

changes, it would be money well spent. Ms. Van Maren said she could research the costs within the next weeks and develop a cost-estimate for the study.

The motion passed by unanimous voice vote.

Senator Reents suggested sending the background paper to members of the Senate and House Education Committees, and possibly to JFAC committee members.

Senator Parry moved that the OPE provide projected costs for a public education transportation study for action at the next meeting. Representative Alexander seconded the motion.

Representative Gurnsey said she thought there may be money available for this study in the combined Legislative account, which included JFAC dollars. Perhaps at the end of this fiscal year there were funds that could be appropriated into this area at the request of the Speaker, the Pro Tem, Representative Newcomb, or Senator Sweeney. Senator Parry clarified that this was part of his motion—that JLOC look at the resources available and then make recommendations on how to proceed.

Representative Alexander said he thought the committee should be careful to consider other potential resources in doing this study as well, including those that are likely available through the INEL.

Representative Gurnsey moved that the Co-chairs draft a letter to Mr. Bianchi asking him to see if there would be dollars available that could be used [for the transportation study].

Mr. Jeff Youtz, Supervisor of Budget and Policy Analysis, reminded the committee that the Legislature had already returned five percent of its funds. Senator Sweeney said he thought it would be easier to know how to proceed once it was determined what funds were available.

Asking for and hearing no objections, Co-chair Newcomb announced the motion passed unanimously by general consent.

The previous motion on the floor was passed by unanimous voice vote.

Additional topics for consideration

Ms. Van Maren said the OPE had received a good response from the Legislative survey sent out April 3, 1995. In addition, she had compiled a number of requests from other sources. Ms. Van Maren said that those who had requested these topics were told the committee would hear them. The committee could consider several options in going through these topics.

Senator Sweeney suggested that OPE had more than enough work, and without minimizing any of the proposed questions, the committee might delay discussion on these topics. **He asked for**

unanimous consent to defer discussion of any of the “Other Topics” until a future meeting when action on them might be possible.

Representative Gurnsey suggested they take a few minutes to address the Legislative survey issues. She said the Legislature had staff people, specifically budget analysts, who had spent a lot of time looking at some of these issues. She said they could contact the respondees and answer the questions. The legislative auditors had spent considerable time with some of the listed agencies and also would be able to address the questions.

Senator Reents agreed that there was not time at this particular meeting to discuss all the questions. She suggested using other sources, as suggested, and either request state agencies or the Legislative budget office to draft responses. The committee should try to respond to Legislators’ questions.

Ms. Van Maren said that later in the agenda, JLOC would have opportunity to consider the difference between performance evaluation and research. Some of the survey questions were research questions that could be looked up with existing data and passed back to the individual Legislators.

Senator Sweeney said he was concerned about the workload of OPE. Senator Parry asked Mr. Jeff Youtz if budget analysts would be able to answer the questions on the “Other Topics” (Legislator survey response) list without doing extensive research. Mr. Youtz said he thought all questions could be followed-up with a letter answering the question if the Legislators did not need a completely researched response. Senator Parry asked if Mr. Youtz thought it would be possible for these analysts to work with an auditor (who had recently audited the associated agency), to come up with an answer to let these respondees know their question was not in vain. Mr. Youtz said yes, he thought the purpose of the legislative staff consolidation effort was for auditors, budget analysts, and researchers to pool resources. He said Mr. Bianchi was going to address that issue in the Legislative Council meeting the following day.

Senator Sweeney withdrew his request for unanimous consent.

Senator Parry moved that the OPE give the list of topics for evaluation to Mr. Bianchi or Mr. Youtz and ask them to respond. Representative Gurnsey seconded the motion.

Representative Gurnsey said she thought the executive branch should also be brought into this and have fiscal analysts in DFM help answer questions or write letters. Ms. Van Maren said she would respond to the Legislators and let them know that she had relayed their concerns to other state staff. She said some Legislators posing questions specifically requested that their identity not be revealed and she had assured them it would not. The bigger issue seemed to be the committee’s decision to survey for topics once or twice a year. She asked how the committee wanted to handle future surveys.

