

(SUBJECT TO APPROVAL BY LEGISLATIVE COUNCIL)

**LEGISLATIVE COUNCIL
Capitol Building
Senate Flex Room, West Wing 17
Boise, Idaho
November 8, 2013**

DRAFT MINUTES

A quorum being present, the meeting was called to order at 8:00 a.m. by Co-chair, Senate Pro Tempore Brent Hill. Other Legislative Council members in attendance were Co-chair, House Speaker Scott Bedke, and Senators Bart Davis, Steve Bair, Cliff Bayer, Elliot Werk, Michelle Stennett and Cherie Buckner-Webb; Representatives Mike Moyle, Gary Collins, Jason Monks, Phylis King and Sue Chew. Representative John Rusche was absent and excused, and Representative Grant Burgoyne sat in for Rep. Rusche in his absence and was present.

Legislative Services Office staff in attendance and/or presenting were: Jeff Youtz, Legislative Services Office (LSO) Director; Margaret Major, Mike Nugent, Eric Milstead, Katharine Gerrity, Brooke Brouman, Ryan Bush, Glenn Harris, Norma Clark, Jeremy Larsen, April Renfro, Amy Latkovich, Kellie Bergey, Brianne Yee, Cathy Holland-Smith, Richard Burns, Ray Houston, Robyn Lockett, Jared Tatro, Jared Hoskins, Shane Winslow, Terri Kondeff and Michelle O'Brien.

Others attending the meeting and/or presenting: Senator Chuck Winder; Rakesh Mohan, Office of Performance Evaluations; Mary Sue Jones, Jennifer Novak and Diane Kelly, Idaho Senate; MaryLou Molitor and Bonnie Alexander, Idaho House of Representatives; Ron Pisaneschi and Jeff Tucker, Idaho Public Television.

The Chair postponed approval of previous minutes until late arriving members were present.

Legislative Services Office Director's Report

Mr. Jeff Youtz, Director of the Legislative Services Office, introduced staff that have joined the agency since the previous meeting. Joining the Audit division are Amy Latkovich, Brianne Yee and Kellie Bergey. Budget & Policy Analysis welcomed Jared Hoskins, who joined the division in October. The Pro Tem Hill welcomed the new staff and thanked them for joining the organization.

Idaho legislature's Fiscal Year 2014 Strategic Plan. Director Youtz provided a draft copy of the new Strategic Plan to council members in advance of the meeting. Changes are noted in red and include changes in the Financial Audit section related to establishing a repository of local governmental units that require a financial audit statutorily, and monitoring compliance with that requirement; in the technology area, improvements to public wireless systems and development of a new online archives system were noted; and adding the Virtual Tour program and the Capitol Gift Shop in the public outreach goals. Speaker Bedke inquired if the public

wireless access will remain user friendly. Mr. Youtz confirmed that it should be better for all users. Because of many complaints heard from legislators on behalf of lobbyists and the press, who used the public WIFI system administered by the Department of Administration, a separate WIFI system has now been developed for lobbyists and journalists. This will also decrease the traffic on the public WIFI system and hopefully make it more functional and dependable for the public users.

Senator Bair asked who will determine access to the new media WIFI service and Mr. Youtz replied that it will be assigned through the Capitol Correspondents Association. Representative Moyle inquired if the new wireless media portal resulted in added cost. Mr. Youtz deferred to Glenn Harris, who reported that there is a cost of approximately \$4,500 associated with this upgrade. Representative Moyle then asked if the cost would be transferred to lobbyists and the Press Corps, and Mr. Youtz replied that no, the cost will be borne by the Legislature through their technology budget. The upgrade and creation of a separate WIFI system was a response to complaints from legislators, lobbyists and journalists that the regular public WIFI system was cumbersome and erratic. Rep. Moyle did not think it was appropriate for the legislature to pay for this special dedicated WIFI service, and that the press and lobbyists should use the regular WIFI service like the general public.

Senator Stennett spoke to the archiving effort and referenced a public records request she had over the interim, commenting that having an archive available will be extremely valuable. Also concerning the archiving project, the Pro Tem stated there were some issues about streaming and recording of committee hearings, and that live streaming/recording is still at the discretion of a committee chair. The Speaker agreed and requested that the language in the Strategic Plan specifically address that issue to be clear on the committee chairs authority in this regard.

A motion to approve the Strategic Plan, with modifications to the language regarding committee chair authority, was approved on a voice vote, the motion made by Co-chair Speaker Bedke and seconded by Senator Bair.

