

Minutes of the Joint Legislative Oversight Committee

February 15, 1996

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

The meeting was called to order at 4:10 p.m. by Co-chair Senator Bruce Sweeney. Members present were Co-chair Representative Bruce Newcomb, Senators Atwell Parry, Sue Reents, and Grant Ipsen, Representatives Kitty Gurnsey, Marvin Vandenberg, and John Alexander. Staff members present were Nancy Van Maren, Tom Gostas, Dan Medenblik, Margaret Campbell, and Dan Kern, contractor.

Co-chair Sweeney announced to all present that the purpose of the meeting was to present two reports for release. Dr. Anne C. Fox, Superintendent of Public Instruction, would be invited to respond to the reports at the end of each presentation, and the committee would be invited to ask questions of Dr. Fox or Ms. Van Maren. He said the meeting was not a public hearing, and the committee would not be taking public testimony.

REPORT RELEASE: *SAFETY BUSING IN IDAHO SCHOOL DISTRICTS*

Ms. Van Maren said the Joint Legislative Oversight Committee's request to evaluate pupil transportation included three areas of study: safety busing, contracting vs. non-contracting costs, and routing software. She then reviewed the findings and recommendations of the *Safety Busing in Idaho School Districts* performance evaluation.

Co-chair Sweeney invited Dr. Fox to respond. Dr. Fox began by saying that safety busing was complicated. The major role of the Department of Education had been to "provide a service and . . . help school districts in the area of safety." She said the department had used the performance evaluation to review its safety busing procedures and the philosophy behind how they have been operating. Currently, the department collected information and took it to the State Board of Education. She said it was complicated to analyze the cost to run a bus per pupil for a number of reasons.

Dr. Fox said that they have tried to bear in mind the work the education rules review committee was doing and their efforts to "get as much local control back to the districts as possible." The committee had held off any decisions on safety busing rules until the report was released. So what she planned to do with this report was to solve any immediate problems right away, and formulate a plan to address the other recommendations. The department had corrected

inconsistencies in analyzing the costs of safety busing. They would be meeting with the State Board of Education members to share the results of the study as well.

Co-chair Sweeney invited Bob Jones, president of the Idaho Superintendent's Association, or David Peck, vice president, to respond. Both declined.

Representative Gurnsey said she did not understand the rationale of restricting busing to children living closer than 1.5 miles from school when it appeared that some buses had room to accommodate them. Dr. Fox said that circumstances could vary by district. It was hard to anticipate the number of pupils that would require busing, especially when there were new subdivisions, as in Meridian.

Senator Reents asked, in reference to the department's written response, if the department would propose legislation next session that would place safety busing decisions and funding at the local level. Dr. Fox said that the department "wouldn't do that alone." She would take the report to the rules review committee and put it on a statewide agenda to discuss. She said the State Board of Education and Legislature seemed to be pushing decisions to the local level, while there was the need for accountability on the other hand: "We want to make sure the local people are cost-effective and accountable."

Ms. Van Maren said that, as the reimbursement process worked now, the department would be faced with additional administrative work if safety busing decisions and funding were placed at the local level. The system would require that the department have a more accurate count of safety bus pupils and estimates of cost so that these costs could be removed from districts' transportation funding. Co-chair Sweeney said that it needed to be made easier, not more complicated.

Representative Alexander moved to receive the report and Senator Reents seconded the motion. The motion passed unanimously by voice vote.

REPORT RELEASE: *OVERSIGHT OF PUPIL TRANSPORTATION CONTRACTS*

Ms. Van Maren reviewed the findings and recommendations of the *Oversight of Pupil Transportation Contracts* performance evaluation.

After the presentation Co-chair Sweeney invited Dr. Fox to respond. Dr. Fox said the State Department of Education did not review the various school district contracts; staff's only role had been to receive the contracts and store them. She said they were in the process of correcting problems the report raised and would use the Attorney General's Office to review school district contracts. The department would allocate funds for this review to keep the districts in compliance with state laws.

The department was working with the superintendents on any legal problems their contracts contained to resolve the problems quickly. A couple of districts would take longer, but all should be in compliance by the time school resumes in the fall.

