

STATE OF WASHINGTON

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REVIEW COMMITTEE (JLARC)



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Legislative Auditor

Keenan Konopaski

Joint Legislative Audit & Review Committee
1300 Quince Street SE
PO Box 40910
Olympia, WA 98504-0910
(360) 786-5171
(360) 786-5180 Fax

Website: www.jlarc.leg.wa.gov

AGENDA

May 17, 2012
10:00 a.m.—12:00 p.m.
John A. Cherberg Building
Senate Hearing Room 4
Olympia, Washington

OTHER COMMITTEE BUSINESS

- *A. 2011 – 13 Work Plan
- *1. Approval of January 11, 2012, JLARC Meeting Minutes
 2. Involuntary Treatment Judicial Costs: Actual Cost Data Not Available; Estimates Suggest Wide Range in Average Case Costs — Preliminary Report
 3. Workplace Safety & Health Program: Activities Are Responsive and Preventative, Using Data-Driven Approaches — Preliminary Report
 - *4. Lottery Marketing & Incentive Pay: Jackpot and Economy, Not Advertising or Beneficiary Change, Appear to Impact Ticket Sales — Proposed Final Report
 - *5. Lodging Tax Revenues: About Eight Percent of Funds Sponsor Nonprofit Events and Facilities, But Information is Inadequate to Estimate Economic Impact — Proposed Final Report
 6. Higher Education Tuition-Setting Authority and Opportunity Scholarships & Expansion 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 January 11, 2012, JLARC Meeting Minutes
2. **Involuntary Treatment Judicial Costs: Actual Cost Data Not Available; Estimates Suggest Wide Range in Average Case Costs — Preliminary Report:** In 2011, the Legislature provided a process, effective July 1, 2012, for counties to be reimbursed for judicial services costs associated with involuntary mental health civil commitments. The intent of the legislation (SSB 5531) is to “prevent the burden of these costs from falling disproportionately on the counties or regional support networks where the commitments are most likely to occur.” In the bill, JLARC was directed to assess the direct costs counties incur when providing judicial services associated with involuntary commitments, analyze cost differences among counties, and investigate methods for and identify factors associated with the periodic updating of judicial costs. JLARC found that actual cost data are not available and that estimates suggest a wide range in average case costs. JLARC provides two recommendations for improving the expenditure and case data, and offers possible methods for updating rates to account for changes over time.
3. **Workplace Safety & Health Program: Activities Are Responsive and Preventative, Using Data-Driven Approaches — Preliminary Report:** JLARC reviewed the state’s workplace safety and health activities at the Department of Labor and Industries, Division of Occupational Safety and Health (DOSH). The report concludes DOSH complies with federal and state law, and it allocates resources for data-driven prevention activities. Further, research shows a reduction in claims after DOSH activities, and cautions policy makers about comparing injury and illness rates across states. The report does not make recommendations.
4. **Lottery Marketing & Incentive Pay: Jackpot and Economy, Not Advertising or Beneficiary Change, Appear to Impact Ticket Sales — Proposed Final Report:** In 2010, the Legislature changed the primary beneficiary of Lottery revenue from school construction to higher education scholarships and early learning. The 2011-13 operating budget directed JLARC to analyze the impact on ticket sales caused by this recent beneficiary change, as well as the impact of advertising in general on sales. JLARC found that jackpot amounts and economic conditions were the strongest predictors of ticket sales in the last biennium, while advertising and the beneficiary change did not appear to have an impact on sales. In addition, JLARC reviewed Lottery’s incentive pay program for sales representatives and found that it is currently limited in size, and shares some similar characteristics with other state lotteries. JLARC recommends that Washington’s Lottery report to the Lottery Commission with a plan on how to evaluate and improve the effectiveness of its advertising budget in generating ticket sales. Both Lottery and OFM concur with this recommendation.
5. **Lodging Tax Revenues: About Eight Percent of Funds Sponsor Nonprofit Events and Facilities, But Information is Inadequate to Estimate Economic Impact — Proposed Final Report:** SSB 5647, enacted in 2007, authorizes local governments to use lodging tax revenues to support events and facilities sponsored by certain nonprofit organizations. The legislation includes a June 30, 2013 termination date and requires JLARC to evaluate the economic impact of lodging tax expenditures. JLARC’s review finds that the many local governments have not reported on their use of lodging tax revenues and those expenditures’ impact on tourism. As a result, JLARC cannot evaluate the economic impact of local government use of lodging tax revenue. However, review of reported data shows that approximately 8 percent of lodging tax revenues was used to support nonprofit events and facilities. Although reporting can be improved, there would be costs for local governments and state agencies to fully evaluate the economic impact of lodging tax revenues.
6. **Higher Education Tuition-Setting Authority and Opportunity Scholarships & Expansion Program — Proposed Scope & Objectives:** In 2011, the Legislature enacted two major pieces of legislation related to higher education. E2HSB 1795 granted tuition-setting authority to the public baccalaureate institutions for eight years, through academic year 2018-19. ESHB 2088 created Opportunity Scholarships and the Opportunity Expansion program, partly to mitigate the effect of potential tuition increases. Both bills require a JLARC study in 2018, and JLARC plans to combine the two studies in one report. JLARC plans to evaluate the impact of institutional tuition-setting authority on student access and affordability, as well as on institutional quality. JLARC will also evaluate the impact of the Opportunity Scholarships and Expansion Program on student access and affordability. In addition, JLARC will evaluate the institutions’ compliance with specific provisions of E2HSB 1795.