State of Washington

Joint Legislative Audit and Review Committee (JLARC)

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David Frockt
Bob Hasegawa
Mark Mullet, *Assistant Secretary*
Ann Rivers

REPRESENTATIVES
Jake Fey
Larry Haler
Christine Kilduff
Drew MacEwen
Ed Orcutt, *Secretary*
Gerry Pollet
Derek Stanford, *Vice Chair*
Drew Stokesbary

January 6, 2016

JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE
REGULAR COMMITTEE MEETING MINUTES

COMMITTEE BUSINESS

- Senator Braun, JLARC Chair, called the meeting to order at 10:04 a.m.
- *Chair called for a motion to approve the December 16, 2015 meeting minutes. A motion was made by multiple members. Motion was seconded and carried unanimously.* (legislative recording at 0:09).
- Keenan Konopaski, Legislative Auditor, recognized JLARC staff member Mark Fleming, who is retiring after a long career in performance auditing across the nation. Mr. Konopaski also announced that he has published the Legislative Auditor's Annual Report on JLARC's website. He is available to discuss the report in more detail. (legislative recording at 0:56).
- The Chair indicated that Members submitted proposed comments on several reports. He shared his view on the role of focusing Committee comments on bipartisan statements and said the Committee is working on proposed language to guide the development of future comments. (legislative recording at 2:26).
- Chair Braun introduced the **Workers' Compensation Claims Management Proposed Final Report**, which was presented at the December 16, 2015 JLARC meeting. The Committee then considered a proposed Committee comment from Representative Pollett. *Representative Pollett discussed a proposed comment and made a motion to approve including this comment in the final report. The motion was seconded but did not pass. Representative Haler then made a motion to approve for distribution the Workers' Compensation Claims Management proposed final report. The motion was seconded and carried unanimously.* (legislative recording at 4:06).
- Chair Braun indicated that several proposed Committee comments have been submitted for the **2015 Tax Preference Performance Reviews Proposed Final Report.** This report was presented at the December 16, 2015 JLARC meeting. Representative Pollett described his view on the role of tax preference reviews and highlighted two reviews from the 2015 report. Representative Pollet indicated that in light of the Chair's statement about committee comments, he would not make a motion to approve additional comments on this proposed final report. *A motion was made to approve for distribution the 2015 Tax Preference Performance Reviews proposed final report. The motion was seconded and carried unanimously.* (legislative recording at 12:45).

REPORTS, PRESENTATIONS, DISCUSSIONS

K-12 Health Benefits—Proposed Final Report

Legislative Auditor's Conclusion: Consolidation and other options are available to the Legislature to improve equity and affordability of full-family health care coverage for K-12 employees

John Bowden and Steven Meyeroff of JLARC Staff presented the proposed final report for this study. In 2012, the Legislature set goals of greater equity between premiums for full-family and employee-only coverage and greater affordability for full-family health benefit coverage. School districts have made slight improvement toward the Legislature's affordability goal that states health insurance premiums for full-family coverage should not be more than three times the premiums for employee-only coverage. However, in the 2013-2014 school year, only 27 out of 295 districts met this ratio. In addition, not all districts comply with other legislative requirements that could improve affordability for family coverage. Consolidation of benefits under the Health Care Authority and other options may improve equity and affordability. These options have impacts on employer costs and local decision making. (legislative recording at 17:54)

Chair Braun and other Members asked questions of JLARC Staff. (legislative recording at 35:30).

Chair Braun then invited Representative Pollett to discuss his proposed comment on this study. *Representative Pollett made a motion to include a proposed comment in the final report. Representative Stanford seconded the motion, but the motion did not pass.* (legislative recording at 44:31).

Representative Haler then made a motion to approve for distribution the K-12 Health Benefits proposed final report. Motion was seconded and carried unanimously. (legislative recording at 51:49).