Dr. Fox said changes in Code would be needed to adjust the two-week notice for bids on busing contracts. Regarding the recommendation to publish the notice of a call for bids statewide, the department thought they had an even better way to improve notice using a list of contractors that could be mailed to interested districts. The department would be talking to the committee reviewing the state department's rules and making recommendations, and assisting districts with in-servicing.

Co-chair Sweeney made a few comments to all in attendance. He said the Oversight Committee was non-partisan and worked hard to stay non-partisan. The purpose of evaluations was not to be punitive, but to "figure out a way . . . to make [necessary] changes and to make sure that . . . [agencies] are in compliance with the law." Representative Newcomb added that evaluations were also to examine existing laws, and, if changes were needed, to make laws that were easy to comply with and protected the taxpayers of the state. The purpose was "to help all of us accomplish what we're supposed to accomplish on behalf of the people of this state."

Representative Gurnsey asked if OPE had compared costs of busing in contracting to non-contracting districts. Ms. Van Maren said OPE was continuing its work on this issue. In the process, staff had found problems in the contracts. This additional report was released to help superintendents in contracting districts benefit from the information for the 1996-97 school year.

Senator Parry noted that 15 of the 23 districts received only one bid for transportation. He said it appeared that some areas may not have more than one contractor interested in bidding and asked if improving the bidding process would get at this problem. Dr. Fox said the department supported giving businesses the opportunity to bid, and compiled a list of contracting school districts to alert the businesses of opportunities.

Representative Newcomb said the number of contracts in effect (51 in 23 districts) related to routes rather than the districts. Mr. Medenblik said that one district accounted for the biggest portion of the state's additional contracts. In this district, with over 20 contracts, three contractors actually provided the service.

Co-chair Sweeney introduced Mike Jones of the Office of the Attorney General, who was in attendance, in case anyone had questions of the Attorney General.

Senator Reents asked Dr. Fox if she had received feedback from superintendents on the recommendation to bid all pupil transportation routes in the same year, giving contractors the opportunity to bid for an entire transportation program. Dr. Fox said the department had been unable to discuss the recommendations with the superintendents before the release of the report and did not know their response.

Senator Ipsen said he had done some calculations from a table provided in the report and found a variation on the costs per student between Boise and Blackfoot. He asked for an explanation of the difference. Mr. Medenblik said he had not looked closely at the costs, but to his knowledge, cost differences between contracting districts could relate to better contracting prices. Some

variations could include the level of service, amount of training provided to the drivers, and the level of preventative maintenance. Senator Ipsen said it was interesting that the one with the lowest cost had one bid, while the highest cost had three bids.

Ms. Van Maren said a further report could help to clarify the variations. She said that many factors go into the cost of a district transportation system, and was concerned that conclusions not be made until all information was presented.

Co-chair Sweeney asked if there were standards that school districts were required to meet to receive reimbursement, for example related to maintenance or levels of service. Ms. Van Maren said the only standard was what the department had determined to be allowable costs. The department reimbursed approximately 85% of allowed costs.

Representative Newcomb asked what the ramifications would be if a contract were found illegal. Ms. Van Maren said she understood that, if challenged in a court of law, an illegal contract would be null and void. She emphasized that her office could not make that determination.

Representative Vandenberg moved to receive the report and Senator Parry seconded the motion. The motion passed unanimously by voice vote.

(The committee took a ten minute break.)

MINUTES

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

STATUS REPORT: MEDICAID SUBCOMMITTEE

Co-chair Sweeney said he spoke with Mike Brassey, Administrator of the Division of Financial Management, and they concurred that since the Medicaid recommendations involved policy decisions, the germane committees of the Senate and House should review the report and “decide where there is a policy decision,” and determine what direction to provide the Department of Health and Welfare regarding implementation of the recommendations. Representative Newcomb added that, in conjunction with the germane committees, JFAC should have input.

Senator Parry said it was a “tremendous idea” that the two germane committees meet and discuss the recommendations, and, if necessary, make a report to JFAC, if it deals with funding. Senator Reents said that for follow-up to happen, the reports should go to the committees that work in the policy area. She thought the committee would want to take similar action with the reports regarding pupil transportation.

