

JOINT LEGISLATIVE AUDIT & REVIEW COMMITTEE

THE LEGISLATURE'S AUDITOR

The Joint Legislative Audit and Review Committee (JLARC) works to make state government operations more effective, efficient, and accountable. The Committee is comprised of an equal number of House and Senate members, Democrats and Republicans.

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JLARC'S WORK PRODUCES RESULTS

JLARC gets results by identifying opportunities to improve the effectiveness, efficiency, and accountability of state programs. These results reflect our efforts to help the Legislature focus scarce resources by improving services.

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The Joint Legislative Audit and Review Committee (JLARC) works to make state government operations more effective, efficient, and accountable. The Committee is comprised of an equal number of House and Senate members, Democrats and Republicans.

JLARC pursues its mission by conducting performance audits, program evaluations, sunset reviews, and other analyses at the direction of the Legislature. Based on these assignments, JLARC's non-partisan staff auditors, under the direction of the Legislative Auditor, independently seek answers to audit questions and issue recommendations to improve performance.

Work by JLARC staff is conducted using Generally Accepted Government Auditing Standards. These standards ensure audit conclusions are independent, objective, and accurate. JLARC's authority is established in Chapter 44.28 Revised Code of Washington.

In addition to the work done by JLARC auditors, the performance of government agencies in Washington may also be evaluated by the separately elected State Auditor. While performance audits by the State Auditor are independent of JLARC and the legislative branch, JLARC works closely with the State Auditor to coordinate work plans and avoid duplication of effort. In addition, the legislators serving on JLARC hold public hearings on the State Auditor's performance audits.

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HISTORY

1951: The Legislature creates the Legislative Budget Committee (LBC).

1971/1973: The Legislature authorizes the LBC to conduct management surveys, program reviews, and performance audits.

1977: The Legislature establishes the Sunset Act, with the LBC conducting program and fiscal reviews of agencies scheduled for termination.

1996: The Legislature updates its performance audit statutes, requires use of Government Auditing Standards, and changes the name of its auditing agency to the Joint Legislative Audit and Review Committee (JLARC).

2000: The Legislature extends its Sunset Act, administered by JLARC, to 2015.

2006: The Legislature establishes the Citizen Commission for Performance Measurement of Tax Preferences and directs JLARC to support the Commission by reviewing all tax preferences every ten years.

STUDY PROCESS



AWARDS

Impact Awards

2011 K-12 Pilot Facility Inventory, Condition & Use System

2010 Review of Boards and Commissions

2009 Tax Preference Performance Review Beef Processors

2008 Life Cycle Cost Model Update

2007 Review of Port Angeles Graving Dock

2006 DNR Fire Suppression Study

2005 Washington Medicaid Study

2004 Higher Ed Facilities Preservation Study

2003 Capital Study of DDD Residential Habilitation Centers

2002 Investing in the Environment Environmental Quality Grant & Loan Programs Performance Audit

2001 Mental Health System Performance Audit

2000 Rural Area Marketing Plan Evaluation

2010 Notable Documents Award

2009 Full Tax Preference Performance Reviews

2009 Excellence in Research Methods Award

Comparing Costs and Characteristics of Housing Assistance Programs

1999 Excellence in Evaluation Award

Workers Compensation Performance Audit and Department of Corrections Performance Audit

1992 Excellence in Research Design and Methodology

Basic Health Plan Study

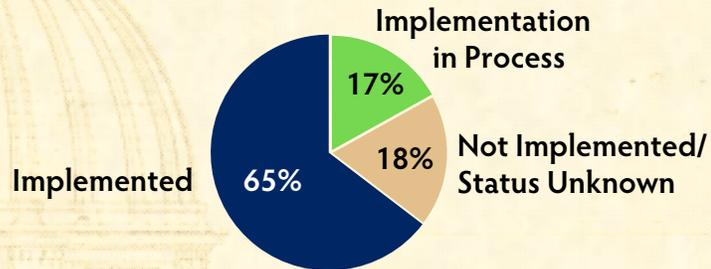


JLARC's Work Produces Results

JLARC gets results by identifying opportunities to improve the effectiveness, efficiency, and accountability of state programs. These results reflect our efforts to help the Legislature focus scarce resources by improving services.

AGENCIES IMPLEMENT JLARC RECOMMENDATIONS

Between 2007 and 2010, JLARC issued 65 recommendations directly to state agencies. Some 65% of these recommendations have been implemented to date and another 17% are in process. These accomplishments cover a wide variety of agency performance improvements, spanning many areas of state government.



THE LEGISLATURE ACTS ON JLARC'S WORK

Over 90% of JLARC's recommendations are to state agencies. Occasionally, JLARC will make recommendations to the Legislature. In 2011, the Legislature passed three bills implementing JLARC recommendations.

Legislature continues the work of the Office of Regulatory Assistance

The Office of Regulatory Assistance provides a range of assistance and coordination to parties seeking environmental permits or business licenses. JLARC conducted a "sunset" review of the Office's work and recommended that the Legislature continue the Office while improving the way the Office communicates the results of its efforts. The Legislature passed HB 1178 that incorporates JLARC's recommendations. Absent this action by the Legislature, the Office would have ceased to exist.

Legislature acts to improve child support reporting

Federal law requires states to review child support awards to determine the frequency of deviations from state guidelines. A JLARC review demonstrated that the data collection tool specified in statute for use in these reviews was inadequate. Our review identified a better source for more accurate information. The Legislature's passage of HB 1298 eliminated the inadequate data collection tool and directed the use of the better information source.

