

## **Minutes**

Joint Legislative Program Evaluation Oversight Committee Meeting  
September 12, 2016

### **Members Present**

Senator Stan Bingham  
Senator Don Davis  
Senator Valerie Foushee  
Senator Fletcher Hartsell, Co-Chair  
Senator Tom McInnis  
Senator Shirley Randleman

Representative Ted Davis  
Representative Nelson Dollar  
Representative Craig Horn, Co-Chair  
Representative Pat Hurley  
Representative Marvin Lucas  
Representative Rena Turner

### **Advisory Members**

Senator Ben Clark  
Senator Joyce Krawiec

### **Call to Order**

Senator Fletcher Hartsell, Chair, called the meeting to order.  
Senator Foushee moved to approve the August 22, 2016 Minutes. Motion carried.

### **Presentations and Comments**

Chairman Hartsell recognized Beth Wood, State Auditor, who presented at the committee's request, about pervasive findings resulting from audits performed by her office. She stated that these findings cut across departments, agencies, and administrations and were significant and unresolved. Auditor Wood described four categories of findings across state government:

- Management Oversight of Programs/Processes
- Contract Administration and Oversight
- Information Technology Project Implementation
- Information Technology Security

Representative Horn observed that if agencies were malfeasant or had violated the law according to findings in the audits, there should be consequences and expressed concern that this was not happening and to him was intolerable. He asked if the Auditor had authority to refer violations found to the Attorney General for action. The Auditor stated that her office had only done three follow-up audits in the last four years because they did not have sufficient resources to conduct more follow-ups. Furthermore her office had no authority to require agencies to follow through with corrective action. Senator Hartsell asked the Auditor if a contract that was not reviewed by counsel as required by the contract law reforms enacted in 2010 and 2011 was a valid contract. In effect, did the State have a pre-audit certification requirement by counsel as was the case for local government? The Auditor responded that there was no such certification requirement and that according to her counsel; a contract would still be valid even if not reviewed by counsel. Representative Dollar observed that contracting was a chronic condition that had persisted in his thirty years in state government. The committee asked several questions related to

specifics about examples the Auditor cited during her presentation. In response to Senator Don Davis, the Auditor repeated that she did not have sufficient staff to follow up on all exceptions and that the staff she had available had focused on Medicaid, education and large agency audits requested by the General Assembly. Representative Ted Davis reminded the committee about H786 that passed the House but not the Senate and S789 that had been recommended by this joint committee in response to the PED report on personal services contracting. He moved that the committee again recommend passage of that legislation. Senator Hartsell said that the motion would not be acted upon because recommendations for legislation would be taken up in the December meeting. Auditor Wood suggested that any legislation not be so restrictive that agencies could not do valid contracts when necessary. Senator Randleman said that the committee definitely needed action on contract oversight and that members should review the PED report *Enhanced Oversight of Service Contracts Can Help Ensure Cost-Effective Performance* (January 2016). In response to Representative Hurley, the Auditor said that there was no independent and reliable listing of all contracts over \$5 million in effect in state government and that any information on contracts provided by the agencies would not necessarily be reliable because there was no reliable contracting numbers that could be reconciled to. Representative Hurley suggested that there be a meeting with the Council of State and Governor. In response to Senator McInnis, the Auditor explained the findings about lapsed automobile insurance coverage penalties and that DOT had not been working the cases to require coverage or to collect funds owed to the State, and in turn, provided to the schools. PED Director Turcotte described the authority granted to the Mississippi State Auditor to issue "demand letters" for restitution when laws are violated resulting in a loss of public funds. Senator Hartsell observed that contracting has become more difficult as more contracts were for services with deliverables unlike contracts for building construction and for purchasing commodities. The Auditor noted that the committee should focus on contracts, but an equally troubling matter was the lack of sufficient management oversight over programs as well as a lack of performance metrics for gauging efficiency and effectiveness.

Chairman Hartsell recognized Jesse Goodman, Chief of the Division of Health Service Regulation of DHHS to give an update on the Overnight Respite Pilot ending in July 2017. Representative Dollar moved to accept the report in fulfillment of the October 1, 2016 reporting requirement by SL 2015-32 that PED report the status of the pilot. Motion carried.

Chairman Hartsell recognized Senator Jeff Tarte, who along with Senators Stan Bingham and Fletcher Hartsell requested the committee to direct PED to evaluate the provision of nursing services to our public schools. Senator Tarte requested that PED conduct an initial review of services and resources currently provided. Depending upon results of the first report, the committee should consider directing a review by PED in the future of unmet needs and resource requirements followed by a final report on necessary administrative and legislative action to meet those needs and requirements. Representative Horn moved that the committee amend the 2015-2017 Work Plan to require PED to determine the current level of resources and levels of services for nursing in public schools. Motion carried.

Chairman Hartsell recognized John Turcotte, Director, PED to update the members on projects underway, other publications that would be released in the coming months, and new projects that starting in October and November 2016 and January 2017.

## **Adjournment**

With no further business, the committee adjourned to meet again on October 10, 2016.

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Senate Chair, Senator Fletcher Hartsell

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House Chair, Representative Craig Horn