

# Minutes of the Joint Legislative Oversight Committee

August 28, 1995

East Conference Room  
Joe R. Williams Office Building  
Boise, Idaho

The meeting was called to order at 1:10 p.m. by Co-chair Senator Bruce Sweeney. Members present were Co-chair Representative Bruce Newcomb, Senators Atwell Parry and Grant Ipsen, Representatives Kitty Gurnsey and John Alexander. Staff members present were Nancy Van Maren, Tom Gostas, and Margaret Campbell.

## MINUTES

Co-chair Sweeney opened the meeting with a review of the minutes. **Representative Gurnsey moved to accept the minutes and Senator Parry seconded the motion. The motion passed unanimously by voice vote.**

## REPORT RELEASE: *STATE TRAVEL MANAGEMENT*

Co-chair Sweeney reviewed committee rules and procedures in hearing the release of a report. At the conclusion of committee discussions, Ms. Pam Ahrens, Director of the Department of Administration, would be asked if she would like to make any comments or receive questions from the committee. Representative Newcomb added that, with the approval of the committee, State Controller, J. D. Williams, could also be given an opportunity to respond to the report before the committee. Testimony on the report would not be taken.

Ms. Van Maren began the presentation of the *State Travel Management* performance evaluation with an outline of the request for the study, its scope, and the research procedures followed. She said the Department of Administration had acted as the contact agency, as the evaluation reviewed statewide policies rather than any individual agency's travel. According to committee rules, the reports became public record with the convening of the meeting. After the presentation, the committee would vote to receive the report, which would signal completion of work on the study. The chairs, on behalf of the committee, would then send a letter to the Governor, State Controller, Department of Administration's director, and members of the Legislature accompanying the report.

Ms. Van Maren reviewed the contents of the report and invited questions from the committee.

Senator Ipsen asked Ms. Van Maren to describe in more detail previous attempts to consolidate travel activity. Ms. Van Maren said there was a recent effort to bid out travel management to one or more travel agencies in the state. Other mechanisms considered involved the use of a fuel card and travel credit card.

Representative Newcomb asked Ms. Van Maren to discuss the OPE's inability to substantiate a savings by the bidding out of travel management to travel agencies. Ms. Van Maren said staff had researched opportunities for coordinating and consolidating travel management in Idaho and the experiences of other western states. They had determined that cost savings came primarily from negotiations for fare reductions and closer monitoring of expenditures, both of which relied primarily upon the collection of travel data. This could be done in a number of ways, including in-house, and did not rely on centralized travel agency management.

Representative Gurnsey said she thought the report verified that state government was actually well-managed, even though that may not be the public perception. She said she had expected to read in the report a claim of substantial savings on airfare, but the report did not verify that. The real savings appeared to be in the reimbursement of costs for lodging. She wanted to know if it had been cost effective for the University of Idaho to hire a travel manager.

Ms. Van Maren said it was difficult to estimate the net result of the University of Idaho's travel manager, as their overall travel expenditures had increased during the same time period, consistent with their overall budget. However, the U of I had produced a report that showed cost savings as a result of their efforts, which had included negotiations with airlines and improved oversight of travel vouchers. According to U of I officials, the future of the travel management office was uncertain. Ms. Van Maren noted that all estimates of cost savings in the report were conservative; actual cost savings as a result of the recommendations would likely be much higher.

Representative Gurnsey asked about the recommendation to codify the state's exemption from sales tax. Ms. Van Maren said that the compelling reasons for putting it in Code were the federal policy change and the disproportionate effect of current practice on agency travel budgets.

Representative Gurnsey asked if there was a management problem when 38 percent of the people buying airplane tickets did so in fewer than seven days. Ms. Van Maren said that, in her judgment, 38 percent was high, even accounting for appropriate emergency travel needs.

Representative Newcomb asked how much the report had cost to produce. Ms. Van Maren said the OPE used a time reporting system to track employee time use and were able to calculate the cost at approximately \$49,000.