FY 2015 LSO Budget Request: Director Youtz presented the FY 2015 budget request for the Legislative Services Office. The request includes a total of \$6.7 million, of which \$4.3 million is from the General Fund. It is a "maintenance level" request with no new positions and reflects a 2.4% increase in General Funds and a 2.2% increase overall. Mr. Youtz emphasized that his highest priority is employee compensation, and without a funded CEC in four of the last five years, it becomes increasingly difficult to hire, retain, and reward top notch staff. He clarified for the Council that their approval of this budget request was not binding, on JFAC and that JFAC would make the final decision as they do on all agency budgets. **A motion to approve the request was made by Senator Bair, seconded by Senator Bayer and passed on a voice vote.**

Legislative Branch Audit Request for Proposal (RFP): Senate Bill 1105 changed the audit cycle for the Legislative Branch from an annual to a biennial audit, and moved the management

of that audit from the Board of Examiners to the Legislative Council. The Legislative Services Office has prepared an RFP, subject to approval by the Legislative Council, for two separate and consecutive biennial audits; the first for Fiscal Years 2013 and 2014, and the second for Fiscal Years 2015 and 2016. Once proposals are received, a review committee comprised of LSO fiscal and audit staff, and House and Senate fiscal staff, will review and score the submissions. The three highest scoring proposals will be submitted to the Legislative Council for final selection. The cycle would commence September 1, 2014.

Senator Bair asked why there was a need for a new RFP. Mr. Youtz explained that it was the result of the statute change moving the management of the audit under the Legislative Council, and also to address going from an annual to a biennial audit cycle. Representative Moyle asked if there was any anticipated added cost, and Mr. Youtz responded that the biennial audit approach should actually save money. The Pro Tem added that he felt the amount of time and resources required for a biennial audit would be reduced, still cover both years, but that a one-third cost reduction is anticipated.

A motion to accept the RFP was approved on a voice vote; the motion made by Representative Collins and seconded by Senator Stennett.

Mr. Youtz concluded his presentation by announcing his intention to retire from the position of Director of the Legislative Services Office after 36 years with the Idaho Legislature. He will go through one more legislative session, with a tentative retirement date of September 30th, 2014. He encouraged the council to look within the agency for candidates to succeed him, and that there are more than a few excellent senior professionals that would make excellent Directors. Hiring from within offers opportunities for many staff members to move up, and it is advantageous to have a Director with a sense of history of the Idaho Legislature, continue the high performance expectations of the agency, and have a passion for the institution of the Idaho Legislature. The Pro Tem said Mr. Youtz will certainly be missed, and that there will be more opportunities to say good-bye over the course of the coming months.

Interim Committee and Task Force Reports: The Research and Legislation division provided a status report on interim committee activity. Detailed minutes for these interim meetings are available at the following link:

<http://legislature.idaho.gov/sessioninfo/2013/interim/interimcommittees.htm>

Federal Lands Interim Committee: Katharine Gerrity reported on two meetings of the Federal Lands Interim Committee, held August 9th and October 28th of this year. The committee heard testimony from a wide range of expertise in policy law and natural resources management, on the history and analysis of federally administered lands, and state and federal authority over public lands. Further discussion included past efforts in Idaho and other states to study, or obtain, the transfer of federal lands, conclusions drawn and legal requirements pertaining to transfers. The committee received communications from Congressman Mike Simpson, and from the office of Congressman Raul Labrador. Congressman Simpson also

included a report from the Congressional Record Service, outlining annual federal public land expenditures and revenues for Idaho. Various interest groups also provided testimony via a series of panels representing tribal interests, sportsmen, wildlife, grazing, timber and environmental interests. A third meeting is scheduled for December 4th.

Natural Resources Interim Committee: Ms. Gerrity provided an update on the activity of this committee, which included an update on the State Water Plan, as well as a Swan Falls minimum flow discussion and Snake River forecast. Also covered were well construction standards, statewide water conditions, and potential legislation addressing ground water recharge. Testimony was heard regarding the Food Safety Modernization Act, and an FDA proposed produce rule. Staff for Congressmen Mike Simpson and Raul Labrador discussed the recent failure of the Farm Bill. The Department of Environmental Quality described regulatory authority and permitting pertaining to suction dredge mining in Idaho. The Department of Fish and Game provided a revenue update.

The Pro Tem invited Senator Chuck Winder to give his perspective as Co-chair of the Federal Lands Interim Committee. The Senator reported that it has been a balanced, positive and reasonable process. A final report is due Jan 2015, but that they will make a preliminary findings report early in session. The Pro Tem thanked Senator Winder and welcomed Mike Nugent.

Energy, Environment and Technology Interim Committee (SCR 127 of 2013):

Mike Nugent reported on a three-day meeting of this committee, held September 11th through 13th. Discussion included the possibility of a Nuclear Power Plant at the Idaho National Laboratory, and the future of coal in the integrated resource planning process. Mr. Nugent said not expect any new nuclear operations for at least ten to fifteen years due to the very lengthy approval process. The Public Utilities Commission reported action related to PURPA projects, net metering and the Federal Energy Commission. Rocky Mountain Power in Utah has certain coal plants slated for closure. The committee also participated in site tours of energy facilities, including Idaho Power's Langley Gulch plant, natural gas fields in Payette, and a geothermal plant in Vale, Oregon. The Langley Gulch power plant is a combined cycle natural gas generating plant, used for both firm power and to provide for peaking and leveling of resources such as wind power. While touring the gas fields, the committee heard a presentation on the geology that contributed to the formation of the gas fields. The geothermal plant is located near Vale, Oregon; the electricity generated there is sold to Idaho Power pursuant to a contract between U.S. Geothermal and Idaho Power. Finally, there was discussion involving a number of communications and education entities about internet service to rural Idaho and the challenges to upgrading service. It is anticipated that legislation will be proposed to introduce economic incentives for improving access to broadband technology in rural areas.

