

State of Washington

Joint Legislative Audit and Review Committee (JLARC)

Status Report:

**Implementation of State Auditor I-900
Recommendations to the Legislature**

As required by Initiative 900

June 16, 2010

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Initiative 900 Requires JLARC Report

In November 2005, the people of the State of Washington approved Initiative 900. The initiative directs the State Auditor's Office (SAO) to conduct performance audits of state and local government agencies.

The initiative also includes the following direction with regard to performance audits of state government: "An annual report will be submitted by the Joint Legislative Audit and Review Committee by July 1st of each year detailing the status of the legislative implementation of the State Auditor's recommendations." This report represents JLARC's compliance with this requirement for 2010.

Two New SAO Performance Audits with Recommendations to the Legislature Available for Legislative Consideration in the 2010 Legislative Session

This is the fourth annual report that JLARC has released on the status of recommendations to the Legislature made by the State Auditor's performance audits.¹ From May 2009, the State Auditor released two new audit reports with specific recommendations to the Legislature which were available for the Legislature's consideration during the 2010 Legislative Session. The State Auditor issued an additional seven reports during that period which did not include any specific recommendations to the Legislature.

This JLARC report provides information on the implementation status of the specific recommendations to the Legislature in those two new audits. In addition, the report includes updated information on the status of unresolved recommendations to the Legislature discussed in JLARC's previous annual reports on this topic.

Summary of Implementation of SAO Recommendations to the Legislature

Table 1 summarizes implementation of the recommendations to the Legislature in the SAO's performance audits through the 2010 Legislative Session. The table uses the following reporting categories:

- **Implemented – Adopted As Presented** – Legislative action implementing an SAO recommendation in the manner that it was presented in the audit;
- **Implemented – Addressed with Different Approach** – Legislative action where the Legislature addressed the issue raised in the recommendation, but via a different approach;
- **Legislature Made Different Policy Choice** – Legislative action where the Legislature was aware of the recommendation and made a different policy choice than what the SAO recommended;
- **Bills Introduced on Topic But Not Adopted** – Situation where individual legislators introduced bills on the topic covered in the recommendation, but the Legislature did not adopt the recommendation;
- **Other Circumstances** – This category denotes recommendations where other relevant circumstances apply; and
- **No Information** – No related information was available about formal action by the Legislature.

¹ Many of the recommendations in the SAO performance audits are directed to state or local government agencies rather than to the Legislature. This report does not provide information on implementation of those recommendations. For local governments, Initiative 900 directs that "an annual report will be submitted by the legislative body by July 1st of each year detailing the status of the legislative implementation of the State Auditor's recommendations."

Table 1 – Implementation of SAO I-900 Recommendations to the Legislature:
Status Following the 2010 Legislative Session

Current Implementation Status	2009 Recommendations	2007-08 Recommendations	Total Recommendations
Implemented:			
– Adopted as Presented		9	9
– Addressed with Different Approach		6	6
Legislature Made Different Policy Choice		3	3
Bills Introduced on Topic But Not Adopted		2	2
Other Circumstances		9	9
No Information	2	6	8
Total	2	35	37

During the 2009 interim and the 2010 Legislative Session, the Legislature also held numerous public hearings and work sessions on the SAO performance audits themselves or on the subject matter covered in the SAO performance audits. Table 2 summarizes this legislative activity.

Table 2 – Legislative Meeting Activity Directly or Indirectly
Related to the Newly Issued SAO Performance Audits*

Legislative Committee Meetings	Number of Meetings
Legislative public hearings or work sessions specifically on an SAO performance audit	5
Legislative public hearings or work sessions on the topic reviewed in an SAO performance audit	16
Total	21

*May 2009 through June 2010

Detail on Specific SAO Recommendations to the Legislature

What follows are details on the specific recommendations to the Legislature in the two newly issued SAO performance audits available for the Legislature's consideration in the 2010 Legislative Session. It also includes an update on the status of recommendations to the Legislature in previously issued SAO performance audits that had not been resolved at the time of our last report on this topic. For each of these performance audits, this JLARC report provides:

- A brief summary of the subject of the performance audit;
- The text of each recommendation to the Legislature;
- The current implementation status for each recommendation;
- Identification of related legislation; and
- Where appropriate, a comment section to provide additional explanation/context about the Legislature's actions or the categorization of implementation status.

Each section ends with reporting on any additional legislative activity during the 2009 interim and the 2010 Legislative Session, such as public hearings, work sessions, and related budget activity. The audit reports are grouped by year and listed in the order in which the State Auditor released them.