Senator Parry asked if there was information to support cost savings in teleconferencing versus travel from one location to another. Ms. Van Maren said they did not examine this issue, but believed a travel coordinator could stay on top of trends with the potential for reducing costs. She said Director Ahrens had emphasized her interest in the potential savings in this area.

Co-chair Sweeney asked if agencies contacted different motels in the area to get a government rate and whether agencies instructed their employees to limit where they stayed in terms of cost. Ms. Van Maren said there were no state negotiated lodging rates. Government rates, where available, were federal rates. She said departments had different levels of travel oversight, ranging from a great deal of oversight to cursory review. Because it was policy to reimburse lodging at actual cost, there were few reasons to strongly oversee it.

Co-chair Sweeney asked if Ms. Van Maren found employees traveling to the same place, but having a wide range in motel costs. Ms. Van Maren said that, yes, having looked over some of the records, there was a wide range. Co-chair Sweeney asked Mr. Tom Gostas, performance evaluator and primary author and researcher on the report, if agencies made an attempt to get direction in terms of where employees should stay. Mr. Gostas said that, based on his review of agency policies and interviews with staff, the level of oversight appeared to vary by agency.

Co-chair Sweeney invited Ms. Pam Ahrens, director of the Department of Administration, to comment on the report. Ms. Ahrens said she had been impressed with the evaluation process. She was told from the beginning what would happen, and worked closely with Ms. Van Maren and her staff. There were no surprises. Her department had begun to use the report as a management tool to look at travel costs and practices. The report also raised numerous questions dealing with alternative modes of meetings, like video conferencing capabilities.

Ms. Ahrens said she thought it good to keep in mind the need for flexibility in airline ticket purchases, in emergency situations. Last minute purchases were costly, but not always something they could anticipate. She said she supported the adoption of federal guidelines for in-state travel. Some type of centralized coordination would be of help in educating state employees as travelers and purchasers of travel industry needs. She said state travel would be more effective if there were guidelines in place for the agencies.

Ms. Ahrens said the statewide credit card for travel had merit. Using a credit card would be easier than getting a travel advance and would document the travel. Representative Alexander asked if the recommendation to require an explanation for tickets purchased fewer than seven days in advance would be time-consuming administratively. Ms. Ahrens said that documenting the reason would help reduce travel costs; it would make employees aware that the standard was to plan in advance. She suggested using an electronically transmitted code for airline tickets purchased fewer than seven days in advance.

Representative Newcomb asked Ms. Ahrens what she had learned about video conferencing. Ms. Ahrens said the state of Wyoming used video conferencing capability with higher education institutions, the military division, and state government agencies. When a video conference was booked, the state noted a parallel cost factor for travel costs. Wyoming had a computer software program in place to analyze each of the meetings and the savings to the state.

Representative Gurnsey said that JFAC continued to monitor the benefits of teleconferencing, and had not found it cost effective. Ms. Ahrens said that until video conferencing was more centralized, the cost would not be competitive. It was evident that departments in state

government did not work together on travel as well as they could. Coordination within departments could come from the executive branch, or a legislative recommendation given to the executive branch, in an effort to see what could be done without additional cost or staffing.

Senator Parry asked if cost estimates were available on the different possibilities of motor vehicle travel. Ms. Van Maren referred to the background paper on motor vehicles presented to the Oversight Committee in January. Idaho had no centralized motor pool, although some individual agencies operated their own. She said it could be a future topic for evaluation, but was not included in the *State Travel Management* report.

Ms. Ahrens said she thought the whole issue of vehicles needed consideration. Directors and departments have not analyzed the use of their vehicles. Several things could be addressed, including ride sharing among state agencies. This went back to the question of coordination between departments.

Senator Ipsen said that the recommendations presented could save a third of a million dollars. That amount of money could be increased if the departments themselves looked closely at their travel. He said that the Department of Health and Welfare, the largest user of travel, had cut their travel budget by one-third during this past fiscal year.