Senator Reents said the list should be discussed at the next meeting. She said some of the topics may be kept on the list for future research. In addition, she thought the OPE should be briefed on

the answers compiled on the rest of the topics. The answer on those questions may give JLOC some insight on larger issues to consider. Co-chair Newcomb said when they developed the OPE, the idea was to use existing legislative staff to help gather information. This may be the opportunity, while maintaining independence, to give the committee more information in selecting topics.

Mr. Youtz said the survey did not have to be in vain if a topic was not chosen from it. There were other ways to follow-up on issues. He said he didn't mean to say that his staff would answer every one of the questions posed; he was not sure they could do that. He said they received questions frequently and answered them to the best of their ability. They relay these questions to Representative Gurnsey and Senator Parry for possible review in JFAC. JFAC, in interim committee meetings, had a list of follow-up topics. Some of these may be appropriate for that setting.

Representative Newcomb said this would not preclude a survey question from becoming a future performance evaluation. He said all available research should be given to Ms. Van Maren for filing in the event of future decisions. Senator Parry wondered if it would be too much work for Ms. Van Maren to forward received answers of questions to committee members for review and consideration. Ms. Van Maren said that would not be a burden for staff. She said it needed to be clear that survey answers were not the result of a performance evaluation in which there was a strong emphasis on verifying data from any source.

Senator Parry said OPE should be able to send a form letter saying they have asked the analysts to answer their concerns, and inform them that this was not an in-depth study. It should also be said that the committee may take select the topic at a later date. Senator Sweeney suggested including a note saying the committee was undertaking the public education transportation issue so Legislators understand why their question had been referred to someone else.

The motion passed unanimously by voice vote.

[The committee took a short break.]

Other Requested Topics

Committee members discussed several of the topics requested from all other sources, focusing on the first four issues on the handout.

Senator Reents asked, in reference to the issue regarding motor vehicles, whether the use of agency-owned vehicles would be addressed in the state travel report. Ms. Van Maren said that expenditures on motor vehicles will be discussed in the State Travel Management report, but will not be a central focus.

Senator Sweeney said the committee needed to limit themselves on the number of reports taken on at one time. He said all the topics were worthy of a report, but if they take on too much, the reports would not be effective. They cannot afford to be in the position of needing ten staff

people. Senator Reents said the Legislators were on an uneven plane when compared to the number of staff members in the executive and judicial branches of government. She said DFM should be able to look at motor vehicles, and it was not necessary for the committee to investigate.

Representative Alexander asked Ms. Van Maren how many more projects OPE could take on. Ms. Van Maren said OPE cannot do any more until January with the studies they have pending. Senator Parry said the state had gone many years without studies. At this point, JLOC needed to prioritize and narrow the topics. Others in the state need to understand that the committee had decided what issues to pursue, and will move on to other topics when current issues had been thoroughly addressed.

Senator Reents said the committee should make a decision on action for the Disaster Services topic. She thought the issue was timely and should be forwarded to the Governor's office. Ms. Van Maren said the agency was aware of the problem, and it might be appropriate to speak with Mr. Van Engelen or the Governor. She said she would discuss the issue again with Mr. Larry Kirk, who had relayed the topic.

Senator Reents moved that OPE bring "Other Topics from Other Sources" questions one and five to the attention of the executive branch. Representative Alexander seconded the motion.

The motion passed unanimously by voice vote.

Representative Alexander said the Idaho Technology Advisory Council (ITAC) had a subcommittee currently looking at procurements, which was an element of the second issue. He said the council serves as an advisory council to the DOA. They were using computers and technology as a starting point in looking at joint contracts. It had addressed everything, including the purchase of buses.

In addressing the issue on reimbursement for occupational and speech therapy, Senator Reents suggested sending a letter on committee letterhead to the Department of Health and Welfare asking them to answer the questions. Ms. Van Maren said that she had learned that views differed on this topic. While the department could give insight, it would probably not be sufficient to resolve the issue. Co-chair Newcomb suggested postponing this issue until a later date.

Recommendations on improvements to process/timeline

Ms. Van Maren said she considered feedback from committee members and had developed a recommendation to improve the evaluation process. The intent of doing background papers had been to multiply the number of issues the committee could hear given the limited staff. However, the committee went through the topic selection process during the session when it was difficult to meet, and at a point when Legislators needed more immediate answers to questions. She recommended that next year the selection be made before the Legislative session or within

the first week. During the session, JLOC could meet as necessary to discuss legislation on released reports or hold hearings on released reports. Representative Gurnsey said the committee should consider going through topic selection in conjunction with the organizational session the first of week of December. Representative Newcomb said this change might help alleviate some of the problems the committee had in finding times to meet during the session.

