

STATE OF WASHINGTON

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# AGENDA

June 18, 2008  
10:00 a.m. – 12:00 p.m.  
John A. Cherberg Building  
Senate Hearing Room 4  
Olympia, Washington

► Brief descriptions of agenda items are on the reverse side.

10:00 – 10:05 \*1. Approval of May 21, 2008 JLARC Meeting Minutes

10:05 – 10:35 \*2. [Review of the Management of State-Owned Aquatic Lands – Proposed Final Report](#)

10:35 – 11:05 \*3. [Department of Natural Resources Leasing of State-Owned Aquatic Lands – Proposed Final Report](#)

11:05 – 11:30 4. [Status Report: Implementation of State Auditor I-900 Recommendations to the Legislature](#)

11:30 – 12:00 5. Proposed Scope and Objectives

- a. [Health Care Spending Framework](#)
- b. [K-12 Facility Inventory Project: Phase 1](#)
- c. [Review of Mineral Rights and Conveyance of State Lands](#)

\* Action Item

► Please note that times listed above are estimated and may vary. Every effort will be made, however, to adhere to the proposed timelines.

1. **Approval of Meeting Minutes:** Approval of minutes from the May 21, 2008, JLARC meeting.
2. **Review of the Management of State-Owned Aquatic Lands – Proposed Final Report:** In 2007, the Legislature directed JLARC to analyze the Department of Natural Resources' (DNR) management of state-owned aquatic lands. The report analyzes the history of the state's ownership of aquatic lands, and reviews how DNR is structured to manage aquatic lands and the source of funding for that management. The report provides an in-depth analysis of DNR's compliance with both broad and specific legal obligations from statute and case law and also provides an analysis of DNR's compliance with the principles of sound public property asset management. The report's five recommendations focus on improving the overall knowledge of the condition of the asset, and, complying with three specific areas of statute.
3. **Department of Natural Resources Leasing of State-Owned Aquatic Lands – Proposed Final Report:** In 2007, the Legislature directed JLARC to answer a number of questions about the leasing of state-owned aquatic lands. The report answers these questions in two parts: Part 1 answers questions about current aquatic land leasing where statute establishes four main lease categories and establishes a lease rate process for each category. Part 2 provides an assessment of the advantages and disadvantages of alternative approaches to setting aquatic land lease rates. The study reviews 11 alternative approaches, basing the advantages and disadvantages of the approaches on three criteria. The report does not contain recommendations, concluding that selecting criteria for setting lease rates is ultimately a policy choice.
4. **Status Report: Implementation of State Auditor I-900 Recommendations to the Legislature:** Initiative 900 (2005) directs the State Auditor to conduct performance audits of state and local government agencies. The initiative also provides that "an annual report will be submitted by the Joint Legislative Audit and Review Committee by July 1st of each year detailing the status of the legislative implementation of the State Auditor recommendations." This report represents JLARC's compliance with this requirement for 2008. The report provides information on the status of implementation of the recommendations to the Legislature contained in eight State Auditor performance audits available for the Legislature's consideration in the 2008 Legislative Session.

## 5. Proposed Scope and Objectives

- a. Health Care Spending Framework: The 2008 Supplemental Operating Budget (ESHB 2687) requires JLARC to develop a framework for future efforts to quantify and analyze health care spending across all sectors of the state. In conducting this study, JLARC will attempt to include all health care spending, from all sources, and for all residents. Such a framework will lay the groundwork for future tools that could allow policymakers to test-out possible impacts of changes to health care policy in the state.
- b. K-12 Facility Inventory Project Phase 1: The 2008 Supplemental Capital Budget requires JLARC to define and develop a pilot facility condition and inventory system for K-12 public school facilities. Currently, there is no consistent source of statewide data available to track the number or condition of these facilities. The pilot will include ten school districts and will include information necessary for facility assessment and maintenance. It will also include information related to building use that will inform policy options, such as expansion of all-day kindergarten. The first phase of the pilot is due to the Legislature January 1, 2009 and the second and final phase is due January 1, 2010.
- c. Review of Mineral Rights and Conveyance of State Lands: The 2008 Supplemental Operating Budget (ESHB 2687) requires JLARC to evaluate public policy issues raised with respect to minerals rights and the conveyance of state lands. The study will address the state's compliance in a group of case studies where the state has transferred ownership of its lands.