

State of Washington
JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE (JLARC)
NATIONAL RECOGNITION: AWARDS AND HONORS

Attesting to the credibility and quality of JLARC's work as reviewed and evaluated by its national peers, awards received from the National Legislative Program Evaluation Society (NLPES) include:

2018 Excellence in Research Methods Award **Fees Assessed for Forest Fire Protection**

JLARC was the only legislative office in the nation to receive the competitive 2018 Excellence in Research Methods award from the National Legislative Program Evaluation Society (NLPES) for the study of Fees Assessed for Forest Fire Protection. In commending JLARC's work, NLPES noted that this study, "illustrates the superior program evaluation work being provided to state legislatures."

At the request of the Legislature, JLARC staff reviewed assessment fees paid by forest landowners for wildfire protection activities such as preparedness and training. Legislators expressed particular interest in fairness. For example, they wondered if some landowners received protection without paying the assessment fees.

JLARC staff created a database of 2.8 million land parcels from 32 different sources to answer the study questions. This approach required use of data coding, statistical analysis, and geographic mapping.

Our methodology allowed us to:

- Identify 20,135 parcels that do not pay the assessment but likely receive protection
- Identify 5,455 parcels that were taxed as forest but do not pay the assessment
- Determine that there was no spatial pattern of the non-paying parcels
- Demonstrate the inconsistent application of the assessment across the state

This analysis was the first of its kind in the state. It supported our audit recommendation that the Department of Natural Resources develop procedures to consistently apply the assessment across the state.

2018 Notable Documents Award & 2018 Certificate of Impact **Unaccompanied Homeless Youth Performance Measures and Population Estimates**

JLARC staff received two awards for its study of Unaccompanied Homeless Youth Performance Measures and Population Estimates.

The report received a 2018 Notable Documents Award from the Legislative Research Librarians section of the National Conference of State Legislatures (NCSL). The report was independently nominated for this award by the Washington State Library. The Legislative Research Librarians commended the report as "innovation in providing substantive information on contemporary issues of interest to legislatures."

JLARC staff also received a 2018 Certificate of Impact from the National Conference of State Legislatures' Legislative Program Evaluation Society (NLPES). The office was recognized for demonstrating a "significant impact on state government."

At the direction of the Legislature, JLARC staff reviewed state-funded programs and services provided to unaccompanied homeless youth under age 18. In addition to a web-based report, JLARC staff also presented findings and recommendations in a one-page overview and a brief video.

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The Legislative Auditor concluded that the state's ability to evaluate program outcomes for homeless youth is hindered by limits on collecting personal data. Legal advice to state agencies indicated that unaccompanied minors could not give consent to provide personally identifiable information. Without this information, the state is not able to accurately monitor and evaluate the outcomes for youth it served.

In response to our report, the 2018 Legislature passed HB 1630, allowing minors age 13 or older to give consent for providers to collect their personally identifiable information for the state's database. The bill received broad bipartisan support, and testimony to legislative committees referenced the JLARC study.

2017 Notable Documents Award

Student Mental Health Services Inventory

JLARC staff received the 2017 Notable Documents Award from the National Conference of State Legislatures, Legislative Research Librarians section for an inventory of mental health services available to students through schools, school districts, and educational service districts (ESDs). The award recognizes excellence in documents that explore topics of interest to legislators and staff, and present substantive material in an outstanding format. JLARC staff completed the inventory through surveys of school districts and ESDs, supplemented by interviews and analysis of existing data. The web page report includes both summary information as well as topic-specific tables. Readers can sort, filter, and explore data on mental health services, funding, and barriers using interactive spreadsheets.

2017 Certificate of Impact

Sunset Review of University of Washington's Alternative Process for Selecting Medical Facility Construction Contractors

JLARC staff received a 2017 Certificate of Impact from the National Conference of State Legislatures' Legislative Program Evaluation Society. The office was recognized for demonstrating a "significant impact on state government."

The Legislative Auditor recommended that the alternative contracting process continue because average contracting speed and performance have improved. The report also identified some areas for the university to focus on, including setting timeliness goals and identifying barriers to using certified minority or woman owned firms.

