

LEGISLATIVE COUNCIL

Capitol Building
Senate Majority Caucus Room
Boise, Idaho
November 5, 2010

MINUTES

The meeting was called to order at 8:00 a.m. by Co-chair Speaker Lawrence Denney. Members of the Legislative Council in attendance were Co-chair Pro Tem Robert Geddes; Senators Bart Davis, Patti Anne Lodge, John McGee, Les Bock and Nicole LeFavour; and Representatives Mike Moyle, Gary Collins, Eric Anderson, John Rusche and Donna Pence.

Also in attendance or participating in the meeting were Senators Joe Stegner and Lee Heider, Jeannine Wood, Bonnie Alexander, Mary Sue Jones, Sue Frieders, Terri Franks-Smith, Diane Kelly, Jeff Youtz, Sheila Ison, Rande Trueax, Mike Nugent, Cathy Holland-Smith, Don Berg, Glenn Harris, Robyn Lockett, Eric Milstead, Katharine Gerrity, Amy Johnson, Keith Bybee, Richard Burns, Paul Headlee, Ray Houston, Jeff McFarland and Rakesh Mohan.

Minutes of the June 4, 2010 Legislative Council meeting were approved on a motion by Representative Collins and a second by Senator McGee.

LSO Director's Report

After congratulating Legislative Council members on winning re-election, Legislative Services Office Director Jeff Youtz introduced four new staff members who had been hired to fill vacant positions: IT Network Specialist Jeff McFarland, Budget & Policy Analyst Matt Ellsworth, and Auditors Suzanne Jones and James Barrett-Spencer. Speaker Denney welcomed the new staff and said legislators are looking forward to getting to know them and to working with them.

Strategic Plan

Mr. Youtz outlined the draft FY 2011 Strategic Plan by goal and objective. In response to a question from Senator LeFavour, Audits Manager Don Berg explained that auditors assigned to the Department of Health and Welfare are monitoring developments related to the Molina technology that was implemented for Medicaid payments. He expects resultant issues will be part of the next audit cycle.

Representative Rusche asked if Legislative Audits has a role in the development of technology systems before they're implemented. Mr. Berg explained that Legislative Audits is not involved in the decision-making process, but rather in the review process of agencies. However, Audit staff had recommended early in the process that the old and new systems be run simultaneously and that testing be totally completed before the Molina system was fully implemented. The department chose a different implementation schedule.

During discussion of the IT section of the Strategic Plan, Senator Davis said he thinks the WiFi system in the Capitol needs to be made more user-friendly, perhaps with omnibus rights for legislators and maybe the media who regularly cover the Legislature.

In response to a question from Senator Davis, Mr. Youtz clarified that the software required for redistricting had been purchased with funds included in the FY 2011 budget. The amount budgeted for these purchases would not carry over to the next budget cycle.

Mr. Youtz noted that training included in the Strategic Plan for staff had been put on hold, for the most part in recent years due to budget constraints. He told Council members he hoped that would improve in years to come.

In response to a question from Pro Tem Geddes regarding expense of LSO activities that had been shared with the legislative budget, Mr. Youtz explained that he had taken the steps necessary to develop a structurally balanced budget for LSO going forward. He said help from the Pro Tem and Speaker and their budgets last year made it possible for LSO to avoid furloughs in the spring. He doesn't anticipate the need for furloughs in the upcoming budget year. He went on to say that expenses are balancing personnel costs and he is confident LSO can manage some remaining challenges with operating costs.

The Council approved the FY 2011 Strategic Plan unanimously on a motion by Senator McGee and a second by Senator LeFavour.

FY 2012 LSO Budget Request

Mr. Youtz then presented the FY 2012 budget request for the Legislative Services Office. He said the request included no new discretionary spending and that it represented a 4.1% increase in general funds, largely formula driven as prescribed in DFM's Budget Development Manual, and an overall request of -4.7%.