Unemployment Insurance Training Benefits Study—Preliminary Report

Legislative Auditor's Conclusion: Most Training Benefits Program participants complete retraining, but the Program has not always improved participants' employment or earnings

Ryan McCord and Mark Fleming of JLARC Staff, and Dr. Kevin Hollenbeck from The Upjohn Institute, presented the Preliminary Report. The Employment Security Department's (ESD) Training Benefits Program provides additional unemployment benefits to eligible workers while they train for high-demand occupations. Most Training Benefits Program participants complete training for new occupations, but the Program has not always improved participants' employment or earnings. There are also opportunities for the ESD to improve administration of the Program. The Legislative Auditor recommends that ESD should prepare a plan to identify reasons why outcomes improve for some training benefits participants and not others, and determine whether there are opportunities to change the Program to improve outcomes for all participants. The Legislative Auditor also recommends that ESD develop a plan and associated cost estimate to improve its administration of the Training Benefits Program, to include: improving the application form, improving guidance to its Program partners, improving the timeliness of its decisions, establishing quality assurance review, and improving its performance measures. (legislative recording at 52:17).

Chair Braun asked JLARC Staff to summarize Members' questions on this report and the answers from staff so that the Committee will have that information when it hears the proposed final version of it in April. (legislative recording at 1:20:19).

K-12 Higher Education Part-Time Employees Health Benefits Exchange Phase 1 - Briefing Report

Legislative Auditor's Conclusion: Many part time K-12 and higher education employees would likely pay more if insured through the Health Benefit Exchange

Eric Thomas and John Woolley of JLARC Staff presented the Briefing Report. The 2013 Legislature directed JLARC to estimate the impacts of shifting part-time K-12 and state higher education employees

from their current school district or state health benefit plans, to plans the employees would purchase on Washington's Health Benefit Exchange. Data needed for a precise cost estimate is not available, so JLARC staff used Census data to model the impacts of a shift. This analysis indicates that many part-time employees are likely to pay more for insurance purchased on the Health Benefit Exchange. Options exist for further study, but a more reliable estimate of impacts to employees may not be possible due to data limitations. (legislative recording at 1:20:50).

The Chair indicated he would entertain a motion to place this study on hold until the Committee builds its work plan for next year and then decide whether or not to continue with the next phase of the study. *A motion was made and seconded. The motion carried unanimously.* (legislative recording at 1:39:40).

Unaccompanied Homeless Youth: Performance Measures and Population Estimates - Scope and Objectives

Rebecca Connolly and Suzanna Pratt of JLARC Staff presented the proposed Scope and Objectives for this study. The 2015 Legislature passed the Homeless Youth Prevention and Protection Act (2SSB 5404), which aims to coordinate statewide programs to reduce and prevent youth homelessness. The Act directs JLARC to review estimates of the unaccompanied homeless youth population, and to identify performance measures, reporting requirements, and data available for state-funded programs and services provided to these youth. JLARC staff also will look at national practices and other standards that might inform the state's approach to serving, and evaluating outcomes for, unaccompanied homeless youth. (legislative recording at 1:40:42).

Other Discussion

With no further business before the Committee, the Chair adjourned the meeting.

ATTENDANCE

JLARC Members Present: Senators Randi Becker, John Braun, Bob Hasegawa, Mark Mullet and Ann Rivers; Representatives Jake Fey, Larry Haler, Christine Kilduff, Ed Orcutt, Gerry Pollet, Derek Stanford and Drew Stokesbary.

JLARC Staff Present: Keenan Konopaski, Legislative Auditor; John Bowden, Linda Byers, Rebecca Connolly, Ashley Elliott, Mark Fleming, Stephanie Hoffman, Zane Kelley, Dana Lynn, Ryan McCord, Steven Meyeroff, Rachel Murata, Suzanna Pratt, Marilyn Richter, Emily Schroeder, Melanie Stidham, Eric Thomas, Liz Thomas, Pete van Moorsel, Eric Whitaker, Valerie Whitener, and John Woolley.

ADJOURNMENT

The meeting was adjourned at 11:54 a.m.

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CHAIR

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VICE CHAIR