Co-chair Sweeney asked Mr. J.D. Williams to respond to the report, after asking for and receiving no objections from the committee. Mr. Williams said he was impressed with the work product. It was professional and had concrete suggestions, several of which could be implemented administratively by the Board of Examiners. He said the Board would meet with OPE staff in September and identify proposals that could be implemented. In October, the proposals would be taken to the Board's subcommittee. The subcommittee would review them and propose a hearing for interested parties in November. Final recommendations would go to the Board in a regular meeting in December, and the Board would try to put them into effect by January 1.

Mr. Williams said he thought the real savings was in airline travel. Data reflecting how many annual trips taken from defined city pairs were required by airlines for negotiations. This would require better records within the state. He said that Utah was able to save a substantial amount of money by negotiating directly with the airlines. A centralized person knew the travel business and did the negotiations. Mr. Williams suggested preparing a brochure that outlined new recommended procedures and encouraged frugality.

Co-chair Sweeney asked Ms. Mary Hartung, from the Governor's Office, if she would like to comment on behalf of the Governor. She declined, saying she was observing only.

Ms. Van Maren said OPE would begin tracking implementation and effects of the report. She would report back to the committee with the results. Also as part of the post-release work, OPE staff would be available to speak to legislative committees, public meetings, and meetings of the Board of Examiners to present the findings of the report.

In reviewing follow-up procedures, Ms. Van Maren said that committee members may wish to request an agency progress report at six months or a year after the release or request a second report at a later date to describe implementation of report recommendations. The request for a follow-up report was part of the topic selection process, because staff would have to be dedicated to this work.

Senator Ipsen asked if Mr. Williams could talk about his experience with credit cards. Mr. Williams said that the State Controller's office entered into an agreement with a bank to issue cards to all managers. Managers used the cards for travel and minor purchases. In addition, they send a card with all employees traveling out-of-state. The bank provided a detailed database on the billings, and there was no annual fee. Representative Newcomb questioned Mr. Williams about the accumulation of staff frequent flier miles on his personal card for use by the office. Mr. Williams said current Board of Examiners' regulations said those frequent flier miles belonged to the state. However, he would not push if an employee refused to give up a ticket.

**Representative Gurnsey moved to accept the recommendations of the performance evaluation staff. Representative Alexander seconded the motion.**

Representative Alexander asked if the motion should reflect the committee's desire for an agency response. In discussion, Representative Gurnsey said she thought the chairs had an important role to play in ensuring recommendations were implemented.

**Representative Gurnsey amended the motion to say the committee approved the recommendations with the understanding that the Co-chairs will follow-up in implementing the recommendations adopted.**

**The motion was passed by unanimous voice vote.**

*A recess was taken until 3:00 p.m.*

## **UPDATE ON PROJECTS**

Co-chair Sweeney brought the meeting back to order. Ms. Van Maren reviewed OPE's progress on the evaluations of Medicaid services for children with disabilities and pupil transportation, and background papers still available for selection. **Members agreed on a meeting date of November 20 at 8:30 a.m. for the next meeting.**

Ms. Van Maren said the primary topics for the next committee meeting would be the release of the Medicaid study and topic selection. At the last meeting a motion was made to request that Legislative Services Office staff answer questions posed by Legislators in the legislative topic survey. Ms. Van Maren would receive the responses on the different topics from supervisors Jeff Youtz and Larry Kirk and relay them to the committee members as requested. She said she would mail them to the members in preparation for the November meeting. The answers could provide information that would be useful in the selection of topics. She would also, as requested,

attach a cover letter from the Office of Performance Evaluations and send out individual responses to the Legislators who posed the questions.

Ms. Van Maren updated the committee on the status of strategic plans. Agencies submitted three copies of their strategic plan to the Division of Financial Management. DFM kept one and distributed the other two to Budget and Policy Analysis and the OPE. To date, OPE had received 50 strategic plans from agencies. DFM and Budget and Policy Analysis were negotiating with BSU to provide training to agencies on the measurement of performance.