Budget stabilization funds covered the redistricting budget for the current year, so the proposed FY 2012 budget reflects removal of that one-time expenditure and includes a request for general funds. In response to a question from Representative Rusche, Mr. Youtz said the budget request for redistricting was a little smaller than the request 10 years ago because of improved technology that makes the process less labor intensive. Partisan support staff, increased commissioner compensation, software, secure meeting rooms, travel costs and legal costs are all covered within the proposed budget.

Senator Davis moved that the budget request be approved for recommendation to the Joint Finance-Appropriations Committee during the 2011 legislative session, without getting ahead of any CEC recommendations. Senator LeFavour seconded the motion, which carried unanimously.

CSG-WEST Conference

Mr. Youtz reported that the CSG-WEST Conference hosted by the Legislature in Sun Valley in September was tremendously successful with the attendance of 430 individuals; a terrific attendance given the economic circumstances. The conference came in under budget and donations were fairly strong. CSG-WEST staff has given him feedback that what Idaho did in Sun Valley was so successful it should be a template for future meetings. The Sun Valley staff was professional and very helpful. Finally, Mr. Youtz thanked all the legislators and legislative staff who had worked so hard planning and preparing for the conference for over a year.

Interim Committee and Task Force Reports

Research and Legislation Division Manager Mike Nugent reported that the Energy, Environment and Technology Interim Committee met in Idaho Falls September 27-29, 2010, at the INL's Center for Advanced Energy Studies. The committee endorsed extending the sales tax rebate for builders of alternative energy projects generating over 25 KW of electricity upon presentation of economic data to the 2011 Legislature, and supported the concept of proposed legislation regarding geothermal leasing.

Legislative Research Analyst Katharine Gerrity updated the Council on activities of the Natural Resources Interim Committee. The committee, meeting in Boise on September 23, was updated regarding numerous Eastern Snake Plain Aquifer conjunctive management orders pending before the Idaho Supreme Court, the Comprehensive Aquifer Management Plan process and funding alternatives, and the U.S. District Court ruling that returned wolves to the endangered species list.

Budget and Policy Analyst Amy Johnson reported on the Health Care Task Force. At a meeting held October 11, the task force reviewed the impact of the Patient Protection and Affordable Care Act of 2010 on Idaho government, the people of Idaho, and the insurance companies offering health insurance projects in Idaho. The task force met again on November 22 and heard presentations on the Plan for the Transformation of Idaho's Behavioral Health System, insurance exchanges, the Department of Health and Welfare's continued implementation of the Molina claims processing system, and activities of the Immunization Assessment Board.

Election Update, Organizational Session and Orientation Program

Pro Tem Geddes noted what an exciting time of the year it is when the Legislature is welcoming new members and saying goodbye to those departing. He noted that following the election of six new senators, the majority and minority ratio would remain stable in the Senate. There will be nine members on committees, seven majority and two minority members, and the Joint Finance-Appropriations Committee membership will remain at eight Republicans and two Democrats.

The day following the election, the Senate sent a letter with advance information regarding logistics such as parking, the North Idaho Tour and New Legislator Orientation. The Pro Tem said he had heard from several returning senators who were interested in sitting in on orientation again, and he complimented Jeff Youtz on having put together such a thorough and professional Orientation Program agenda. He said that following Orientation, the Legislature's Organizational Session would convene on Thursday, December 3.

Pro Tem Geddes went on to say that Mary Sue Jones would be coordinating housing for both the Senate and the House, and he complimented Robyn Lockett and others involved on the many improvements to Senate space and committee rooms that were completed during the interim. He particularly likes the windows that replaced wood panels in committee room doors and thinks they help to make the rooms more open and welcoming to guests. He reminded legislators that it's important to make sure their insurance coverage and any beneficiary information is current each session and described new procedures his office was employing to help legislators with the paperwork that requires. He concluded his remarks by welcoming newly elected Senator Lee Heider, who was sitting in on the Council meeting.