The 2017 Legislature passed legislation signed by the Governor to remove the sunset provision, authorizing the alternative process to continue. The Capital Projects Advisory Review Board (CPARB), a contracting oversight body, also invited the University of Washington to address the board about its outreach efforts to disadvantaged firms.

2016 Certificate of Impact

Medicaid Fraud False Claims Act Sunset Review

The JLARC staff received a 2016 Certificate of Impact for its report from the National Conference of State Legislatures, Legislative Program Evaluation Society. The group noted that the report demonstrated "a significant impact on state government." JLARC's report identified that since the Legislature enacted Washington's Medicaid Fraud False Claims Act (FCA) in 2012:

- The Attorney General has been able to pursue Medicaid fraud cases for which it previously lacked authority; and

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- Medicaid fraud recoveries have increased, providing funding for Medicaid services, fraud detection and prevention, and other Medicaid fraud enforcement activities.

Consistent with the Legislative Auditor's conclusion, the Legislature reauthorized the FCA because it allows the state to pursue additional fraud cases, and recoveries have increased.

2015 Notable Documents Award

Economic Impact of Public Natural Resource Lands

The JLARC staff received the 2015 Notable Documents Award from the National Conference of State Legislatures, Legislative Research Librarians section. The Librarians commended the report, the office's fifth to be published as a web page, as "innovative." The Librarians also noted that the study provided "substantive information on contemporary issues of interest to legislatures." Through text and graphics, the study explained how complex economic analyses demonstrated that county economies are influenced more by how public lands are used than by the amount of publicly owned lands. The report provided valuable information to assist future decisions about public land acquisitions.

2015 Certificate of Impact

Competency to Stand Trial Phase II

The JLARC staff received a 2015 Certificate of Impact for its report from the National Conference of State Legislatures, Legislative Program Evaluation Society. The group noted that the report demonstrated "a significant impact on state government." JLARC's report identified analysis the Department of Social and Health Services (DSHS) needs to undertake to improve its ability to evaluate whether certain individuals are mentally competent to face a court trial for alleged criminal offenses. In 2015, a federal district court judge acknowledged that JLARC had identified system-wide solutions that could assist DSHS in addressing many of the problems. As a result of the audit, DSHS adopted a new staffing model to respond to changing patterns of need, is hiring additional psychologists, and hired staff to improve data analysis and reporting.

2014 Impact Award

Alternative Public Works Procedures Sunset

JLARC received an award from the National Legislative Program Evaluation Society (NLPES) for a study in which the JLARC staff concluded the Legislature should continue the authority for public agencies to use alternative contracting procedures. This report examined the use of non-traditional project delivery methods, such as general contractor/construction manager, design-build, and job order contracting, for public works construction contracts. The report found that state and local project managers viewed alternative procedures as a valuable option for certain types of projects and used them to manage construction risk. In response to the JLARC report, the 2013 Legislature passed SHB 1466, extending the contracting authority through 2021. In addition, based on the study the Capital Projects Advisory Review Board revised its approach to data collection efforts.

2013 Excellence in Research Methods Award

Lottery Marketing

JLARC received an award from the National Legislative Program Evaluation Society (NLPES) that recognizes an audit office that has produced a report developed through the use of exemplary research methods. Using multivariate linear regression analysis, the report found

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that neither changes in beneficiary nor changes in advertising appeared to impact lottery sales. One factor which did impact ticket sales is jackpot size.

2013 Impact Award

Manufacturing Innovation Sunset Review

JLARC received an award from the National Legislative Program Evaluation Society (NLPES) that recognizes the impact of its report, Manufacturing Innovation Sunset Review: Legislature Should Allow Unused Program to Expire. The report concluded that since no manufactures were using the program, it should be allowed to expire. When asked why no manufacturers were using the program, the Department of Commerce noted that the required application process likely made it unattractive relative to some other types of personal and commercial small business loans such as credit cards and personal lines-of-credit. Subsequent to the report, the Legislature allowed the program to expire.

2012 Impact Award

Department of Natural Resources Helicopter Cost and Use

JLARC received an award from the National Legislative Program Evaluation Society (NLPES) for its 2011 report Department of Natural Resources Helicopter Cost and Use. The award recognizes the impact performance audit organizations have on improving government performance and reducing the cost of public services.