Representative Alexander asked if the strategic plans would be referred to the germane legislative committees or if agencies would report to the germane legislative committees on their plans. Ms. Van Maren said that experiences in other states had shown that the use of the performance information was useful to policy committees as well as in the budget process. It was her understanding that this was under consideration in Idaho as well.

Representative Gurnsey said that agencies do not know how far to take strategic plans. They had asked JFAC what would be done with strategic plans from a budgeting standpoint. She said that the plans may not be beneficial when compared to the amount of work and costs the agencies have put into them.

Senator Ipsen said the major emphasis of Senate Bill 1509 was financial accountability. The plan was going to take some years for effect, but was a starting point. Agencies would be faced with a big problem if they did not plan enough and changed each year. There would not be comparable measures for those years. Representative Alexander said the reason the bill came forward was to create an understanding between the agencies and Legislators of what direction each were going. When agencies provided the five-year plan, Legislators could use it to consider legislation. He said that germane committees were generally overseeing the policies being set forth and should have access to strategic plans.

Ms. Van Maren said that three primary offices were involved in the strategic planning and performance reporting process, the Division of Financial Management, Budget and Policy Analysis, and OPE. DFM had the primary responsibility for implementation and collection of information; they provided the guidance information to the agencies. Budget and Policy Analysis was working to incorporate the information into the budget. OPE would review and use them for information in performance evaluation.

## **REVIEW OF REQUESTS**

### *Division of Aeronautics*

Ms. Van Maren said that OPE's research of state travel management had brought to light questions about the Division of Aeronautics that were not within the scope of the evaluation. To allow a body of policymakers to review questions about the division's operations on a timely basis, she had presented a memo with OPE's questions to the interim legislative committee on transportation resources. Before doing so, she met with the then Administrator of the Division of

Aeronautics to review the questions and the process of releasing it to the committee. The Administrator approved the drafted information and said that he understood questions would be raised.

Ms. Van Maren said the discussion at the interim committee meeting resulted in the committee's request for a performance evaluation. A copy of the written request was included in committee members' notebooks. Ms. Van Maren said the chairs of the interim transportation committee understood that the evaluation would only go forward at JLOC's request. Co-chair Sweeney said they would not be selecting a new study until November, so that this request was provided for the committee's information only. He mentioned a letter with concerns about the division which had been sent to the Governor's office and forwarded to the interim transportation committee.

Ms. Van Maren said that in OPE's cursory review of the Division of Aeronautics, questions were raised about the cost-competitiveness of flights to major airports in the state. She said information had been gathered from the Division of Aeronautics and the state-wide accounting system and compared to figures of booked flights and information gathered from travel agencies. The data were used to determine a percentage of flights that were not cost-competitive during FY94.

Co-chair Sweeney said one advantage of the Division of Aeronautics' was its service to airports that were not served commercially in Idaho. Ms. Van Maren said this was another factor to consider. OPE had reviewed only one important measure, the cost-competitiveness with commercial airlines. Others included the time spent in arriving at one's destination.

She said OPE had learned that the division contracted for a management study to determine whether to expand passenger service, and in FY93 it contracted for a marketing study to increase state employee ridership. The division had also included the responsibility of scheduling flights on state planes in the draft RFP for contracting with travel agencies.

Co-chair Sweeney asked Ms. Van Maren if she could provide more information at the next meeting. Ms. Van Maren requested clarification of the request. Did the committee want a background paper? Information from the division? An issue paper? Co-chair Sweeney asked her to include a copy of the letter that went to the Governor's office. Representative Gurnsey said she would like a letter from Ms. Van Maren including more information about current status. Representative Newcomb said the Governor may need a plane at his disposal for emergencies in areas that do not have commercial airline access, but it might be difficult to justify four state airplanes. Co-chair Sweeney said to look at the types of aircraft in terms of their capabilities in weather, pressurization, etc.