Wind Energy Task Force: Mr. Nugent provided an introduction to this task force. It was established by the Pro Tem and the Speaker in response to House Bill 561. The bill was

introduced in the 2012 Idaho Legislature, but did not pass, and the task force was then established. The task force was assigned to address issues related to the effect of wind power development on power rates; the ability of Idaho utilities to incorporate more wind energy; the effect of wind turbines on wildlife; the effect of turbines on property values and uses, and a range of tax issues related to wind power development. The taskforce met on October 1st and heard updates on the Sage Grouse and Wind Energy project, the Energy Integrity project, and also on precedent PUC actions impacting wind energy projects. They toured Idaho Power's Grid Operations Center where they were shown how wind energy is integrated into the power system. The task force made no recommendations, but will file a final report.

Idaho Council on Indian Affairs: Ryan Bush reported on this council that met on June 19th and again on August 20th. The June meeting was largely introductory in content, given the number of new members. Representative Marc Gibbs was elected Chair and Silas Whitman of the Nez Perce Tribe elected Vice-chair. An overview of the authorizing statute and bylaws governing the Council were presented, followed by a discussion of the council's jurisdictional background and identification of issues that the Council would like to discuss in the future. On August 20th, the Department of Health and Welfare (DHW) provided an update on the federal Indian Child Welfare Act (ICWA) and answered questions regarding DHW's compliance. The council then discussed the Idaho health exchange, Your Health Idaho, the role of the tribes in that exchange and concerns regarding consultation with the tribes. Other issues discussed were the issue of mega-loads on Highway 12, the effects of federal sequestration and budget cuts, the recent fish consumption survey, and the virtual tours of the Capitol now offered during legislative session. The council will meet again sometime in December, but no date has been determined.

Health Care Task Force: Ryan Bush presented a status report on the Health Care Task Force that met on October 7th and November 4th. Testimony included a progress report on health care exchanges in other states, and an overview and updates on the status of the Idaho exchange from Amy Dowd, director of Your Health Idaho. There were additional updates on the status of Idaho's Medicaid program integrity; Medicaid managed care; the High Risk Pool; Chip-B and Access Card programs; the CAT Fund and Immunization Program; Medicaid enrollment and implementation of House Bill 260 (Session 2011). The task force heard from various insurers and the Department of Insurance on proposed rate increases for 2014 individual health plans. The Department of Administration reported on the employee wellness program, Health Matters. Presentations on Medicaid-based audits of school districts provided the perspective of the Department of Health and Welfare (DHW) and also from a district special education director. Also heard was a DHW departmental overview and 2014 budget preview. The task force will meet again on December 9th.

The Pro Tem invited comments from Representative Collins, co-chair for this task force. Representative Collins stated that while the Affordable Care Act (ACA) is a disaster; the state health exchange has also had start-up issues, but noting that the state portal improvements will

aid citizens in navigating the federal exchange, once ACA is up and running. Senator Stennett asked for clarification regarding grandfathered plans, and Representative Collins stated that, those from prior to March 2010 qualify for the grandfather clause. Those with plans in place at the time (with no changes) can continue to keep those plans. Senator Stennett asked for further clarification regarding those grandfathered in, but not meeting other criteria, and Representative Collins responded that it is not clear at this time. Representative Moyle inquired about the security of personal information on the website. Representative Collins stated that he is confident about the state exchange site, but that questions remain regarding security on the federal site. Information that is confidential in state data becomes less secure once it transfers to the federal database. Idaho's exchange piggybacks onto the federal exchange for the time being. Representative Moyle inquired if legislators should encourage citizens to not use it at this point. The Pro Tem responded that it is an individual's decision to evaluate any benefit to them versus the question of secure personal information. Representative Moyle asked if there was a timeline for disengaging the state exchange from the federal site, and Representative Collins replied, hopefully by the end of 2014. Currently at the state level, an individual can request preliminary numbers without signing up or inputting personal information. Representative King inquired if a potential enrollee can submit a paper copy until the website is fully functioning here in Idaho. Representative Collins responded that yes, an individual can go directly through a broker and not use the state website at all. Representative King asked about the availability of site navigators, and Representative Collins reported that there are some hospitals and clinics that provide that assistance. Navigators, or assistors, cannot give advice, only facilitate inquiries. In response to a suggestion that submitting a hardcopy application would protect personal information, it was noted that hardcopy does not ensure confidentiality, as it will eventually be entered into the system database.

