

# Minutes of the Joint Legislative Oversight Committee

January 21, 1997

Senate Majority Caucus, Statehouse

Boise, Idaho

The meeting was called to order at 1:40 p.m. by Co-chair Senator Bruce Sweeney. Members present were Senators Atwell Parry, Grant Ipsen, and Lin Whitworth, and Representatives Bruce Newcomb, Robert Geddes, John Alexander, and June Judd. Staff members present were Nancy Van Maren and Margaret Campbell.

Co-chair Sweeney opened the meeting with a review of the minutes. **Senator Ipsen moved to approve the minutes of the last meeting and Senator Whitworth seconded the motion. The motion passed unanimously by voice vote.**

## **REVIEW OF COMMITTEE RULES**

Ms. Van Maren stated that the Joint Legislative Oversight Committee must adopt its committee rules at the beginning of each new Legislature. There were two proposed revisions to the rules: 1) a housekeeping change in Section II.10, and 2) a substantive change in Section V.2 to allow additional research to be conducted after the release of a performance evaluation only as directed by the committee to complete a follow-up evaluation. Representative Newcomb spoke on behalf of the second rule revision.

**Representative Geddes moved to adopt the rules as revised and Representative Alexander seconded the motion. The motion passed unanimously by voice vote.**

## **TOPIC SELECTION**

Co-chair Sweeney said the Committee needed to select two topics for evaluation. He asked Ms. Van Maren to briefly review the topics, and explained that committee members may be able to eliminate some topics from further consideration as the committee progressed through them.

Ms. Van Maren introduced several topics, beginning with two the committee had selected at the last meeting, state facility use by non-profit entities and administrative hearing officers. The committee had requested the evaluations and then moved to place them on hold until the committee could consider more detailed information about other potential topics. On January 14, 1997 the co-chairs approved OPE's starting an evaluation of the Bishop's House, the example used in the state facility use by non-profit entities, so that one OPE staff would be able to begin project work.

### *1. Boards, Commissions, and Similar Entities*

There are over 200 boards, commissions, and similar entities in Idaho state government. The total cost of these entities to the state is unknown, since there is not a central entity to collect data. In addition, oversight of the entities varies. Some are self-regulating and others are governed by a state agency. An evaluation could look at duplication of resources, overlap in function, costs, and oversight. The committee decided to come back to this issue.

### *2. Child Support Payments*

In Idaho, child support payments are collected at regional Health and Welfare offices and sent to the State Treasurer for distribution to the custodial parent. Problems arose in one regional office last year regarding the timely distribution of funds. Also, in November 1996, the Department of Health and Welfare began operating a new system (ICSES) to improve the identification of parents who owe payments and the distribution of funds received to recipient families. An evaluation could look at state and federal requirements of the collection and distribution of payments, controls in the regional offices, and alternative means of enforcement.

Committee members asked about the involvement of the courts in determining and enforcing child support payments. Ms. Van Maren clarified that not all child support payments went through the department's bureau. The committee decided that, given recent changes to the enforcement laws and the novelty of ICSES, it was premature to do an evaluation at this time. However, a future evaluation could look at the role of courts in the process. The committee decided to come back to the topic.

### *3. DEQ Permit Applications*

Ms. Van Maren reported that over a year ago, several allegations were made concerning the Air Quality and Water Quality Bureaus of DEQ. An evaluation could look at whether employees were providing consistent and accurate information to permit applicants, analyze the length of time to get a permit approved, whether the permit granting process could be streamlined, and whether procedures for appeals were adequate. First, however, OPE should determine whether these concerns were ongoing.

Senator Ipsen said there had been many changes made to the agency in the last year. The Common Sense Task Force had reduced the time to get a permit. Representative Alexander said he was concerned whether DEQ was enforcing the laws on the books. If not, should the laws be changed? Co-chair Sweeney said it was his understanding that, in most cases, the state was enforcing federal laws. No action was taken on this request.

### *4. Education Public Broadcasting System (IEPBS)*

Representative Geddes said a new director of public broadcasting had been appointed and may resolve the concerns. **Co-chair Sweeney asked the committee if the topic should be dropped from further consideration. Hearing no objection, the topic was closed by unanimous consent.**

### *5. Electronic Monitoring*

The Department of Correction currently has 80 bracelets available to electronically monitor offenders, although there may be 400 good candidates statewide. The estimated cost of electronic monitoring was \$5 to \$6 per day compared to the cost of incarceration at \$50 per day. Ms. Van Maren explained that electronic monitoring was one alternative to incarceration that an evaluation could examine. An evaluation could look at what has been successful in other states, risk analysis of Idaho's population, the costs involved, and the impact of sentencing guidelines and practices.

Representative Newcomb said since he had been in the Legislature, the education budget had been declining and the cost for corrections had been increasing. He said he would like to pursue this topic. He gave examples of prison funding issues currently before the Legislature. Senator Whitworth agreed and said he knew of some cases when non-violent offenders were incarcerated, costing the state more than necessary.