WHISTLEBLOWER LAW

Co-chair Newcomb said Senator Ipsen was the original bill sponsor. He said he thought that rather than going through JLOC, Senator Ipsen should build a coalition between the Governor and the other members of the Legislature to strengthen the whistleblower law. Senator Reents said she was in favor of a whistleblower law, but the committee needed to be careful about not getting it confused with the JLOC mission. If the committee gets too involved in this, people will call the office on whistleblower issues that do not relate to JLOC's focus. Co-chair Newcomb said one compromise might be that whistleblowers call the Governor's office, but remain anonymous.

Senator Parry suggested clearing any changes with the Governor's office. Co-chair Newcomb said the Governor might be able to decide by executive order to allow anonymity. The committee suggested leaving it up to the Governor, and staying out of the issue. Ms. Van Maren said the whistleblower statute had not yet been tried, according to the Attorney General's office.

Ms. Van Maren said that in January the committee asked for information on costs of distributing information on the whistleblower law. She provided the committee with a summary of the costs involved, and information about the use of a similar law in another state. Distribution options can go through: the personnel system to all employees, agency mailboxes to department heads, *Pay & Personnel Facts* to employees on a quarterly basis, or as a topic in the monthly *Legislative Newsletter* out of the Legislative Services Office. Finally, the committee could decide not to pursue any distribution.

Senator Parry said he was impressed with the complaint tracking system the Governor's office had under the previous administration. If the committee wants to take any action or act as a resource, it should be cleared or directed by the Governor. Representative Vandenberg said the Governor had always handled state employee complaints. He said this was an effective means of managing personnel.

Representative Gurnsey said that the committee had requested Ms. Van Maren find out about distribution costs, and they should follow through with some kind of action. She suggested writing an article for *Pay & Personnel Facts*. Senator Reents said the article was already written last June, and expressed concern about the article going out under the committee's name. Co-chair Newcomb said that Ms. Van Maren needed to talk with the Governor before speaking with anyone else about distribution plans. Senator Reents suggested leaving it up to the Personnel Commission. Senator Ipsen could unofficially approach the Personnel Commission about re-distribution of the article.

Representative Gurnsey moved that the OPE leave it up to the Personnel Commission whether to put information on the whistleblower law in the July 1995 quarterly. Representative Alexander seconded the motion.

The motion passed unanimously by voice vote.

OPE'S ROLE IN STATEWIDE PERFORMANCE REPORTING PROCESS

Ms. Van Maren updated the committee on other efforts in the state that agencies associated with the OPE.

Strategic Planning

Ms. Van Maren said that several state agencies have had the mistaken impression that OPE was created to evaluate agencies' strategic plans and performance reports. However, this was an effort coordinated out of the Division of Financial Management. According to statute, three different groups receive work products as a result of this effort: DFM, budget analysts from LSO, and JLOC. Several agencies have commented on a lack of direction in the strategic planning/performance reporting process, and have attributed the responsibility for providing training to the OPE.

Ms. Van Maren contrasted the organization in Idaho with those underway in Minnesota. She expressed concern that there were no established means to review the appropriateness of measures or the reliability of the data collection systems prior to JLOC seeing the results of the measurement. This August the agencies will submit their plans; in July of 1996, they will submit their agency evaluation plans; and in September 1996, the committee will see the first results.

Representative Alexander said he thought that when the legislation went through, the intent was to develop a five year strategic plan that germane legislative committees could look at. He questioned whether the intent would be fulfilled. Co-chair Newcomb said the development was going to take time. Representative Alexander said the legislation was intended to make sure agencies had direction, a road map to document where they were going, which did not change with an election. Representative Vandenberg said it seemed very similar to the old Management by Objective (MBO) system.

Representative Alexander said he did not want to see the Legislature get out of the loop of receiving the five year reports, which told the Legislature what agency five year plans were. Without a plan, they would not perform.

Senator Reents said sometime before the strategic plan is due, and while agency heads are in the process of developing them, OPE should clarify what the Legislative Oversight Committee is charged with doing and that we are not the ones to direct questions on the development of strategic plans. She does not want it implied that the Legislature is out of the loop on strategic planning.