Public Defense Reform Interim Committee:

Brooke Brouman provided an overview of three meetings, held August 15th, September 12th and October 17th. The committee was formed in response to deficiencies identified by the National Legal Aid and Defender Association. The association studied public defense systems in seven Idaho counties and found them constitutionally inadequate. The August meeting was a review of public defense requirements under the U.S. Sixth Amendment and interpretation of case law; Idaho's study of its indigent defense system; county costs for providing public defense, and the recent Canyon County Public Defender Study. The meeting of September 12th included presentations on prosecutorial functions and expenditures, duties of defense council and compliance with the American Bar Association's Ten Principles, and an ACLU perspective on Idaho's indigent defense system's deficiencies and recommendations. A roundtable discussion of public defense reform included a number of esteemed members of the courts and other stakeholders, to assist in a thorough assessment of Idaho's public defense system and to identify tenable options for meeting constitutional requirements. In the third meeting on October 17th, district judges spoke to their experiences with the public defense system. Further testimony was heard regarding the prosecutorial role and related expenditures to cities, critical areas for consideration identified by the public defense subcommittee, and a report on right-to-

counsel practices in Oregon and Montana. The committee is scheduled to meet again on November 20th. Ms. Brouman expects to see legislation from the committee in the upcoming session.

Criminal Justice Reinvestment Interim Committee: Ms. Brouman reported on this committee that met on June 18th and again on October 30th. In the June meeting, a presentation by the Council of State Governments covered national criminal justice policy context; an introduction to justice reinvestment; system assessment and trends, the justice reinvestment project framework and proposed areas for analysis. In the meeting of October 30th, the committee heard presentations on methods to reduce recidivism, a detailed analysis of Idaho's criminal justice system, bipartisan reforms in other states, and a review of justice reinvestment legislation out of South Dakota. South Dakota has experienced growth rates similar to those of Idaho. A meeting is scheduled for December 12th, with a work group meeting the day before, on Dec 11th. Ms. Brouman told the council to also expect legislation out of this committee.

K-12 Education System Interim Committee: Eric Milstead presented an overview of three meetings held on September 12th, October 2nd and November 5th. The purpose of the committee was to undertake and complete a study of how to improve and strengthen Idaho's K-12 educational system, per House Concurrent Resolution (HCR) 33. Over the course of three meetings, the committee heard and discussed a number of issues including an overview of the recommendations from the Governor's Task Force for Improving Education; stakeholder perspectives on the current state of the system's strengths and weaknesses, and relating to sunset legislation from 2013; a review of the data system; student assessments; charter schools; professional-technical education and workforce needs; life skills education, and innovative approaches to school facility renewal and use. No further meetings are planned. Representative King inquired if a report would be forthcoming, to which Mr. Milstead replied that they hope to have a report by the middle of December; the HCR directs a report to be submitted during the 2014 legislative session. The Pro Tem thanked Eric and welcomed back Senator Winder.

Capitol Services Committee, Facilities Update: Senator Winder, Co-chair of the committee, briefed the council on the status of a number of projects underway.

Lincoln Auditorium: Improvements to the dais area are expected to be completed by December 1st. Rows will be repositioned to allow more room between them, and also between the back row and the wall. Cabling will be realigned to move connections away from the legislator's feet. Carpet tiles will be installed to allow easy access to the subflooring. The estimated cost is \$49,000 and was approved by the Capitol Commission.

East Wing Room 20 and East Wing Room 05: Extension of the dais horseshoe configurations in each room to allow an additional desk on each side is expected to be

completed by December 1st. Like the auditorium, cabling will be realigned and carpet tiles installed. The estimated cost is \$18,000 and was approved by the Capitol Commission.

East Wing Room 42: An upgrade is planned to allow the same three-way camera video streaming system found in the Lincoln Auditorium, thereby making available a large video streaming venue in each atrium wing. The project is expected to be completed by mid-December at an estimated cost of \$55,700 approved by the Capitol Commission.

Caucus Rooms, Presentation Technology Upgrades: Audio software was added to all four rooms, to improve sound quality in the room. Audio contained in presentations will now broadcast through the in-room speakers only; there will be no external broadcast. The project is complete, at the cost of \$2,700 approved by the Capitol Commission.

Senate Gallery Sound Issues: Jeff Youtz met with Senate staff and an audio system contractor, Audio Solutions, to come up with recommendations to resolve sound quality issues up in the public gallery area of the Senate. The contractor recommended two special directional speakers in the gallery, and would provide cost details in time to install the speakers prior to the start of the session.

New Parking Garage: Construction of the new, five level facility is well underway and will provide an additional 600 spaces. The \$8.9 million dollar project is on schedule, and in time for the 2016 session.

Senate Rotunda Elevator: Repair is anticipated by November 18th. The nature of the repair required fabrication of custom pulleys. There is no estimated cost available at this time.

Senator Stennett asked if there had been any progress on the issue of badges not working on the chamber elevator. Mr. Youtz responded that he was not aware of this issue, but would follow up with Capitol security. Representative Chew commented on sound issues in selected committee rooms, and Mr. Youtz said he would follow up on that issue as well.

The Pro Tem recessed the Council for a short break at 9:40 a.m., reconvening at 9:55 a.m.

