

STATE OF WASHINGTON

JOINT LEGISLATIVE AUDIT AND
REVIEW COMMITTEE (JLARC)



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Troy Kelley
Mark Miloscia
Ed Orcutt
Derek Stanford
Hans Zeiger

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AGENDA

July 20, 2011
10:00 a.m.—12:00 p.m.
John A. Cherberg Building
Senate Hearing Room 4
Olympia, Washington

OTHER COMMITTEE BUSINESS

Welcome of Newly Appointed JLARC Members, Representatives Cathy Dahlquist, Mark Miloscia and Derek Stanford

- *1. Approval of June 23, 2011, JLARC Meeting Minutes
2. 2011 Annual Tax Preference Reviews – Preliminary Report
- *3. State Risk Management Practices in Washington – Proposed Final Report
4. Lottery Marketing & Incentive Pay – Proposed Scope & Objectives

* Action Item

Please note: The Committee reserves the right to move agenda items as needed

1. Approval of June 23, 2011, JLARC Meeting Minutes
2. 2011 Annual Tax Preference Reviews—Preliminary Report: In 2006, the Legislature enacted EHB 1069, mandating audit reviews of Washington's tax preferences. JLARC reviewed 25 tax preferences in 2011. The reviews are provided in a single volume, which includes a summary of specific details pertaining to each review. All tax preference performance reviews place an emphasis on whether the preference has met its public policy objectives. The reports include recommendations as to whether each preference should be continued, modified, terminated, or allowed to expire.
3. State Risk Management Practices in Washington—Proposed Final Report: 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. The departments concur with the recommendations.
4. Lottery Marketing & Incentive Pay—Proposed Scope & Objectives: The 2011-13 Operating Budget directed the Joint Legislative Audit & Review Committee (JLARC) to review the impact of marketing on ticket sales, the contracting process for marketing vendors, and the employee incentive pay program at Washington's Lottery. JLARC will also examine the impact on sales from a 2010 change in Lottery's primary beneficiary from the Education Construction Account to the Washington Opportunity Pathways Account. The review will include a comparison of contracting procedures and incentive pay programs used in other states.