Ms. Van Maren said the questions members were asking seemed appropriate for a performance evaluation. Perhaps the committee's interest level was high enough to request one. Co-chair Sweeney suggested putting the information in the form of a letter and sending it to the committee prior to the next meeting.

*Department of Revenue and Taxation*

Co-chair Sweeney said the next agenda item was the County Support Division, Department of Revenue and Taxation, and turned to Representative Newcomb to address it. Representative Newcomb said he would defer the item until the next meeting because the next tax statement would be issued in December. He would like to know whether the relationship between the Department of Revenue and Taxation and County Support had been resolved. Representative Alexander said he had received phone calls from southeast Idaho which indicated ongoing problems. Co-chair Sweeney asked what members of JLOC could do about the problem? Do they need to investigate it or get somebody to solve it?

### *Other*

Ms. Van Maren said the OPE's background paper on nonprofit affiliations with state government had resurfaced. The Governor had sent a memo to all agencies August 15 requesting information about their relationships with nonprofit entities. Ms. Van Maren had also received a phone call from a state employee asking the committee to request this topic. This employee felt that current guidelines were vague, and wanted it spelled out. Senator Ipsen said that in hearings on the Governor's Welfare Reform Advisory Council, it was evident that there were many nonprofit organizations. He said he would like to see a study done on nonprofit organizations. Ms. Van Maren said she would check with the Governor's office to see what the results of their request had been before the next committee meeting.

### ***BUDGET MATTERS***

Co-chair Sweeney said the Co-chairs thought the OPE should have a lump sum budget to maintain flexibility in hiring temporary staff or contract employees. He asked Representative Gurnsey and Senator Parry whether they agreed. Representative Gurnsey said the problem with a lump sum was that JFAC tried to treat all agencies equally, and every agency claimed they could operate more effectively and efficiently with lump sums. It puts JFAC in a difficult position when they favor one agency over another. Senator Parry said some agencies' track record had proven it was rather difficult to give them lump sum appropriations.

Ms. Van Maren said that she had allocated what she anticipated for expenditures in each area for FY96. She had the approval for a given number of staff, their salaries, and benefits. Personnel allocations included these costs and an amount for a group position, from which temporary staff were paid.

She said that the OPE work had required temporary workers rather than contractors in most cases. She oversaw the work of temporary staff, provided office space, and made sure they adhered to all the requirements of the office. Contractors were also required to adhere to the workpaper format and contribute to a work product that Ms. Van Maren edits and compiles. The advantage to a lump sum was that it did not have to be broken down up front between these types of additional staff.

Representative Gurnsey said she didn't have a problem with approving the move of operating funds to personnel to pay for an additional staff member. She told the committee that DFM was making it no longer possible to shift personnel costs down into operating expenses and capital outlay without their approval. Representative Newcomb asked if DFM had purview over the Legislature.

Ms. Eileen Tremblay of Budget and Policy Analysis was asked to clarify the matter. She said that movement of money between personnel and operating costs to capital outlay was in statute and the Legislature, Judicial Branch, and all state agencies would be subject to obtaining authority from DFM. In reference to Representative Gurnsey's comments, DFM had issued a policy directive stating that they would no longer allow money to be moved from personnel costs to operating; however, that did not apply to the Legislative or Judicial Branches unless they voluntarily complied. The Legislature was only subject to the restrictions in statute.

Representative Gurnsey said she did not have any problem with the request if the Legislature wanted it; OPE could have a lump sum appropriation. She was trying to be fair.

*Senator Parry was excused from the meeting at 3:50.*

Ms. Van Maren said that the committee's FY97 budget recommendations would go to Legislative Council, which will meet October 20. She reviewed actual expenditures from the FY95 appropriation. Of the \$37,000 returned to the budget, \$27,900 would have been required if all OPE staff had worked a full year. She said OPE had also returned approximately one quarter of the FY94 supplemental used to start up the office.