Senator Parry said without the support of the Governor, the committee is not going anywhere. **He said someone from the committee needed to visit with the Governor to see what he intends to do before the committee spent any more time on this. Co-chair Newcomb, asking for and hearing no objections, announced unanimous consent to Senator Parry's suggestion.**

Ms. Van Maren said the State Controller had developed a system for internal control and offered extensive training on this system without cost to agencies. The reason given to developing this system was the Controller's responsibility for submitting the management letter in the statewide audit.

Representative Gurnsey asked how the training was being funded, and members commented on the content of the training. While most agencies were participating in the training, at least three (including the OPE) had opted not too. Ms. Van Maren said she thought the training offered as part of this effort might assist agencies in meeting their requirements under the performance reporting process.

SUMMARY: ROLES AND RESOURCES OF THE OPE

Update on previous committee requests

Ms. Van Maren said that in January, the committee had requested that the OPE ask the DOA to collect data on state vehicle use. OPE staff had developed a minimum list of the data necessary and met with the Director of DOA and the Administrator of the Division of Purchasing to determine how to implement this request. She proposed that the committee request that the DOA collect and maintain items one through three on the handout, and request agencies collect and maintain items four and five.

Senator Reents said since a letter was going to be drafted to agency heads regarding the role of the Oversight Committee with performance audits, OPE should ask them to gather and collect specific motor pool information at the same time. Senator Sweeney said DFM would be interested from the standpoint of the budgeting process. Without this kind of information, how does one do zero-based budgeting. Ms. Van Maren said she would talk with Mr. Van Engelen to see if he would make the request.

Representative Gurnsey moved that Ms. Van Maren ask Dean Van Engelen to follow-up on items four and five. Senator Sweeney seconded the motion. Co-chair Newcomb, after asking for and hearing no objection, announced the motion carried by unanimous consent.

Ms. Van Maren said a request was made last July in a meeting with the co-chairs that the OPE help strengthen the impact of legislative financial audits. At that point, OPE was asked to: (1) review financial audits for significant findings; (2) send a letter to audited agencies with significant findings, requesting them to submit a one-page response; and (3) review agency responses as part of the topic selection process. In some ways, she said, there was a natural tie between financial and performance auditing: 42 percent of states had financial auditing and

performance evaluation functions under the same umbrella audit agency, while 24 percent had performance evaluation as a separate administrative unit under the Legislature. In addition, the same professional standards applied to both financial and performance auditors, and the same organization oversaw peer reviews of both functions.

Currently, OPE receives copies of financial audits, and staff reviews them for significant findings as time allows. Ms. Van Maren asked the committee's direction on this earlier request. Representative Gurnsey said JFAC is already doing follow-up. She said they appoint JFAC members to follow-up and meet with agency heads.

Senator Reents said that Mr. Youtz had earlier indicated something would be done differently in the budget hearing process. Senator Parry said he had received information from Mr. Bianchi indicating there would be a lengthy discussion at tomorrow's Legislative Council meeting on the audits and how they are handled. He said that JFAC had been doing a good job in following-up on audits, and hoped the process would continue.

Representative Newcomb said one of the purposes of having JFAC co-chairs on this committee was to link-in findings of the legislative financial audits. Senator Reents said she thought JLOC should not take any action on this earlier request. Co-chair Newcomb agreed and said the OPE should continue to get copies to review for significant findings.

OPE After Eight Months

Ms. Van Maren reported that eleven Legislators requested background papers in response to a letter sent with the survey.

Ms. Van Maren summarized the strengths and weaknesses of OPE after eight months, the accomplishments and priorities for the future. She said OPE's greatest strengths were its staff, and the organization and direction that were in place. She said she wanted to improve OPE's ability to respond more rapidly to allegations and concerns she receives. As staff develop, there may be more resources available to devote to improving this response time.

Committee members thanked OPE staff for their hard work on issues to date, and thanked the co-chairs for their strong leadership during the start-up period.

Representative Gurnsey moved to adjourn the meeting. Senator Reents seconded the motion. Co-chair Newcomb, after asking for and hearing no objection, announced the motion carried by unanimous consent. The meeting adjourned at 5:20 p.m.