In this study, JLARC concluded that the costs for the Department of Natural Resources (DNR) to operate its own fire suppression helicopter fleet was considerably less than options to contract for the service. JLARC staff determined this by developing a maintenance and operation cost model that compared DNR costs with exclusive use contract costs.

In addition, based on information from JLARC's analysis, DNR reduced the size of its helicopter fleet and eliminated a local leasing arrangement. This resulted in a reduction of annual operating costs of \$400,000 per year and a redirection of fleet resources equivalent to \$1 million in replacement parts.

2011 Impact Award

K-12 Pilot Facility Inventory, Condition & Use System

JLARC received an award from the National Legislative Program Evaluation Society (NLPES) for its 2010 K-12 Pilot Facility Inventory, Condition & Use System Study. The award recognizes the impact performance audit organizations have on legislative policy making. During the study, JLARC worked with staff from ten school districts as they provided a broad array of information about buildings they managed. JLARC staff also collected data from district staff on the time required to collect the building information, and compared condition ratings assessed by district staff to condition ratings assessed by independent consultants hired by JLARC. JLARC concluded that inventory and building condition data were feasible to collect and proposed four cost options for the Legislature to consider. The Legislature appropriated funding for one of the cost options.

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2010 Notable Documents Award

2009 Full Tax Preference Performance Reviews

The Committee received this award from the Legislative Research Librarians section of the National Conference of State Legislatures for JLARC's publication 2009 Full Tax Preference Performance Reviews. JLARC was commended on this publication as "innovative in providing substantive information on contemporary issues of interest to legislatures." Full tax preference reviews answer ten primary questions outlined in law, while the expedited tax preference reviews answer four questions. All tax preference performance reviews place an emphasis on whether the preference has met its public policy objectives.

2010 Impact Award

Review of Boards and Commissions

The Committee received this award for its 2008 Review of Boards and Commissions: Pre-Audit. JLARC prepared this pre-audit report on boards and commissions at the direction of the Legislature in the 2008 Supplemental Operating Budget (ESHB 2687). The legislative directive included two key parts: creating an inventory of existing boards and commissions; and providing the Legislature with alternative approaches it could use to select entities for further review. JLARC's report provides some key legislative history regarding the general tracking and review of boards and commissions and a list of existing boards and commissions in the state. The report also identifies four potential approaches for undertaking a more systematic evaluation of certain boards and commissions. Under these approaches, the Legislature could choose to focus on those with little activity, with a high impact on state resources, that license or adjudicate, and/or that operate within a particular topic area.

2009 Excellence in Research Methods Award

Comparing Costs and Characteristics of Housing Assistance Programs

The Committee received this award for its 2009 Comparing Costs and Characteristics of Housing Assistance Programs. The 2007-2009 Biennial Operating Budget (Substitute House Bill 1128) directed JLARC to conduct an evaluation and comparison of the cost efficiency of rental housing voucher programs versus other housing projects intended to assist low-income households. To answer the Legislature's questions, JLARC developed a model for analyzing the life-cycle cost of low-income housing developments. JLARC then compared the costs for these capital developments to the costs for vouchers for units with the same number of bedrooms in the same general locations. In an analysis that accounted for all costs and all sources of funding, JLARC found vouchers generally cost less than capital programs, but there were other factors to consider. The report recommended that funding agencies should include life-cycle cost analysis as a part of their processes for evaluating proposals for state-administered funding.

2009 Impact Award

Tax Preference Performance Review: Beef Processors

The Committee received this award for its 2007 Tax Preference Performance Review: Beef Processors. In December 2003, the U.S. discovered its first case of bovine spongiform encephalopathy (BSE, commonly referred to as "mad cow disease") in a Washington State dairy cow. In reaction to fears that consuming infected beef could result in human health problems, several nations across the world instituted bans on importing beef from the U.S. In 2004, Washington State enacted legislation providing temporary tax relief for Washington State beef

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processors that may have been economically impacted by the import bans. In 2007, JLARC evaluated this tax preference in order to inform the Legislature about whether the temporary tax relief should be continued or allowed to expire. JLARC's report, issued in March 2007, concluded that while not all trading nations had lifted their import bans on U.S. beef, several economic indicators noted that the beef production industry had substantially recovered from the initial impacts of import bans. In fact, beef prices, industry wages, production volume, and production value were all exceeding levels prior to the discovery of "mad cow disease." As a result, JLARC recommended that the tax preference should expire.

