

Legislative Oversight Committee Meeting Minutes, July 21, 2021

Call to order: A meeting of the Legislative Oversight Committee convened on July 21, 2021 at the Oklahoma State Capitol, Senate Room 230, Oklahoma City, OK. Written notice was provided four days in advance, in compliance with Open Meeting Laws. The meeting was called to order at 10:11 a.m., upon which time quorum was established in accordance with Joint Rule 10.5.

Members Present: Chairman Kevin Wallace, Rep. Meloyde Blancett, Rep. Jon Echols, Rep. Kyle Hilbert, Rep. Cyndi Munson, Rep. Mike Osburn

Chairman Roger Thompson, Sen. Chuck Hall, Sen. Julia Kirt, Sen. Dewayne Pemberton, Sen. Frank Simpson

Others: From LOFT: Executive Director Mike Jackson, staff members Regina Birchum, Frank Magness, Brad Ward, Tom Bogdanowicz, and Zach Sumner. Legislative staff: House fiscal director Mark Tygret.

Approval of Minutes: Chairman Wallace recognized Director Jackson to present the minutes from the June 21, 2021 meeting. A motion to adopt the minutes was made by Sen. Simpson. The motion was seconded by Rep. Hilbert. The motion was voted on and adopted. Upon realizing the vote was not in accordance with Joint Rule 10.6, the minutes were taken up again. A motion was made by Rep. Hilbert to correct the prior action with another vote; the motion was seconded by Rep. Echols. Voting proceeded as follows:

Chairman Thompson, Aye; Sen. Hall, Aye; Sen. Kirt, Aye, Sen. Pemberton, Aye, Sen. Simpson, Aye; Chairman Wallace, Aye; Rep. Blancett, abstained; Rep. Echols, Aye, Rep. Hilbert, Aye; Rep. Munson, Aye; Rep. Osburn, Aye.

LOFT Presentation of Draft 2021 Work Plan

Chairman Thompson recognized Director Jackson to discuss LOFT's proposed work plan. Chairman Thompson directed Director Jackson to discuss the Rapid Response evaluations first.

Director Jackson explained that the work plan included several types of work product produced by LOFT, the first of which was called Rapid Response evaluations. Director Jackson provided a brief explanation of each of the proposed Rapid Response evaluations. There was discussion about the limited scope. Director Jackson explained that the scope of each project would be further developed once the office gained knowledge about the topic and held an entrance conference with the agency. He said that more detailed scoping memos would be completed after that initial work. Director Jackson noted scoping memos for the current workplan are on LOFT's website. Director Jackson said he would provide the updated scoping memos to the Committee prior to posting them on the website.

There was discussion about when the workplan would become available on LOFT's website, about projects from the prior workplan that have not yet had a report, and requests from committee members to be provided additional details about the intent of any evaluation.

Director Jackson thanked the Committee for their questions and comments and assured the Committee that the projects not completed from the previous work plan are still on the list of upcoming or future projects, and that completion is dependent on the Committee's prioritization of other work. Director Jackson offered that when presenting work plans in the future he would be sure to also provide the prior work plan so that it could be compared to the new one. He also addressed questions regarding the numbering of projects and that with Rapid Response evaluations, the work begins at approximately the same time. He said the completion of the work is dependent on availability of data, agency cooperation, and complexity of the work.

There was discussion about the decision to make the review of teacher compensation a rapid response, and Director Jackson explained that the data was available and should allow for a quicker turnaround. There was additional discussion about the states that Oklahoma would be compared to, regionally and nationally.

There was discussion about status of the Waiting List Waiver project. Director Jackson stated the work was ongoing and expected to be ready in September. He noted LOFT was factoring in recently-passed legislation and will give the Legislature an understanding of where things are now and how the passage of legislation this year impacted the issue. He said that LOFT works to stay nimble as things change.

The Chairmen recognized Director Jackson to discuss the Priority Project evaluations. Director Jackson provided a brief description of the projects and then yielded to the Chairmen for any questions.

There was discussion about Health Choice being the only plan examined and whether LOFT would be looking at all health insurance plans offered by the state. Director Jackson said the project may include information about other plans but since Health Choice is the State's plan, this review is to address questions about whether the State is getting what it pays for and to make sure state employees have coverage that can be used.

There was discussion about the scope of the taxation project and a request that the Legislature have the whole picture on tax policy. Director Jackson assured that LOFT would include as much data and trends as possible to provide a big picture view so the Legislature can make informed discussions.

During discussion about the evaluation of the Department of Corrections there was a request to make sure that the agency's Offender Management System is included into the scope, and any details regarding return on investment into that system. Director Jackson stated that the scope is broad enough for LOFT to look at that. Chairman Thompson also requested that LOFT include SQ 781 savings and funding in its financial review.