Legislature improves marine fisheries management

A JLARC analysis noted discrepancies between statutes directing marine fish management and the Department of Fish & Wildlife's fish management activities. With the passage of HB 1698, the Legislature brought the statutes and the Department's activities into better alignment.

JLARC's Work Produces Results

IMPROVING THE USE OF SCARCE RESOURCES

Agency actions resulting from recent JLARC studies lead to more effective use of taxpayer dollars.

Children and Schools

Quality daycare has been shown to be an important step in a child's learning process. The Legislature provides \$80-\$90 million per year in subsidies for daycare. The Department of Early Learning agreed with JLARC that the Department needed to establish a consistent assessment of facilities' compliance with basic health and safety standards. **Report**

Understanding the costs of providing instruction is key to understanding its effectiveness. The Superintendent of Public Instruction agreed with JLARC that OSPI needed to improve information on the costs of schools so that costs could be linked to student achievement. **Report**

Colleges and Universities

Knowing whether or not students have access to degrees in high demand fields such as science and engineering helps the Legislature focus resources. The Higher Education Coordinating Board agreed with JLARC that the Board should complete an analysis on the cost of college degrees and ensure that colleges and universities report on the number of students pursuing high demand field degrees. JLARC will work with the Board's successor agency regarding implementation of this recommendation. **Report**

Transportation

Credit cards, while very convenient for consumers, cost the state millions of dollars per year in processing fees. The Department of Transportation agreed with JLARC that there are ways WSDOT can provide convenience while reducing the fees the state must pay to banks and credit card companies. Pursuing less expensive customer payment methods, with assistance from the Office of Financial Management and State Treasurer, could also provide models for further savings across state government. **Report**

Housing

Thousands of Washingtonians benefit from the use of publically supported housing. With limited dollars, deciding what housing to fund has a direct impact on access. Life-cycle cost analysis is one tool to assist in making more cost-effective housing investments. **Report**

Natural Resources

Each year, the state spends millions of dollars fighting forest fires. The Commissioner of Public Lands agreed with JLARC and reduced the size of the Department of Natural Resource's fleet of firefighting helicopters while still maintaining DNR's firefighting effectiveness. **Report**



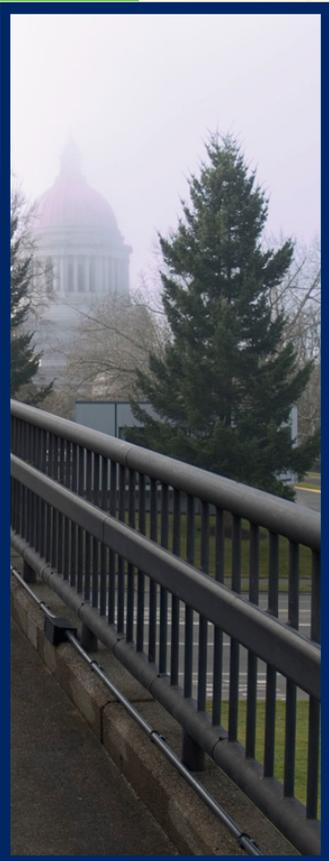
JLARC STUDIES: PRESENT AND FUTURE

ONGOING PERFORMANCE REVIEW OF TAX PREFERENCES

In 2006, the Legislature charged JLARC and the Citizen Commission on the Performance Measurement of Tax Preferences with reviewing the state's tax preferences. Completed on a ten-year cycle, tax preferences include exemptions, deductions, and preferential tax rates.

Washington is the only state with this routine process, completing 120 in-depth reviews of preferences through 2011. JLARC staff made the following recommendations on the 120 preferences:

| | |
|--|-----------|
| Terminate because the public policy objective is not being met, is outdated, or was intended to be temporary | 6 |
| Allow to expire because the public policy objective is not being met, is outdated, or was intended to be temporary | 11 |
| Clarify the intent because the public policy purpose is not clear | 29 |
| Continue because the public policy objectives are being achieved | 74 |



JLARC STUDIES: PRESENT AND FUTURE

ON THE HORIZON: 2011 AND BEYOND

At the beginning of each biennium, the Committee establishes a two-year work plan. During the 2011 legislative sessions, the Legislature added eight new studies for JLARC. When added to the studies mandated in previous years, JLARC's work in the future will cover many topics, from setting tuition at the state's universities to worker safety to government reorganization. For the coming two years, JLARC will be working on:

Tax preferences

JLARC will review 22 tax preferences, ranging from high technology to precious metals.

Lottery

Are recently adopted changes to designate a new beneficiary of lottery funds spurring an increase in the sale of lottery tickets?

Alternative public works

Should the Legislature retain this alternative to the traditional public works designing and building process?

Puget Sound Partnership

Is the Puget Sound Partnership on track to clean up Puget Sound by 2020?

Lodging Tax Revenues

What are the uses and economic impacts of lodging tax revenues?

Microenterprise Development

How effective is the state's program to facilitate microenterprise development?

Manufacturing Innovation

Should the Legislature retain a state program intended to encourage manufacturing innovation in small firms?

Involuntary Commitment Hearings

What are the costs of conducting commitment hearings across the state, and how can that information be used by the mental health system to reimburse counties for the costs of the hearings?

Workplace Health and Safety

How does the Department of Labor and Industries' workplace safety program compare to the programs in other states? What does research show about the impact of inspections and compliance assistance on workplace injuries and illnesses?

LEARN MORE ABOUT US AND OUR WORK

JLARC's 2011-13 work plan

JLARC's studies from 1995 to the present



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