Speaker Denney said the House will be welcoming 12 new members. He's been looking into how office space will be selected and will be meeting with Representative Rusche to develop a procedure for space selection. Speaker Denney said he thought the Senate had a great idea about organization for paperwork described by the Pro Tem, and he will have Terri Franks-Smith get together with Mary Sue Jones to create a similar system to help legislators know where they are with insurance provisions. He said he was looking forward to New Legislator Orientation and the North Idaho Tour to get to know the new legislators better. The Speaker concluded his remarks by saying Senator Kelly had agreed to help him prepare an ethics presentation for the entire Legislature.

Mr. Youtz reviewed the agenda for the New Legislature Orientation Program. Orientation will begin Monday, November 29, at noon with a welcoming luncheon hosted by the Speaker and Pro Tem. The program will include an overview of organization, staff and facilities; an introduction to procedures and protocol; and a Law School for Legislators. Mr. Youtz said all legislators are welcome to attend any or all sessions of the Orientation Program and letters will be sent to all legislators inviting them to attend. The Law School for Legislators, scheduled for Wednesday, December 1, will include presentations on conflicts of interest, state and federal bribery and corruption laws, campaign finance, tribal law, lobbyists and ethics.

Because his presentation has been so well received during the Orientation Program in previous years, a decision was made to invite Judge Steven Trott to address the entire Legislature on the Foundations of American Law after the 2011 legislative session convenes. In response to a suggestion made by Representative Rusche, Mr. Youtz said he will arrange to have Judge Trott's presentation recorded for those unable to attend.

Legislative target dates for the 2011 session were discussed. Pro Tem Geddes reminded the Council that the first legislative day is by statute the Monday closest to the ninth of January, so the session will convene on January 10. He pointed out personal bill deadlines and noted that legislators will be reviewing proposed administrative rules during the first weeks of the session.

Speaker Denney said the House was expediting rules review as it had during the last session. Pro Tem Geddes said he thought the target dates for legislative action as outlined on the draft calendar were very helpful to expediting the Legislature's work. Leadership will make assignments of rules to committees based on what is germane to each committee, and in some cases more than one committee may review rules jointly. Leadership will be as flexible and accommodating as possible in assigning rules to committees to help ensure that each rule is given a thorough review.

Pro Tem Geddes pointed out all of the target dates on the draft legislative calendar through March. Senator Davis requested that LSO staff again prepare laminated cards with a summary of dates for distribution to legislators. Pro Tem Geddes reminded everyone that all these dates will be posted to the Legislature's website. He complimented staff on the many improvements that have been made to the site and its expanding volume of information. He concluded by saying how helpful he thinks the website is in providing transparency to government.

Capitol Facilities Update

Capitol Services Coordinator Robyn Lockett outlined for the Council all the improvements to the Capitol that were completed during the interim, including rounding the pillar bases in the Senate chamber; adding lighting, installing committee hearing room agenda boards, adding panic buttons where needed, placing glass in committee hearing room doors, adding handrails to the West Wing steps at 8th Street, improving air circulation and heating/cooling by modifying chamber wall draperies, and adding a building directory in the rotunda of the Capitol's first floor.

Ms. Lockett then described several other projects that are still underway, including adding desktop monitors to the cameras at the Speaker's podium and the Lt. Governor's podium so they can view the galleries behind them, moving hearing room dais desks forward, and working out a solution to better cover IT wires on the concrete floors in the Senate Flex Room.

Pro Tem Geddes said there had been a reorganization of how the functional space in the Capitol under the jurisdiction of the House and the Senate will be scheduled. For space on the Senate side, scheduling will be through the Pro Tem's office by Mary Sue Jones. For space on the House side, scheduling will be through the Speaker's Office by Sue Frieders or, in her absence, Terri Franks-Smith. They will work closely with Robyn Lockett and the Department of Administration to help ensure the facilities are prepared and ready for use.