The Pro Tem asked the Council for approval of the March 1, 2013 revised minutes, as well as for the minutes from the meeting held May 30, 2013. **A motion was made by Representative Collins to accept the revised minutes from March 1st, seconded by Senator Buckner-Webb and approved by unanimous voice vote. An additional motion was made by Representative Collins to accept the minutes from May 30th, seconded by Speaker Bedke and approved by unanimous voice vote.**

2014 Legislative Session Plans: The Pro Tem and Speaker reviewed the legislative session calendar and established target dates for rules review, personal bill deadlines, transmittal dates, the JFAC budget hearings and appropriations schedule, and possible Sine Die dates.

The Pro Tem announced that session will convene at noon on Jan 6th. The Economic Outlook and Revenue Assessment Committee (EORAC) will meet on January 2nd. New interns will receive a required orientation program on January 15th. Personal bills will be due on January 17th in the Senate, and January 24th in the House. Senator Davis inquired if a Change in Employee Compensation (CEC) committee is being contemplated. Speaker Bedke reported that he has not had a chance to talk with Rep. Hartgen, who has had some health issues of late. The Speaker did state that before proceeding with formation of a CEC committee, careful consultation with the Senate, House, and the Governor's Office should take place. The Speaker expects a fairly austere budget session. Senator Davis commented that the purpose of the CEC committee is not exclusively to increase compensation, that we have many new and returning legislators, who have never been exposed to the CEC committee process. A CEC committee would have value if for no other reason than to educate the legislature.

The Pro Tem continued to review session calendar dates, and Senator Davis spoke to the March calendar, stating that the bill transmittal date is the 3rd for both houses and he hopes to be very rigid with that date in order to hit the target Sine Die date. The Senator is hopeful that the JFAC will complete business by March 7th. Speaker Bedke added that the Education Committee and others should be ready sooner than in past sessions, and therefore not bog down the budget process. Representative Moyle inquired if it is possible to shorten the budget hearing presentation schedule and the Pro Tem stated that should be addressed with the JFAC co-chairs. The Pro Tem emphasized leadership's serious intent about a March 21st Sine Die.

Legislative Council Statute Review

Mr. Youtz presented a draft consideration for minor adjustments to align the Legislative Council statute with actual current practice regarding legislative vacancies and rotating council chairs. In summary, a council vacancy that occurs on a temporary basis can still be filled from the remaining membership and through the interim, but allows for election of a replacement for a vacancy that extends into legislative session. It aligns chairmanship with current practice, which names the Pro Tempore and Speaker as rotating chairs, eliminating the prior practice of selecting from the wider council membership.

The Pro Tem asked that if the rotating chairs is put into statute, and for whatever reason, personal or otherwise the co-chairs wanted to trade assignments as chair, could that be challenged. Senator Davis stated that when he began the discussion with Mr. Youtz regarding this matter some months ago, the Senator felt they needed to delete the language, "council shall select a chair and vice-chair", in preference to the current practice of rotating chairmanships. He stated the change to rotating chairs probably does not have to be in statute.

A motion to approve the change in concept, with consideration of specific language

at a later date, was made by Senator Buckner-Webb, seconded by Senator Stennett and approved on a voice vote.

Technology Update

Glenn Harris reported on a number of initiatives since last session, including changes and improvements to wireless access, hardware, infrastructure, GEMS, digital archives, electronic voting and other enhancements.

Wireless Networks: the Capitol now has a dedicated WIFI network that will be more dependable for lobbyists and the Press which was recommended by the Technology Committee. The general public will continue to have WIFI access to the Dept. of Administration's WIFI.

Infrastructure: changes include installation of an enhanced firewall and elimination of the VPN units; dedicated network storage allowing additional storage space, servers and volume snapshots; and relocation of disaster recovery servers off-site, to the Idaho State Police facility in Meridian.

End-user Enhancements: Senate and House attaché desktops have been replaced to remove non-secure Windows/XP computers. This upgrade frees up laptops for secretarial staff use in committee rooms. Attachés will also now have access to shared files via cloud storage. Mr. Harris reported that a decision was made to not go ahead with an electronic newsletter application this year. A trial copy was selected from products available, but it did not offer required features, was expensive, and was not stable enough for our purposes. He also reported that there will not be an upgrade from Windows 2007 to 2013: after careful review, it was determined that it is not a good value for \$50,000.

House Voting Upgrades: new phones have been installed in the House Chamber with dedicated voting buttons. Members will have access to both phone and computer buttons for this session. The plan is to phase out computer voting and commencing with the 2015 Session, the Legislature will move to phone-only voting, with a voting dashboard website planned. In addition to new phones, the House Display Board has been upgraded to alternate between a bill on the floor, and a vote in progress. The display will also be available on local laptops. This upgrade will be in place for the upcoming 2014 Session.

GEMS (Government Electronics Management System): projects in progress include enhancements to Research & Legislation, the Senate and House, database and application server, software upgrades, and reconfiguration of the LSO web server and applications database.

Digital Media Archive: The process of archiving began with the 2013 Legislative Session and includes House and Senate floor proceedings, daily journals and video recording; also standing and interim committee agendas, minutes and audio/video recording. An administrative update on the project will be provided later in this meeting.