2008 Impact Award

Life Cycle Cost Model Update

The Committee received this award for its 2007 Life Cycle Cost Model Update. In 1995, JLARC conducted a performance audit of the state's capital planning and budgeting process. In the course of the audit, JLARC developed several versions of a Life Cycle Cost Model for the purpose of comparing leasing versus ownership alternatives for state facilities. The 2006 Supplemental Capital Budget directed JLARC to conduct an update to the Model. With this update, JLARC ensured the model's underlying economic principles were valid and enhanced the model's ability to compare alternative financing approaches. JLARC found that the state lacks specific policies and clear guidance on when and how to use life cycle cost analysis, that there is a lack of oversight of analyses that are conducted, and that key economic assumptions should be regularly updated in the model. The report includes three recommendations: 1) The Office of Financial Management (OFM) should maintain the new model and establish policies and standards regarding its use; 2) OFM should review life cycle cost analyses to ensure standards have been followed and analyses are accurate; and 3) OFM should regularly update assumptions in the model. Subsequently, the Legislature passed comprehensive facility planning and oversight legislation in 2007 (Substitute House Bill 2366). Section 3 of this bill took the management recommendations JLARC issued to OFM in its study and went further by making these recommendations a statutory responsibility of OFM.

2007 Impact Award

Review of Port Angeles Graving Dock Project

The Committee received this award for its 2006 review of Port Angeles Graving Dock Project. In March 2005, Legislators and the Transportation Performance Audit Board (TPAB) requested that JLARC conduct a study of the Washington State Department of Transportation's (WSDOT) Hood Canal Bridge east half replacement project, Port Angeles graving dock site. Legislators and TPAB wanted to review the chain of events which led first to the decision to construct a graving dock at the Port Angeles site, and then to the abandonment of that construction in December 2004 due to the discovery of a historically significant Native American village with extensive archaeological resources and human remains at the site. JLARC reviewed the site selection, environmental permitting, archaeological assessment, interactions of interested parties, and conducted a fiscal analysis of the project. JLARC utilized consulting services to obtain specialized expertise in archaeology, geo-archaeology, transportation construction, and tribal relations. JLARC found that WSDOT's project management was inadequate and did not utilize project management disciplines such as critical path scheduling and that WSDOT did not have financial information that would allow one to easily compare budgets to actual expenditures for the project. JLARC issued 31 recommendations to improve areas identified in the audit.

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2006 Impact Award

Department of Natural Resources Fire Suppression Study

The Committee received this Recognition of Impact award for its 2005 Department of Natural Resources Fire Suppression Study. The Washington Legislature directed JLARC to study wildfire suppression costs because of concern about growing suppression costs. As part of this study, JLARC reviewed DNR's compliance with statute; the factors contributing to suppression cost increases; the roles of state, local, and federal agencies; and analysis of how DNR charges private parties for suppression costs. Because of the emphasis of this study on fiscal issues, JLARC requested detailed information on expenditures and fire statistics. The agency had two separate data systems: one that had fire expenditure information and another with statistical information on each fire. For the first time, JLARC linked these data sets so the state could better understand suppression expenditures. The report concluded with recommendations that primarily focused on improving fire statistics and expenditure information, as well as improving the budgeting process, to provide Legislators with more accurate information on how fires are fought and the costs associated with the suppression efforts.

2005 Impact Award

Washington Medicaid Study

The Committee received this Recognition of Impact award for its 2004 Washington Medicaid Study. The report highlights initiatives aimed at improving the coordination of services and resources to persons receiving Medicaid-funded services. JLARC identified opportunities to strengthen the oversight of decentralized state management of Medicaid as a "program" rather than "just a funding source" for a collection of acute and long-term care services. The report concluded with recommendations intended to achieve the following: improve key data systems to support a comprehensive approach to policymaking; extend the view of Medicaid as a program to its fiscal management by rigorously reviewing approximately \$5 billion in biennial Medicaid expenditures for cost containment opportunities; and assess the best techniques for understanding future caseload patterns.