Co-chair Sweeney asked Senator Ipsen if there would be any available time in the Senate Health and Welfare committee to hear the report. Senator Ipsen said he could find the time for a report like this. Co-chair Sweeney suggested that OPE staff assist with the presentation.

Senator Reents moved to refer the recommendations of the Medicaid study to the House and Senate germane committees and provide them with the follow-up letter from the JLOC subcommittee and the response from the department. Senator Ipsen seconded the motion, and the motion passed unanimously by voice vote.

TRAVEL STUDY FOLLOW-UP: TRAVEL CARD RECOMMENDATIONS

Ms. Van Maren said there had been discussion between several parties regarding the use of a state travel card. A letter to Director Ahrens encouraging her to implement this recommendation and thanking her for her facilitation of the discussions was not yet prepared.

DIVISION OF AERONAUTICS: REVIEW OF SUBMITTED REPORT

Ms. Van Maren said at the last JLOC meeting, Keith Bumsted, Deputy Director of the Transportation Department, offered to provide the committee and Senate and House Transportation committees a review of the Division of Aeronautics. A copy of that report was included in the committee's materials. Co-chair Sweeney asked Ms. Van Maren if she would comment briefly on the report. The committee would decide at a later date whether they wanted to go further or not.

Ms. Van Maren said she was concerned it did not provide much new material that had not been available to the OPE in its earlier review. She was not sure that it answered the questions that had arisen before. For example, it did not answer questions regarding the cost competitiveness of certain flights.

Ms. Van Maren said she had discussed her concerns with Mr. Bumsted. She asked that additional requests for information come as a formal committee request to the Division, such as a request for a performance evaluation, so that the performance evaluation process would apply. Senator Parry asked if the department was reluctant to provide the information or if it was a case of misunderstanding the type of information wanted. Ms. Van Maren said she did not think they were reluctant; Mr. Bumsted seemed willing to work with OPE to provide additional information.

Co-chair Sweeney said the committee could pursue this issue further at the next meeting and suggested that another meeting be held in March before the session ended.

OTHER REQUESTS FOR EVALUATION

Ms. Van Maren said she had received requests for evaluation from Legislators, citizens, and a whistleblower. Also, the committee had requested at their last meeting two background papers concerning nursing home licensing and reimbursement and child protective services that would

be ready for release at the March meeting. She asked if the committee still wanted the OPE to pursue both of these background papers, in light of progress made related to one of them.

Co-chair Sweeney said he remained interested in the background paper on nursing home licensing and reimbursement. Other committee members concurred. Senator Ipsen said some costs of services in Idaho were eligible only to people in assisted living. He thought that since the state was unable to help people living on their own, it encouraged more people to go into nursing homes at twice the cost per month.

Co-chair Sweeney asked about the progress on the background papers. Ms. Van Maren said OPE had preliminary information and some data, but needed three weeks to finish both papers. Co-chair Sweeney asked about staff overtime. Tom Gostas said he had made extra effort to get out the safety busing report, about 50 overtime hours in January. Co-chair Sweeney said he hoped realistic deadlines could be projected to help avoid staff burnout.

Ms. Van Maren said part of the problem was how OPE was structured. She said it takes additional time to recruit contractors once an evaluation has been requested. Projecting completion dates would be easier if she knew what resources were available for a project at its beginning. Each study had required additional staff, with the exception of Contract Oversight.

Co-chair Sweeney and Representative Newcomb commended the staff for doing an “excellent job” to date.

Co-chair Sweeney asked that other requests for evaluation be sent to the committee a week ahead of the next meeting so members can review them before discussion. Senator Reents suggested that it would be better to select the next topics after the session ended in April. She said Legislators would no longer be on overload from the session, and would be able to give selection thoughtful consideration.

Senator Reents asked if the committee should refer the released pupil transportation to the Education Committee.

Representative Newcomb moved to refer *Safety Busing in Idaho School Districts and Oversight of Pupil Transportation Contracts* to the Senate and House Education Committees. Senator Ipsen seconded the motion, and the motion passed unanimously by voice vote.

The meeting was adjourned at 5:50.