Chairman Thompson proposed an addition to LOFT's work plan, noting the importance of mental health and the number of state agencies who receiving funding to support the issue. Chairman Wallace made a motion to add a review of state spending on Mental Health services to LOFT's workplan, to include examination of expenditures and potential duplications across all agencies. Sen. Kirt seconded the motion.

Voting proceeded as follows: Chairman Thompson, Aye; Sen. Hall, Aye; Sen. Kirt, Aye; Sen. Pemberton, Aye; Sen. Simpson, Aye; Chairman Wallace, Aye; Rep. Blancett, Aye; Rep. Hilbert, Aye; Rep. Munson, Aye. The motion was adopted unanimously in accordance with Joint Rule 10.6.

There was discussion about expenditures related to Career Tech and Higher Ed would be examined as part of the K-12 funding project. After discussion about the scope, Rep. Hilbert clarified his interest in expenditures made by the K-12 system for students, for example, taking algebra at career tech and the same with concurrent enrollment classes through institutions of Higher Education. Director Jackson stated that since the expenditures would be by the K-12 system, those examples would fall under the current scope.

The project regarding tax policy was discussed, with questions about why the project was not examining the income tax. Director Jackson explained due to the complexity of taxation LOFT was trying to limit the scope. He noted that from the conversation, he understands the Committee is interested in a broader scope and said LOFT will work to broaden as much as it can while still able to complete the work and produce a manageable report.

Chairman Wallace asked the Committee if there were any more questions on the Priority Projects, hearing none, Chairman Wallace recognized Director Jackson to discuss the future projects listed on workplan.

There was discussion regarding changing the classification of ARPA as an ongoing project instead of a future project. Director Jackson confirmed LOFT could make create a new category of product to reflect the unique nature of ARPA, the review of which would take several years due to the long horizon for spending. There was additional discussion about LOFT's involvement with ARPA and the precedent it may set for LOFT, as well as concerns about LOFT duplicating the work of legislative staff. Chairman Thompson stated this is to be an all-hands-on deck it would not be duplicative at all. Chairman Wallace noted that Legislative staff does not audit or review spending of funds. There was discussion about this Committee's role on the ARPA committee and the importance of ensuring consistent oversight as the process would span several years and changes in membership.

Regarding the project to evaluate the State's cyber security, there was discussion about whether the Committee should receive that report in executive session so as not to put the State at risk. Director Jackson stated that is why it is on future projects, there are many questions that need to be answered before we move forward. There was discussion about potential hiring a third party to handle this area. Director Jackson explained that there would be some value for LOFT to work with them, there are some processes that LOFT would be able to learn. He noted that many of LOFT's peers do hire a third party to conduct a specialized review of cyber security processes. There was discussion about the Committee's involvement in selecting vendors should that be the case.

There was discussion about the timing of the review on the Department of Public Safety specific to Driver's Licenses, and whether the project would review where the State is today or where the State is after changes. Director Jackson stated the goal is to ensure accountability for changes, similar to the upcoming report on APAC. There was concern raised about LOFT potentially duplicating work by a new division being created by OMES.

Chairman Wallace asked any other question for the future projects. Seeing none, he recognized Director Jackson to discuss the Impact Evaluation reports. Director Jackson described that LOFT conducts a follow-up with every agency approximately six months after completion of the report and the Impact Evaluation will document any changes resulting from the initial report. Director Jackson said there is value to an agency thinking through ways to improve.

Chairman Wallace asked if there were any further question. Rep. Hilbert made motion to approve workplan as amended. The motion was seconded by Rep. Osburn. Chairman Thompson acknowledged Sen. Kirt for debate. Sen. Kirt said that while she was thankful for the information we have gotten from this office, when we approved the workplan last year I thought we would not see another workplan until it was completed. She said she could not support the workplan without more discussion as a group.

Chairman Thompson asked for additional debate. Seeing none, he asked for roll to be called. Voting proceeded as follows: Chairman Thompson, Aye; Sen. Hall, Aye; Sen. Kirt, Nay; Sen. Pemberton, Aye; Sen. Simpson, Aye; Chairman Wallace, Aye; Rep. Blancett, Aye; Rep. Echols Aye; Rep. Hilbert, Aye; Rep. Munson, Aye; Rep. Osburn, Aye. With 10 Ayes and 1 Nay the motion was adopted in accordance with Joint Rule 10.6.

Director Jackson gave update on remaining three reports from the previous workplan. Chairman Thompson asked if there were any questions. Seeing none, Chairman Wallace entertained new business.

Chairman Wallace discussed proposed next meeting date of August 24 at 1:00pm. There was a request to hold the meeting at 10:00 am. Seeing no objections, Chairman Wallace announced the next meeting of the Legislative Oversight Committee would occur on August 24th at 10:00 am.

Adjourned

Meeting was adjourned at 12:01pm.