Speaker Bedke inquired about management of draft legislation. The question posed was whether it was possible within GEMS to do a mark-up of a draft, track changes, margin bubbles, etc., as a draft moves back and forth, and accept changes in the Final Bill. Mr. Harris will take the question to Norma Clark for consideration. Representative Chew asked, given the decision to not bring in a newsletter application, what was planned to address high volume mailings,

and, if there is a storage capacity concern. Mr. Harris stated that we are not running out of space. He recommended that for this session, members and support staff should use "send personal" and in smaller groupings (less than a thousand). He requested that when a user receives a bounce back notification, they should remove that person from their routing. Mr. Harris hopes to revisit options like the newsletter application in the future, that other products were becoming available and he will take the issue back to the Information Technology Committee. Representative Moyle requested a list of those that sign up for the new media/lobbyist WIFI and Mr. Harris will make that available. Senator Bair wondered if there were any issues with the public access. Mr. Harris is hopeful that removing the press and lobbyists from the public access load will improve service for those continuing to use it.

Legislative Internship Program

Katharine Gerrity introduced the internship program that will commence with the upcoming legislative session. Intern candidacy requirements, the application and assignment process, and supervision and orientation details, were provided in advance to the council.

Representative King asked if a list of intern names would be made available to the Legislature as a whole and if members would be able to utilize interns outside of their given committee assignment. She further inquired if interns would check in daily with LSO or report directly to their assigned legislator.

Ms. Gerrity explained that once an intern has completed orientation, they will be turned over to their designated assignment and will not be reporting to LSO. She added that designated supervisors should bear in mind that interns will need evaluations completed for school. Representative Burgoyne asked how non-students would be managed and Ms. Gerrity replied that they are considered volunteers- not interns and not part of this process. Representative Burgoyne commented that some thought should be given to how volunteers are managed, in their identification and assignment of physical office space, etc. The Pro Tem stated volunteers present a concern, and consideration should be given to mandatory orientation for these individuals as well. Ms. Gerrity offered that anyone can attend the orientation. Senator Stennett added that the Senate Minority Chief of Staff does provide orientation and supervision, to which, Representative Burgoyne suggested that it would be a good idea for all interns and volunteers to go through the same orientation. The Pro Tem stated that the council should consider this is an ongoing practice, but new policy.

In addition to the changes recommended and incorporated into the guideline, the Pro Tem would like to see more leadership input into the process. He further stated that non-partisan interns assigned to chairs, should be assigned through leadership, not LSO. Representative Burgoyne commented that it is important that legislators and staff know what training is being given to these individuals and in turn, the interns need to know what they can expect from legislators and staff. Speaker Bedke stated that he is not comfortable with the status of "volunteers" and special access to legislative facilities and functions requires accountability. The

Pro Tem commented that he does not want to be accommodating volunteers with a taxpayer provided desk. Senator Buckner-Webb added that the interns are students and we have a responsibility to them, but also need to know what sort of recourse is in place in the event of a performance problem.

A motion was introduced by Senator Davis to adopt the proposed college intern policy, subject to the following: (i) the Pro Tempore and Speaker are authorized to make final adjustments for the 2014 legislative session; (ii) the matter shall be submitted to legislative council at its 2014 spring meeting for additional consideration; (iii) the non-partisan intern policy is modified to provide the intern's committee designation shall be by highest elected leadership person from that house; (iv) the development and approval of the orientation program shall be done in conduct with the Pro Tem and Speaker; (v) the orientation program shall be available to interns unable to attend the initially scheduled orientation; and (vi) each intern is required to provide written assent to the principles of the orientation. The motion was seconded by Representative Moyle and approved on a voice vote.

The following framework for the Legislative Intern Program, with changes from the draft policy in red, was approved by the Speaker and Pro Tem after Senator Davis' motion passed the Council.

Idaho Legislative Intern Program:

The following framework to guide the Idaho Legislature's Student Intern Program was adopted by the Legislative Council on November 8, 2013. These new guidelines will be in effect for the 2014 Legislative Session under the oversight of the Senate President Pro Tem and the Speaker of the House, and shall be reviewed for any modifications and improvements by the Legislative Council at their spring meeting.

- Idaho Legislative Interns are college or university students that are approved to serve as interns through their college or university and receive college credit for their internship service in the Legislature.
- Any student intending to serve as an intern, whether partisan or nonpartisan, shall submit a standardized legislative intern application to the Legislative Services Office prior to being placed as an intern.
- All legislative interns shall be required to attend an orientation program developed cooperatively between the Senate President Pro Tem, the Speaker of the House, and the Legislative Services Office ~~and the Senate and House~~. This orientation program will touch on such issues as decorum, confidentiality, dress code, the floor and committee process, and other topics important to the student's success as a legislative intern, and will require a signed acknowledgement by the student that they will abide by the orientation principles.