#### *6. Federal Start-Up Programs and Grants*

Federal funds are involved in many of the state's operations. Some agencies receive more federal funds than others. No current state or federal effort tracks all state activities or expenditures related to federal funds. An evaluation could look at how many state programs were funded with federal grants or funds, if programs undergo a review when initial funding had ended to determine whether they should be continued, and how employment of personnel hired for federal grant programs was tracked once the federal money was no longer available.

Representative Geddes said JFAC was trying to monitor these funds and related issues. **Co-chair Sweeney asked the Committee if the topic should be dropped from further consideration. Hearing no objection, the topic was closed by unanimous consent.**

#### *7. Higher Education Course Availability*

Traditionally, bachelors degrees have been considered four-year degrees. However, concerns had been raised that limited course availability or the inability to get into offered classes prevented some students from completing their degrees in four years.

Representative Alexander said he thought the State Board of Education was aware of the concerns and was trying to resolve them. **Co-chair Sweeney asked the Committee if the topic should be dropped from further consideration. Hearing no objection, the topic was closed by unanimous consent.**

#### *8. Higher Education Facility Fees*

Since 1970 Idaho Code has exempted full-time resident students from paying tuition while attending state higher education institutions. Instead, full-time resident students pay various fees. Non-resident students pay both fees and tuition. Questions had arisen as to whether resident students should be paying fees related to facilities, or whether these were really "costs of instruction" that, by law, full-time residents were not required to pay. An evaluation could look at whether the cost of the facilities in which instruction is provided should be included in the cost of instruction and thereby not assessed as a fee against full-time resident students.

Representative Newcomb asked for clarification of how this issue related to the school funding lawsuit. Senator Parry said he thought the committee should hold this topic for consideration after the other potential topics had been heard.

#### *9. Idaho Heritage Trust*

In 1990 the Legislature recognized a private organization, the Idaho Heritage Trust, as the entity to encourage historic preservation in the state. Subsequent legislation allowed for the transfer of \$0.50 per vehicle license plate of the centennial design to the Heritage Trust. The Trust endowed the funds and gave out grants for historic preservation.

According to the Trust's executive director, the Trust owns the "trademark" on the state license plate. In 1996 part of the original legislation was repealed, but fund transfers continued. An evaluation could look at who owns the copyright, the status of the full chapter, and by what authority the Trust continued to receive state funds.

Senator Parry said he thought the committee should seriously consider this topic. Representative Alexander said copyrights may be asserted simply by production. He said the OPE may need an opinion from the Office of the Attorney General on how to validate the copyright. Senator Whitworth said the interim committee on transportation had looked at this issue and determined the copyright still belonged to the Heritage Trust. He said he believed the \$0.50 was a voluntary addition to the normal fee of the centennial license plates, but other committee members said they thought it was not optional.

The committee discussed how the Idaho Heritage Trust made grants. Co-chair Sweeney said the Trust had a board which usually submitted reports to the Legislature each year. Ms. Van Maren said that the audit clause had been repealed, so that the Trust was not required to account to the state. The committee decided to return to this topic.

#### *10. Inmate Medical Services*

Co-chair Sweeney said JFAC had just had a presentation on this topic. He thought an evaluation might be premature. **Co-chair Sweeney asked the committee if the topic should be dropped from further consideration. Hearing no objection, the topic was closed by unanimous consent.**

#### *11. Medicaid Reimbursement for Outpatient Occupational and Speech Therapy Services*

Under current state regulations, Medicaid will only reimburse a private provider of occupational or speech therapy services if the provider has an affiliation with a hospital, performs the service on the hospital campus, and bills the hospital, with the hospital acting as the billing agent to Medicaid. Providers and hospitals establish contractual agreements, but no standard terms of reimbursement exists. Under this system, there exists the potential for abuse of Medicaid funds though a hospital's billing practices. Ms. Van Maren said it had been alleged that one Idaho hospital billed Medicaid for more than twice the provider's charges. An evaluation could look at whether there was any evidence of this having occurred, how widespread the practice was, and what changes would ensure that hospitals do not profit as billing agents.

Ms. Van Maren said it may be difficult to get data from hospitals and private providers. She said OPE could seek guidance from the Office of the Attorney General on how to proceed. Representative Geddes said he thought the scope should include any Medicaid reimbursement that was required to use hospitals as the billing agents. The committee decided to return to this topic.

#### *12. Proprietary Schools*

Senator Parry said he thought this topic could be eliminated. **Co-chair Sweeney asked the committee if the topic should be dropped from further consideration. Hearing no objection, the topic was closed by unanimous consent.**

#### *13. State Agency Publications*

State agency publications provide information to the public and create an historic record of state government activity. Some publications may be required by Idaho Code or administrative rule. Two requirements are made in Code: (1) agencies must include publication information on the documentation and keep track of costs for audit purposes; and (2) agencies must forward publications to the Idaho State Library. The cost of publications cannot be determined via the statewide accounting system, but may be able to be gathered from agency records. An evaluation could look at what restrictions, if any, agencies put on the form and expense of the publication, whether publications were duplicative, and how state agency publication costs were budgeted and monitored.

Co-chair Sweeney said he thought many publications were required by law. Senator Whitworth said he knew of an extravagant agency publication. The committee decided this topic should remain on the list for future consideration.