Ms. Lockett reported on the success of the Capitol Tour Program, with some 15,000 guests touring the building since the Capitol's re-opening. She asked the Council for guidance as to who should be allowed to guide tours going forward, a question first raised at the previous Council meeting. The current procedure is to allow anyone interested to guide tours; provided they pass a background check and their presentations are nonpartisan. Senator Davis noted that everyone is welcome in the Capitol, and anyone can guide their friends and families through the building. Senator LeFavour said she hoped that if legislators are allowed to guide tours, then anyone running for office should be allowed to do so as well.

Jeff Youtz said that training for guides could emphasize the nonpartisan nature of the volunteer position overseen by Robyn Lockett and the nonpartisan Legislative Services Office. He said legislators will still be notified each week about any tour groups scheduled from their district, while general citizen volunteers could be given more general information, such as age group and not where a group comes from. Senator Lodge said she just wants the process to be as fair as possible. Senator Davis said he thought that as long as guides use good judgment and no campaigning is involved, they be allowed to volunteer. Representative Moyle concurred, adding that using common sense in assigning groups should take care of any potential problem. Senator Bock said he thought the process should be as open as possible, and Representative Pence said she thought it could be handled during orientation of tour guides.

Mr. Youtz told the Council what a terrific job Robyn Lockett has done with the Tour Program, and the discussion concluded with him assuring the Council that, using common sense, legislators would be consulted if any situation arose that might be of concern.

Budget Update

Budget and Policy Division Manager Cathy Holland-Smith reviewed state budget issues for the Council. While stimulus dollars are gone and most reserve funds have been spent, Idaho began pulling back on expenditures in 2009 and is one of the few states not declaring additional holdbacks or significant decreases in expected revenues for FY 2011. After considering slow but continued growth in revenues, likely budget transfers and appropriations, Ms. Holland-Smith said it was possible that \$22.9 million could be carried over from FY 2011 to FY 2012.

Looking forward to the FY 2012 budget to be set during the 2011 session, Ms. Holland-Smith said legislators would likely be facing difficult decisions as they try to set agency appropriations while maintaining a sense of fairness. Medicaid and education funding will be primary issues. Considering hypothetical revenue projections and appropriation requests, the budget for FY 2012 could face a shortfall of as much as \$156.8 million. She described budget matters facing the Legislature as “challenging but not unmanageable.”

Legislative Audits

Manager Don Berg, Legislative Audits Division, described the scope of work the audit staff had performed during the FY 2010 audit period: the Statewide CAFR, \$7.7 billion in expenditures by 12 state agencies; the Statewide Single Audit, \$3.4 billion expenditures by 26 programs at 10 agencies; Separate Audits of 11 entities (Health Districts, Water Loans, PBS, CAT Fund); and Management Reviews of 23 agencies.

Audit staff anticipates completing the Federal Single Audit by the required March 31, 2011 due date through use of overtime and compensating staff for this time using ARRA funds collected from agencies. This approach will serve as a model for completing the Single Audit during the next two years, until ARRA funding has been fully dispersed. Pro Tem Geddes asked if it would be beneficial to contract with outside CPA firms to help meet time frames and avoid overtime in the Audits Division. Mr. Berg responded that doing so would distract one or more staff members from audit work to manage the work of a contractor. Also, he explained, a learning curve is inevitable for a contractor and short time frames given to complete audit work don't allow for the learning curve an outside CPA would require.

Citizens' Committee on Legislative Compensation

Legislative Analyst Eric Milstead briefed the Council on compensation issues. At a meeting of the Citizens' Committee on Legislative Compensation on September 15, 2010, the committee made several recommendations that will become the authorized salaries and expense reimbursements for the 61st Idaho Legislature unless they are rejected or reduced by concurrent resolution prior to the 25th legislative day of the 2011 session.

The committee recommended retaining legislator salaries at the same level paid during the prior legislative term: \$16,116 per year, with an additional \$4,000 a year for the President Pro Tem of the Senate and the Speaker of the House. No change was recommended to the daily in-session unvouchered expense allowance of \$122 per day for legislators maintaining a second residence in Ada County during a regular session and \$49 per day for legislators who do not maintain a second residence within 50 miles of the Statehouse. The committee recommended a reduction of 15% to the annual unvouchered constituent service allowance, from \$2,200 to \$1,875. The

committee recommended that vouchered expenses remain unchanged, except that the regular session \$25 per day cap be removed on travel reimbursement for legislators who do not maintain a second residence within 50 miles of the Statehouse.