- Those students wishing to serve in a nonpartisan internship shall be assigned to committee chairmen by the ~~appropriate legislative leadership Legislative Services Office~~. Committee chairmen who are assigned an intern shall be responsible for their supervision. The intern's college or university shall also remain responsible for the student throughout their internship.
- Those students wishing to serve in a partisan internship shall be ~~referred by LSO assigned and placed by~~ a contact person or persons designated by appropriate Senate or House majority or minority leadership. This contact person or persons, in cooperation with Senate and House majority and minority leadership, shall be responsible for the supervision of such students throughout their legislative internship. The intern's college or university shall also remain responsible for the student throughout their internship.
- Additional meetings and ~~or optional~~ intern educational presentations may be offered during the legislative session. If, for whatever reason, a student intern did not have the opportunity to attend the mandatory early session orientation program, such training will still be required of the intern, and shall be made available to that student.

Legislative Audit Division Update

April Renfro provided a status report on Legislative Audit activity. Work is in progress for both the 2013 Statewide Comprehensive Annual Financial Report (CAFR) and the 2013 Single Audit. The number of federal programs identified for audit increased this year, a result of two circumstances- the dollar threshold dropped as a result of the conclusion of stimulus funding, and also due to findings across several programs the previous year that required repeat audit engagements. Twenty Management Reviews were scheduled for summer 2013 and all but one, have been completed.

Three special reviews were also conducted and are completed or in progress, as follows:

- Division of the cooperative welfare "bucket" fund into individual funds for general, dedicated and federal appropriations within the Division of Public Health, Department of Health & Welfare. Report issued on October 25, 2013.
- Determination of compliance with statute for audit and financial reporting within special districts; report expected late November 2013.
- Open Findings Report, Legislative Audit Division; progress toward meeting our strategic goal, the report to be issued December 2013.

As stated earlier in the meeting, the Audit division has filled three vacancies, and hopes to fill the vacant Managing Auditor position in the spring.

The Pro Tem asked how cooperative the auditors found agencies. Ms. Renfro stated that when an agency has a lot of findings it can be tense, and it helps to establish firm timelines and keep communications healthy, remembering that findings are usually opportunities to fix things.

The Pro Tem described the audit process as the agency's friend, there to help them improve efficiency but also protect them

Speaker Bedke asked what percent of the total number of governmental entities that statutorily are required to undergo audits actually do so. Ms. Renfro could not cite an overall number, because the reporting is so poor, however as an example, Cities and Counties are only 65% compliant. Representative Moyle commented that at one time there was the same non-compliance issue with public schools and they are now at 100% compliance, so enforcement is needed. Senator Stennett stated she assumed there was a breakout of the districts and counties, and it would be helpful for legislators to work with their home districts to gain compliance. Ms. Renfro stated that she was not sure that they can get to that level of detail, but would do their best to do so, in the report. Ms. Renfro's presentation follows the minutes as an attachment.

The Council recessed for lunch at noon, reconvening at 1:00 p.m.

FY 2014 and FY 2015 State Budget Update

Staff Activity Update: Cathy Holland-Smith first spoke to activity in the Division of Budget & Policy Analysis. Jared Tatro assumed the Department of Health & Welfare assignment following the departure of Matt Ellsworth, and also the Millennium Fund assignment. Jared Hoskins joined the division to fill the vacant position, assuming general government assignments. The Joint Finance and Appropriations Committee (JFAC) toured eastern Idaho, visiting ISU, the women's prison, the ISP forensics lab, Grace High School, Lava Hot Springs Resort, and historic properties. A comprehensive overview of the Snake River Adjudication brought the committee up-to-date on this issue; a cost of \$92.8 million over the past 30 years. Keith Bybee was the editor of this year's edition of Fiscal Facts and revamped the content, making it more applicable. The Joint Millennium Fund Committee will meet on December 16th and the fund has \$8.5 million to appropriate. Jared Tatro and Margaret Major will staff the committee. Grant applications were accepted through October 18th. Representative Hartgen is not expected to attend the upcoming meeting; Representative Fred Wood will serve as acting chair in his stead. Jared Tatro recently returned from Connecticut where he toured and reviewed operations at a volunteer, non-clinical recovery center program, along with representatives from DHW, IDOC, the Courts, the Idaho House and Senate, nonprofit staff and county commissioners. Paul Headlee, Deputy Division Manager, is currently attending the National Council of State Legislatures (NCSL) Higher Education Institute, with Senators Mortimer and Thayne, and Representatives Miller and Harris. One budget extension was granted, to the Superintendent of Public Instruction, in order to revise his budget to accommodate of the Governor's Task Force for Improving Education .

FY 2014 and 2015 Budget Update: Ms. Holland-Smith then presented a General Fund Update, reporting on the state budget using recently released revenue numbers and reviewed

the Fiscal Year 2015 Request. Her presentation includes detailed tables and follows the minutes as an attachment.