2004 Impact Award

Higher Education Facilities Preservation Study

The Committee received this Recognition of Impact award for its 2003 Higher Education Facilities Preservation Study. JLARC focused on capital facilities stewardship and preservation policy issues at Washington's public higher education institutions. Higher education accounts for about two-thirds of all state facilities in Washington State. JLARC undertook this complex study at the direction of our Legislature's 2001-03 Capital Budget and, for the first time, assembled comparable information on college and university building inventories and conditions. Our Legislature implemented JLARC's recommendations during its 2003 and 2004 Sessions, targeted \$283 million in the 2003-05 biennium for higher education facilities preservation, and made other policy changes that reinforced the findings and recommendations from this study.

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2003 Impact Award

Capital Study of the DDD Residential Habilitation Centers

The Committee received this Recognition of Impact award for its 2002 Capital Study of DDD Residential Habilitation Centers. JLARC looked at alternative uses of these institutions given a declining need for institutional living among the state's developmentally disabled persons. This study assessed the relative worth—in terms of current real estate value and use as well as alternative uses—of each of these five institutions. Fircrest School, located in Shoreline, was determined to have the highest alternative use and potential market value. The study's results stimulated considerable legislative debate and public discussion during the 2003 Legislative Session. The 2003-05 state operating and capital budgets call for downsizing at Fircrest School over the next several years.

2002 Impact Award

Investing in the Environment: Environmental Quality Grant and Loan Programs Performance Audit

The Committee received this Recognition of Impact award for its Investing in the Environment: Environmental Quality Grant and Loan Programs Performance Audit. JLARC initiated this audit in response to legislative interest in the performance of environmental grants and loans funded in the state's capital budget—\$440 million in the 1999-01 biennium, and \$472 million in 2001-03. JLARC made six recommendations aimed at turning Washington's environmental grants and loan programs away from a "distribution" means for getting money out to local areas, to an "investment" system that can document the results and impacts of these expenditures. Two pieces of legislation were enacted in the 2001 Session underscoring our Legislature's intent to follow through on JLARC's recommendations.

2001 Impact Award

Mental Health System Performance Audit

The Committee received this Recognition of Impact award for its performance audit of Washington State's Mental Health System. JLARC made 14 recommendations geared to improving the performance of mental health programs, and to give higher priority to better client outcomes as a key part of this improved performance. In addition, the 2001 Legislature enacted bills to require changes to complement JLARC's recommendations.

2000 Impact Award

Rural Area Marketing Plan Evaluation

The Committee received this Recognition of Impact award for its Rural Area Marketing Plan Evaluation. This study outlined "lessons learned" in JLARC's evaluation of some of Washington's recent economic development efforts. One of the impacts of this study was to propose a strengthened Washington Sunset law—that law was enacted in the 2000 Session.

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1999 Excellence in Evaluation Award

Worker's Compensation and Department of Corrections Performance Audits

The Committee received this Excellence in Evaluation award for its accomplishments on Worker's Compensation and Department of Corrections performance audits. The Excellence in Evaluation Award is awarded annually to legislative performance audit committees whose work on state problems and issues contributes to legislative decision-making.

1998 Impact Award

Nursing Home Reimbursement System Performance Audit

The Committee received this Recognition of Impact award for its performance audit and follow-up work on the state's Nursing Home Reimbursement System. Based on recommendations contained in the nursing home report, completed in 1994, the Legislature reduced the budget for nursing home payments by \$39 million in its 1995 Session. It also repealed the existing reimbursement system effective July 1998 and directed the state's Department of Social and Health Services to develop a new system in consultation with JLARC. This new system was approved by the Legislature during its 1998 Session. The ongoing fiscal impact of the report is over \$50 million in savings per year.

1997 Impact Award

State Investment Board Performance Audit

The Committee received this Recognition of Impact award in 1997 from NLPES for its 1992 performance audit of the State Investment Board (SIB). That audit achieved considerable cost savings on behalf of the citizens of Washington State, including a \$140 million settlement payment to the SIB by a real estate investment firm.

1992 Excellence in Research Design and Methodology

Basic Health Plan Study

The Committee received this 1992 award for excellence in research design and methodology from NLPES for JLARC's Basic Health Plan Study. That study recommended ways to do without most of the consultant services that had totaled \$247,000 over three years. JLARC also recommended pooling insurance coverage, saving up to \$200,000 per year.