Constitutional Amendment Ballot Statements

Mr. Youtz briefed the Council on changes he recommends to the ballot statement timeline to ensure adequate input from interested parties. During the third week of May, LSO would send out final statement drafts to legislators, statewide elected officials, citizens and interest groups, and would invite participation in an open hearing at the June Legislative Council meeting. At the Legislative Council meeting in June, an open hearing of approximately one hour would be held on the draft language prior to the Council making final edit decisions.

Senator Davis said he didn't know how you identify who these interested people are, but he has confidence we can find a way to make sure everyone is invited to give their input either electronically or otherwise. He said he thought inviting more input was a healthy addition to the process.

Speaker Denney said he agreed and thought the suggested timeline changes would help ensure input from all sides of an issue.

Mr. Youtz said the next constitutional ballot statements are at least a year and half away and that he will be revisiting these timeline issues with the Council prior to the 2012 legislative session.

Representative Rusche said he had received a lot of comments from people about the language of the statements being too complex and suggesting it be simplified. Mr. Youtz said that it was a real challenge with very technical constitutional amendments to make the language understandable and not lose any of the policy implications. He said staff would strive to simplify language as much as possible.

Technology Update

IT Division Manager Glenn Harris briefed the Council about a pilot project he wanted to conduct during the 2011 legislative session of real-time notification of committee action. The pilot project would test the viability of providing continuous updates of committee action via Twitter and Facebook social media. In answer to a question from Senator LeFavour, Mr. Harris said that no committees had yet been selected for testing, that such selection would wait until after committees were formed and attachés were assigned.

Following brief Council discussion, Senator Davis made a motion to authorize the IT Division to try real-time notification of committee action on a pilot project basis in one committee in each house, to be selected in discussion with committee chairs. Senator McGee seconded the motion, which carried unanimously.

Mr. Harris reviewed IT changes being implemented for the upcoming session, including changing e-mail password conventions for legislators and new staff changes. He responded affirmatively to a question from Representative Rusche about computer training sessions being held early in the morning and added that afternoon sessions would be scheduled at 4:00 p.m., then confirmed for him that the co-sponsor problem on statements of purpose had been resolved

through an enhancement to the Government Electronic Management System (GEMS).

GEMS projects implemented for the 2011 session include adding committee action tracking/reports to allow committee secretaries to track RSs and bills in their committees; and adding agendas, minutes and procedural sheets to GEMS that were formerly WordPerfect templates.

GEMS enhancements implemented at the request of Jeannine Wood, Bonnie Alexander and Sue Frieders include updating several journal screens for better flow and combining or splitting several templates, adding the ability to have multiple contacts on statements of purpose, and enabling floor sponsors added by committee secretaries to carry over into calendars and journals.

Senator Davis noted that the last few hours of a session are so hectic that staff has found in the past they were unable to keep up with the action in GEMS. Mr. Harris said he thought the last hours of the upcoming session would go more smoothly because of increased speed of computers, more staff familiarity with programs, and the enhanced batching of bills.

Mr. Harris described additional changes to GEMS requested by Research and Legislation staff and by Budget and Policy Analysis staff to help manage their workloads, including DFM agency bill logging and tracking, an alert to warn bill drafters and editors when a code section has been amended in other drafts/RSs/bills, redesigned screens for better flow and easier assembly of bills, and new templates to ease assembly of appropriation bills.

Additional GEMS enhancements include development of "My Bill Tracker," a web-based bill tracking system available to staff and to the public, and installing/updating all production hardware and software for better performance.