Senator Werk inquired if Medicaid expansion would cover the incarcerated population and Ms. Holland-Smith explained that if they are hospitalized off-campus, they would be covered. Representative King asked why water supply to a federal entity was part of the state budget, and the Pro Tem invited Ray Houston to speak to the \$4 million General Fund request for the Mountain Home USAF airbase, to obtain Snake River water rights. Mr. Houston explained that the airbase is under budget constraints, and a working group has been studying this issue. Speaker Bedke provided further clarification between water purchased versus rented: the purchased asset will be stored onsite in a water tank.

Representative Burgoyne asked if there is a number used by the division to quantify inflation and if so, what that number is. Ms. Holland-Smith replied that the Budget & Policy division does not calculate inflation; the Division of Financial Management (DFM), or the state economist, will calculate inflation as needed or when there is an interest. She then reviewed hypothetical Fiscal Year 2015 Revenue and Expenditure scenarios that JFAC will be faced with in the upcoming legislative session. The Pro Tem thanked Ms. Holland-Smith and her staff for the quality of the presentation. Senator Davis commented that he really appreciates the monthly budget comparison reports. The Pro Tem expressed the Council's appreciation to Keith Bybee, who generates the report.

Office of Performance Evaluations

Rakesh Mohan thanked the Council for the opportunity to present an update on work in progress, including a report on taxpayer advocacy, and also a study of the Department of Health & Welfare (DHW) budget. These two studies were requested by the Joint Legislative Oversight Committee (JLOC) to be conducted prior to Session 2014.

An assessment of the need for a taxpayer advocacy office was undertaken in response to concerns raised in the 2013 legislative session. Data on the number of complaints, appeals and garnishments was not available from the Tax Commission, requiring a different approach. The office conducted in-depth interviews and surveyed several hundred stakeholders and commission staff, as well as several hundred tax preparers representing over 100,000 returns filed in the past year. The office compared states with, and without, taxpayer advocacy and reviewed Idaho code and commission procedures. Senator Bair asked for clarification on the Office of Performance Evaluations (OPE) having direct access to the IRS database and Mr. Mohan confirmed that they did not, that the tax preparers provided data to OPE.

The study of the management of the Department of Health & Welfare's appropriated funds included analysis of the budget management process, how budget units fit within the organization, and actual expenditures. The study required a substantial amount of time working with department staff reviewing documents and processes; and also analysis of two million

transactions processed in 2013, and the year-end appropriation and reconciliation. The study format is a departure from the standard report, not organized in chapters but instead, outlining key factors that complicate the budget represented in flowcharts. The two reports will be released on December 10th during the JLOC meeting.

The Pro Tem asked how accommodating agencies have been over the course of these studies and Mr. Mohan reported that they have been very cooperative. There was initially a misunderstanding with the Tax Commission, but once resolved the process was very cooperative. The Department of Health & Welfare presented a very complex challenge and they really took their time to help us understand.

Three other reports will be release during the 2014 legislative session:

- Confinement Rates for Juvenile Offenders
- Challenges and Approaches to Meeting Water Quality Standards
- Death Penalty Cost Structure

Update on Recording and Archiving Legislative Activity

Director Youtz and Jeff Tucker, Director of Content Services for IPTV, reported on the archiving program. Director Youtz began by noting that the decision to archive certain legislative proceedings was made after careful consideration by the Legislature. Important issues brought up by Senator Davis and others regarding legislative intent, legislative history and the judiciary, were fully explored and resulted in some rule changes and statutory changes to address those concerns.

A web-based portal to archived material will be available to the public when this project is fully operational later this year. Norma Clark, LSO Deputy Division manager of the Technology Division, was able to program GEMS to accommodate the program requirements, saving the state hundreds of thousands of dollars in private contract costs that other states utilize for an archiving service of this type. Ms. Clark then gave a demonstration of the web page set-up and how to navigate through the archive process.

The process of archiving began with the 2013 session in which we have all of that session's authorized proceedings saved. It is anticipated that the system will be in place, fully functional with archived material available to access before the 2014 session convenes. Representative King inquired if it would be possible to search using multiple tools, like by topic, or a presenter's name and Ms. Clark replied that the program does not have that level of search function. Senator Bayer indicated that the work done on this project by staff is really quite impressive. He also wanted to confirm once again that the decision to stream/record a committee hearing would still be at the discretion of the chairman. Mr. Youtz confirmed that committee chairs retain that authority of whether to stream their committee proceeding or not. That language was specifically put in the Strategic Plan and adopted earlier this morning.

The Pro Tem thanked Ms. Clark and Mr. Tucker for their hard work, stating that they did a very innovative and professional job in a short period of time while also saving a great deal of money.

Miscellaneous Announcements and Adjournment

The Pro Tem thanked Representative Burgoyne for filling in for Representative Rusche. Senator Stennett acknowledged the hard work of the LSO staff to prepare for the Council. Speaker Bedke concurred, adding that when he looks through the published Legislative Staff Directory, which was handed out to the Council earlier, he is always astounded at the educational backgrounds and professional level of expertise of the staff that serves the Legislature. **The Speaker then made a motion to adjourn, seconded by Representative Monks; the motion was adopted and the Council adjourned at 2:38p.m.**

Attachments: The General Fund Update, and Legislative Audit Presentation