Ms. Van Maren said that currently there was one budget program for both the Legislative Services Office and the OPE under Legislative Council. OPE had a separate index number and retained authority over their budget. However, she recommended to the committee that a new budget program be created for OPE in FY97. The Co-chairs of JLOC and the Director of the Legislative Services Office were in favor of this separation by budget program, and it was consistent with directives provided in the DFM development manual. Primary benefits would be improved understanding of the OPE as a separate body and improved reporting capabilities from the statewide accounting system. Potential drawbacks were a decline in assistance from the Legislative Services Office. However, she had consulted with Ms. Tremblay who cited examples in other state agencies where separate programs shared support resources. Currently, OPE was supported by the legislative network support staff and an accounting technician who ran payroll.

Representative Alexander asked if there was an assurance that OPE would continue to receive services currently being provided if its budget program were separated. Ms. Van Maren said there was no assurance, but according to the experience of other state agencies, there was no reason why the OPE should not continue to receive those services. Co-chair Sweeney said that the Speaker and Pro Tem could help ensure ongoing support. Representative Newcomb said that Legislative Council had asked for a lump sum budget last year and did not see why they would not do so this year. Co-chair Sweeney said there needed to be budget flexibility to allow for the current reliance on contract and temporary staff.

Ms. Van Maren went over the options within the OPE's FY97 budget request. The request included two proposed enhancements with estimates for the committee's consideration. Ms. Van Maren explained the OPE's current use of contractors to supplement staff resources. She reviewed the intent of federal law and its ramifications for how the OPE could use contracting funds. If a person is not a true contractor, then he or she must receive worker's compensation, unemployment, and social security at the same rate as a full-time employee, and becomes a temporary worker who may draw upon these benefits after the office relationship has ended. However, even a temporary worker cannot work for longer than five months without also receiving health and retirement benefits.

She said when the OPE hired temporary workers, such as graduate students, to collect data or similar work, it was a good use of funds. When the OPE hired contractors for a particular expertise, it was also a good use of funds. However, the intent of federal law was not to allow agencies to supplement the ongoing operations of their offices with contractors or temporary workers. Ms. Van Maren said that under the current configuration, she spent a large percentage of time recruiting, trying to find individuals with the appropriate experience and background who were willing to work for five months or fewer, and training these individuals. The time invested in recruitment and training was lost once the contractor or temporary worker left. She spent a large percentage of her time overseeing projects due to relative inexperience, and the time consuming task of writing reports rested almost wholly on the full-time evaluators. The evaluators then had to put in long hours, making burnout possible and likely. Overall, the current system invested in the completion of one report at a time, not the overall ability to complete more efficient and better reports over time.

Ms. Van Maren described the potential cost savings from having another full-time, trained evaluator available to work on an evaluation from start to finish. She estimated that the cost savings on the travel evaluation only, without including future projects, would have ranged from \$1,357 to \$4,660, a three to nine percent cost savings on the production costs of the report.

Ms. Van Maren said that her long-term goal was to have Mr. Gostas and Mr. Medenblik, the two performance evaluators, become project managers. Project management entailed reviewing work papers, checking analysis, interpreting data, reviewing outgoing letters, and coordinating resources. As project managers, each needed a minimum of one full-time, trained person to work on any given project: hence, her request for two new staff persons. They could be funded in one of two ways: both with new money; or one with new money and one with existing funds moved into personnel.

Co-chair Sweeney asked if, in light of the overtime accrued for the travel management evaluation, the committee was trying to do too much. Ms. Van Maren said that the overtime was indicative of the effort put into the first report. The research had involved almost every state agency and had provided the OPE an opportunity to learn a great deal about the state's organization and operations. However, there was not a second evaluator to help write the report because the committee had also requested a study of Medicaid services, which had required the other evaluator.

Representative Gurnsey said the state's financial situation was not good. For the committee to ask for money above the CEC was not in the cards. How the money was spent was not a problem. Senator Ipsen said that if OPE staff were overworked, it was time to slow down before requesting an expansion. He said he thought expansion should not occur until the OPE could show that for every dollar spent, they were saving more.