Commission on Redistricting

Budget and Policy Analyst Keith Bybee updated the Council on plans for redistricting. Work is currently being done on website design, secure room preparation, and equipment purchases. Census data will be delivered to the state by April 1, 2011. One nonpartisan administrative position and a Geographic Information System (GIS) contractor will be hired in April-May, 2011, followed in June by the hiring of two Republican and two Democrat staff. Commissioners will be appointed by approximately June 1, 2011, and Mr. Bybee urged legislators to begin thinking about their appointments and doing some of the early legwork as soon as possible.

After official appointment by the Secretary of State, the six members of the Commission will begin their work in June. Commissioners will appoint two co-chairs and will draw plans, hold public hearings and vote on proposed plans. It takes a 2/3 vote in the affirmative to accept a plan. The GIS consultant verifies the plan and the final report is written. A final report is due 90 days after the Commission convenes. The plan is in effect once it is filed with the Secretary of State.

Representative Rusche, in response to a question from Senator McGee, said that if the Commission did not complete its report in 90 days, the Commission would be reconstituted with new commissioners.

Pro Tem Geddes asked what technology would be available to the commissioners for remote access. Mr. Bybee responded that laptops with all necessary software will be purchased for commissioners. These will have complete functionality from wherever they're located and will not require Internet connections.

In response to a question from Representative Moyle, Mr. Bybee said that, yes, there were other firms working with the technology to draw district maps. Those companies had been researched as to technological capability and cost earlier in the process of planning and the decision had been made to go with Maptitude software based on its capability and comparable price.

Office of Performance Evaluations

OPE Director Rakesh Mohan briefed the Council on three studies the office is currently undertaking for the Joint Legislative Oversight Committee:

1. Governance of EMS Agencies in Idaho - to be released November 30, 2010; this study looks into overlapping jurisdictions, inconsistent levels of coverage and care, conflicting medical direction, lack of accountability, financial instability, and funding disputes.
2. Senior Services in Idaho - to be released January 2011; this is a study of six Area Agencies on Aging, specifically for nutrition and transportation services, to answer questions that have been raised about Idaho's approach to providing support services and whether the state is making the most of limited resources.
3. Management of Idaho's Liquor Division - to be released in January 2011; this study evaluates recent agency growth and how it compares to the net revenues being generated for the state.

Printing Costs and Session Photos

Bonnie Alexander described for the Council the printing contracts she negotiates every two years at the beginning of the session to print House bills, daily Journals, the Final Journal, and Session Laws. She said several changes have taken place in printing over the past couple of years. The price for printing has gone down substantially, as has the need for printed material with so much information available on the Internet. In many instances, the need to even have contracts has been eliminated because costs for printing are less than \$12,000. This in turn reduces the need for concurrent resolutions to authorize contracts.

The House Journal has been printed by offset press in recent years. Ms. Alexander estimates a savings of approximately 75% through digital printing. Printing of Session Laws will continue via offset press through the office of the Secretary of State, because they are hard-bound and the number of copies printed is over 500. She hopes the list of those receiving Session Laws, which is maintained by the Secretary of State, can be reduced. Ms. Alexander suggests that posting Session Laws online would eliminate the need for so many printed copies, and she will work with the office of the Secretary of State to that end. She went on to say her research showed that a Journal page printed by offset press costs \$32.00 per page, while a Final Bill Status page printed digitally cost just 38 cents a page.

Finally, Ms. Alexander addressed the Council about session photos on the 3rd and 4th floors and the wings of the Capitol. She has developed a session photo guide with legislators listed alphabetically to assist people in finding photos of particular legislators. She has placed the guides in various places around the Capitol. For those who want to have pictures made of a historical photograph, she suggests making digital photos available for people to order through the Capitol Gift Shop. Mr. Youtz said he thought that was a very good idea and that the Gift

Shop would work toward making that a reality.

Speaker Denney thanked Ms. Alexander, saying he thought having the photos for sale was a terrific idea, and thanking her for looking into all the ways the Legislature can save money with printing costs.

Speaker Denney adjourned the meeting adjourned at 2:45 p.m.