

STATE OF WASHINGTON

JOINT LEGISLATIVE AUDIT AND REVIEW  
COMMITTEE (JLARC)



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# AGENDA

(Revised)

(Added Agenda Item F, and reversed the order of Agenda Items 3 and 4)

June 23, 2011

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 following page.

10:00 – 10:30

**OTHER COMMITTEE BUSINESS**

- A. Introduction of New JLARC Member – Senator Nick Harper
- \*B. Election of JLARC Executive Committee for 2011-13
- C. Highlights of 2011 Legislative Sessions for JLARC
- \*D. Approval of 2011-13 JLARC Work Plan
- E. [Release of Status Report on the Implementation of State Auditor I-900 Recommendations to the Legislature](#)
- F. Peer Review of JLARC

10:30 – 10:35

- \*1. Approval of May 18, 2011, JLARC Meeting Minutes

10:35 – 11:20

- 2. [State Risk Management Practices in Washington – Preliminary Report](#)

11:20 – 11:35

- \*3. [High Performance Public Buildings – Proposed Final Report](#)

11:35 – 11:50

- 4. [Analysis of the Unemployment Insurance Training Benefits Program – Briefing Report](#)

11:50 – 12:00

- 5. [Microenterprise Development: Evaluation of Washington's Program – Proposed Scope & Objectives](#)

\* Action Item

**Please note: All listed times are estimates only and the Committee reserves the right to move agenda items as needed.**

1. **Approval of May 18, 2011, JLARC Meeting Minutes.**
2. **State Risk Management Practices in Washington—Preliminary Report:** The 2009-11 Operating Budget (ESHB 1244) directed the Joint Legislative Audit and Review Committee to examine the state's risk management practices. JLARC reviewed Washington's tort liability laws and how they compare to those of other states. Additionally, JLARC examined the risk management practices of the Office of Financial Management's Risk Management Division and the three agencies with the highest tort and defense costs payouts in the past seven years; the Departments of Transportation, Corrections and Social and Health Services. JLARC concluded that all of the agencies were employing some risk management best practices. The report contains recommendations to the Departments of Corrections and Social and Health Services to strengthen their practices.
3. **High Performance Public Buildings—Proposed Final Report:** ESSB 5509 (2005) directed JLARC to conduct a performance audit of the high performance public buildings program. JLARC's review found that meeting high performance standards has added between 1 and 3 percent in reported construction costs and the impact of these standards on energy use is mixed. However, many buildings show some improvement in energy performance over time. The impact on student performance and worker productivity is not clear. Many projects are newly completed with limited operating experience and incomplete data. As a result, the performance observed to date should be considered preliminary. The report includes a recommendation for three state agencies with oversight responsibilities for high performance building programs to report to the Legislature on a plan to improve data collection on building performance.
4. **Analysis of the Unemployment Insurance Training Benefits Program—Briefing Report:** JLARC staff will be presenting the Committee with advance notice of a study that was assigned in 2011 legislation. Engrossed House Bill 1091 (2011) directed JLARC to evaluate the efficiency and effectiveness of the Unemployment Insurance Training Benefits Program, managed by the Employment Security Department. Since the term "effectiveness" can be broadly interpreted, JLARC plans to present the Legislature with a range of options in January 2012 for evaluating the effectiveness of the program. The Legislature will have these evaluation options and their associated costs for consideration during the 2012 Legislative Session and budget process. A complete evaluation using the selected approach will be presented in the future (estimated for 2015).
5. **Microenterprise Development: Evaluation of Washington's Program—Proposed Scope and Objectives:** In 2007, Second Substitute Senate Bill 5652 established Washington's Microenterprise Development Program to assist microenterprises in job creation by increasing the available training, technical assistance, and financial resources through capacity building with microenterprise development organizations. The legislation directed the Joint Legislative Audit and Review Committee (JLARC) to evaluate the program by January 1, 2012. The study will examine the state's role in microenterprise development, including its role in job creation, improving access to capital, and leveraging of non-state funds. It will also examine how the Washington State Microenterprise Association (WSMA) assists microenterprise development organizations and how those organizations are benefitting from WSMA's services and funding.