#### *14. State Historic Preservation Officer*

Co-chair Sweeney said he thought this issue may have already been solved. **Co-chair Sweeney asked the committee if the topic should be dropped from further consideration. Hearing no objection, the topic was closed by unanimous consent.**

#### *15. State Purchasing*

The Department of Administration's Division of Purchasing is responsible for the lease and purchase of goods and services for state agencies at efficient prices. Concerns had been expressed that the quality of goods purchased from vendors may not represent the best value available or meet the needs of the agencies. It had also been suggested that while lower per item costs may be achieved through centralized purchasing, real dollar savings to the state were lost to funding the Division of Purchasing. An evaluation could look at what mechanisms were in place to ensure the state received quality goods and services and the costs involved.

Senator Ipsen asked how long the current statutory dollar levels for purchasing had been in place. Members agreed there had been changes to the levels in recent years. Co-chair Sweeney said he thought this was a big topic. Ms. Van Maren said she thought it should be scoped to be goods or services, not both. **Co-chair Sweeney asked the committee if the topic should be dropped**

**from further consideration. Hearing no objection, the topic was closed by unanimous consent.**

*16. Workforce Development Services*

Idaho state government has programs in at least 11 different state entities to provide support for job seekers. In August 1996, Governor Batt issued an executive order that created the Idaho Workforce Development Council. It consolidated four entities into one with the intent of preparing Idaho for the eventuality of federal block grants. An evaluation could look at the organization of workforce development services in Idaho; how workforce development services are funded; what federal and state laws regulate provided services; and opportunities beyond what the Governor has already initiated to coordinate services with the same or reduced level of federal and state funds.

Senator Ipsen said he thought this was an important issue because of the thrust of welfare reform to get people to work. Co-chair Sweeney said he though this was a good topic-to look at whether what we're doing is right and effective. Representative Geddes asked if an evaluation would duplicate efforts of the Council. Representative Alexander said he thought this effort could actually assist the Governor's efforts. Co-chair Sweeney agreed and said the Governor may welcome additional information.

*17. Idaho Commission for National and Community Service (Americorps)*

**Co-chair Sweeney asked the committee if the topic should be dropped from further consideration. Hearing no objection, the topic was closed by unanimous consent.**

Co-chair Sweeney then asked committee members to select their top three topics for evaluation. Each member discussed his or her top three choices. The co-chair then asked for a motion.

**Senator Parry moved to do an evaluation of electronic monitoring, workforce development services, and, as time permitted, the Idaho Heritage Trust. Senator Ipsen seconded, and the motion passed unanimously by voice vote.**

The following table summarizes the decisions of the committee on the topics discussed.

	Drop From Further Consideration	On-Going	Selected for Evaluation (2 Topics)
1. Boards, Commissions, and Similar Entities		✓	
2. Child Support Payments		✓	
3. DEQ Permit Applications		✓	
4. Educational Public Broadcasting System	✓		
5. Electronic Monitoring			✓
6. Federal Start-Up Programs and Grants	✓		
7. Higher Education Course Availability	✓		

8. Higher Education Facility Fees
9. Idaho Heritage Trust
10. Inmate Medical Services
11. Medicaid Reimbursement for Outpatient Occupational and Speech Therapy Services
12. Proprietary Schools
13. State Agency Publications
14. State Historic Preservation Officer
15. State Purchasing
16. Workforce Development Services
17. Idaho Commission for National and Community Service (Americorps)

	✓	
		✓
✓		
	✓	
✓		
	✓	
✓		
	✓	
		✓
✓		

## OPE UPDATE

Co-chair Sweeney called upon Ms. Van Maren to report on the hearing before the House Health and Welfare committee on Medicaid Services for Children With Disabilities. Ms. Van Maren reported that Chairman Reynolds had requested OPE present the committee with a summary of two points included in the 1995 Medicaid report: school district billing of Medicaid and respite care and other waiver services. After the discussion, the committee had formally requested that OPE research and provide additional information regarding the school district billing process. The committee wanted to know why the process may be difficult for some school districts. Ms. Van Maren said she had assured the House Health and Welfare committee JLOC would consider the request at the meeting today and provide direction as to whether it could proceed.

Senator Ipsen said the accounting mechanism for Medicaid benefits in the schools had been discussed in the Medicaid Advisory Council. Senator Sweeney said he thought it was incumbent upon JLOC to give support to the germane committees when requested, because JLOC had decided to refer reports to germane committees for action. Committee members discussed the workload of OPE staff. Since the evaluations selected earlier in the meeting had not been assigned a timeframe, Ms. Van Maren was advised to schedule report releases according to the resources of the office.

**Senator Parry moved to provide additional Medicaid billing information to the House Health and Welfare committee, emphasizing the importance of assisting germane committees with the use of reports. Representative Geddes seconded, and the motion passed unanimously by voice vote.**

Pursuant to an earlier JLOC request, Ms. Van Maren provided committee members the final report and recommendations of the Substance Abuse Task Force.

The meeting adjourned at 3:20 p.m.