

STATE OF WASHINGTON

JOINT LEGISLATIVE AUDIT AND REVIEW
COMMITTEE (JLARC)



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AGENDA

June 16, 2010
10:00 a.m. – 12:00 p.m.
John A. Cherberg Building
Senate Hearing Room 4
Olympia, Washington

10:00 – 10:05 **OTHER COMMITTEE BUSINESS**

Release of Status Report on the Implementation of State Auditor
I-900 Recommendations to the Legislature

► Brief descriptions of agenda items are on the reverse side.

10:05 – 10:10 *1. Approval of May 19, 2010, JLARC Meeting Minutes

10:10 – 10:40 2. [Department of Early Learning Review – Preliminary Report](#)

10:40 – 11:15 *3. [School District Cost and Size Study – Proposed Final Report](#)

11:15 – 12:00 *4. Selection of Priorities of Government Results Area for SAO
Future Audit (Section 909, 2010 Supplemental Budget)

* 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 Meeting Minutes:** Approval of minutes from the May 19, 2010, JLARC meeting.
2. **Department of Early Learning Review—Preliminary Report:** Overall, the Department (DEL) has complied with legislative requirements, but there has not been substantial progress with the integration of programs. There is no adopted statewide assessment available yet to evaluate the quality of the state's early learning programs or the extent to which children are ready for school. JLARC sampled paper checklists that DEL uses to monitor compliance with health and safety standards across more than 7,600 licensed child care facilities. On average, facilities complied with 14 of 17 health and safety standards. However, full compliance with all 17 standards was low. There are also health and safety standards for Early Childhood Education Assistance Program (ECEAP) contractors providing preschool education. But, there is not comparable data available to analyze each of the 268 individual ECEAP sites. Recommendations are provided to improve the management and controls for monitoring the child care and early education settings which DEL regulates. The review also includes an analysis of subsidized child care affordability and availability.
3. **Report School District Cost and Size Study—Proposed Final Report:** The 2009-11 Operating Budget directed JLARC to conduct a study of the relationship between the cost of school districts and their enrollment size. JLARC analysis finds that the highest expenditures per pupil occur in 85 districts with fewer than 1,000 students, however not all small school districts have high expenditures. This pattern is true for total district expenditures and for major activities such as teaching, administration, facility operation and transportation. The analysis also shows that districts with the highest per pupil expenditures only represent 2.5 percent of school district expenditures statewide. High expenditures per pupil are largely the result of the statutory formula for distributing state educational funding: districts receiving the highest funding per pupil also spend the highest amounts per pupil. In addition, the report notes school districts placed under state financial oversight have used a variety of methods to balance their budgets. Finally, though there has been extensive research on school and school district size, the research does not identify an optimal size.
4. **Selection of Priorities of Government Results Area for State Auditor's Office (SAO) Future Audit (Section 909, 2010 Supplemental Budget):** Section 909 of the 2010 Supplemental Operating Budget—"Core Functions of Government"—directs:
 - JLARC members to select one results area of the Priorities of Government (POG) and determine the relative priority of each activity within that area by August 2010.
 - The State Auditor's Office (SAO) to select at least one but no more than four of the highest priority activities identified by JLARC and conduct a performance audit.
 - The SAO to conduct an "activity assessment" of at least one of the lowest priority activities.
 - That performance audits and activity assessments must be completed by SAO by June 2011.

Proposed JLARC process for selecting a POG Results Area and prioritizing activities:

- First step: Committee members select a POG results area at June 16 JLARC meeting.
- Second step: JLARC staff will organize the activities within the selected POG results area for committee members to vote on final prioritization of the activities at the July 21 JLARC meeting.
- Third step: Transmit the prioritized activities list to State Auditor's Office.