Representative Newcomb said that the report cost approximately \$49,000 to produce and that if the recommendations were adopted, the state would save, conservatively, \$400,000. He said that was cost effective and a good argument to take to JFAC. The committee should be looking for the best way to deliver services efficiently. OPE would save more money and work more efficiently by hiring another person. If the staff gets burned out and leaves, money would be lost by retraining again. The travel study showed that the foundation existed, and he was concerned that the Legislature not "bend over to pick up a dime while a dollar fell out of their pocket."

Representative Alexander said Legislators had been anxious for the report to be released. He thought the reason Mr. Gostas put in 135 hours of overtime was to help ensure a quality report. Legislators will see the success of this report, and swamp the committee with requests. If the committee slowed processes down because they did not put on new staff, Legislators would be frustrated that their projects were not being done. He said there had to be some hard decisions made as to the committee's philosophy on staffing. He did not want to see OPE become a revolving door for permanent staff. If OPE needed a two-month postponement on a release to reduce overtime, the committee should give it and back OPE up. The committee should not purport one thing and not support it on the other end.

Senator Sweeney asked what Ms. Van Maren could do with the base plus MCO level. Ms. Van Maren said that she could move some contracting dollars into personnel and have funds for an additional person. She said there may be enough funds in contracting for an additional part time person, and asked Ms. Tremblay's response. Ms. Tremblay cautioned that certain costs came with more work, such as travel and training. She said she thought that with the current budget it would be possible to add only one more employee.

Representative Alexander asked if there was an opportunity for OPE to work with someone on LSO's staff who could do research part time. Ms. Van Maren cited assistance OPE had received from the LSO for the travel study. In addition, the LSO was responding to Legislator's comments from a survey the committee requested and OPE frequently consults with LSO staff for expertise. She said she could not respond as to whether part time research staff assistance would be possible.

Representative Newcomb said there were two decisions to make: whether to break OPE out as a separate budget unit and whether to ask for an increased budget of \$352,000. Representative Gurnsey said there would be a better opportunity to transfer dollars from other legislative staff areas to do a special study if OPE were still part of the same budget program as the LSO. Co-chair Sweeney asked if it was realistic. Representative Gurnsey said that Legislative Council would have to answer that.

**Representative Newcomb moved to create an Office of Performance Evaluations budget program separate from the Legislative Services Office, and that JLOC request an addition of \$93,500 to the base of \$335,300 to cover the MCO and two enhancements: the \$62,500, which includes one employee's salary and a shift of operating funds to personnel; and \$14,000 to contract for computer support. The CEC should be left open to whatever the Legislature decides. Representative Alexander seconded the motion.**

Senator Ipsen said that he still had the same concerns. He said this office was started knowing it would take time to establish. He would like to see two or three projects finished at a slower pace before going to the Legislature for an enhancement. Co-chair Sweeney pointed out that they were discussing the FY97 budget, the third year of operation. There would be two or three reports out by the time Legislature reviewed the budget request.

Representative Alexander said that the next reports would show some significant benefits, in policies and in cost savings within agencies. If fellow Legislators voted the request down, the committee would have to decrease the number of studies conducted. He said he was comfortable slowing down production to two reports a year because he wanted the agency to retain personnel. There were two options: say no, the committee was not going to do more studies; or select appropriate personnel levels to keep it on board.

**The motion passed by a three to two vote. Voting yes were Co-chair Sweeney, Representative Newcomb, and Representative Alexander. Voting no were Senator Ipsen and Representative Gurnsey.**

#### **PERFORMANCE MEASURES**

Ms. Van Maren reviewed proposed performance measures and the means of tracking them for use in guiding the OPE and monitoring its progress. She proposed to track the approved measures and submit a selection for inclusion in OPE's budget request.

**Representative Gurnsey moved to accept the performance measures as listed on the handout and have them as part of the budget. Representative Newcomb seconded.**

**The motion was passed unanimously by voice vote.**

The meeting was adjourned at 4:45 p.m.