Initiative 900 also states that "justification must be provided for recommendations not implemented." Since no individual or entity can singularly speak to the reason for legislative action or inaction, JLARC's auditors could not identify sufficient and appropriate evidence to make definitive conclusions about why recommendations have not been implemented to date. However, the information provided in the comment sections does, in some cases, provide a context for the Legislature's actions.

Newly Issued 2009 Recommendations

Three Public Hospital Districts: Valley Medical Center, Evergreen Healthcare, Stevens Hospital Released November 12, 2009

About the audit:

This audit focused on the three largest public hospital districts in the state: King County Public Hospital District 1 (Valley Medical Center); King County Public Hospital District 2 (Evergreen Healthcare); and Snohomish County Public Hospital District 2 (Stevens Hospital). The audit objective was to determine whether opportunities for improvement existed in the following areas of hospital operations for the three districts: transparency and citizen outreach; process and procedures used in negotiating and determining CEO compensation and severance; nursing and administrative staffing levels; procurement and inventory management related to medical supplies; and construction reporting and monitoring. The audit includes one directive to the Legislature.

SAO Recommendation to the Legislature:

The Legislature should amend state law to explicitly limit gifts and compensation to physicians from vendor representatives.

Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- No information

2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

Comments:

The federal Patient Protection and Affordable Care Act, which became law on March 30, 2010, includes reporting on payments or other transfers of value to doctors or hospitals from manufacturers of drugs, devices, biological products or medical supplies covered by Medicare or Medicaid.

Additional 2010 Legislative Action:

- JLARC held an I-900 public hearing on 12/1/09.

Newly Issued 2009 Recommendations

Eight Counties' Building Permit and Inspection Fees: Clark, Klickitat, Pacific, Pend Oreille, Skamania, Walla Walla, Whatcom, Yakima Released December 29, 2009

About the audit:

As required by legislation enacted in 2009 (SB 5120), this audit focused on the reasonableness of building and inspection fees imposed by eight counties in the state. The audit includes one directive to the Legislature.

SAO Recommendation to the Legislature:

The Legislature should develop legislation that:

- Allows for thresholds of working capital from surplus building permit revenues;
- Defines building permit processing activities and allowable expenses; and
- Specifically allows for appropriate indirect costs for all permit types.

Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- No information

2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

Additional 2010 Legislative Action:

- The Local Government & Housing Committee held a work session on 12/4/10: Reasonableness of Building Permit Fees, SAO.
- JLARC held an I-900 public hearing on 1/5/10.
- The Senate Government Operations & Elections Committee held a work session on 1/14/10: Agriculture Structures Fees Study Update, SAO.

Previously Unresolved 2008 Recommendations

Open Public Records Practices at 30 Government Entities

Released May 19, 2008

About the audit:

This audit was designed to answer the following question: How effective were 10 selected cities, 10 selected counties, and 10 selected state agencies at responding to 10 public record requests in a prompt and cooperative manner? An overarching recommendation from the audit includes one directive to the Legislature.

SAO Recommendation to the Legislature:

The Legislature should provide funding to the Attorney General's Office to establish and maintain a public records training curriculum.

Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- No information

2009 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

Comments:

In 2005, the state's Attorney General established the position of Open Government Ombudsman within the Attorney General's Office. The Ombudsman assists the public and state and local agencies with open-government questions, training, policy, and litigation. Training is primarily the duty of agencies subject to the Public Records Act.

Newly Issued 2009 Recommendations

Open Public Records Practices at 30 Government Entities

Released May 19, 2008

Additional 2010 Legislative Action:

- The 2010 Supplemental Operating Budget (ESSB 6444) eliminated funding for the Public Records Exemptions Accountability Committee (also referred to as the Sunshine Committee) for fiscal year 2011. In addition, under E2SHB 2617 of 2010, the committee's members are not eligible for reimbursement of any subsistence, lodging, or travel expenses for fiscal year 2011. The Public Records Exemptions Accountability Committee, which reviews all exemptions to the Public Disclosure Act on an annual basis and makes recommendations to repeal or amend exemptions to the Public Records Act, continues to meet.
- HB 2736 and SB 6383 of 2010, which were not enacted, would have established an independent office of open records to provide: information and training relating to the implementation and enforcement of the Public Records Act; impartial administrative reviews of appeals under the Public Records Act; and an annual report on its activities and findings to the Governor and the Legislature, including any recommendations for legislation.

Previously Unresolved 2008 Recommendations

School Districts' Administration and Support Services

Released September 30, 2008

About the audit:

This audit was designed to answer the following questions at the 10 largest school districts in Washington:

- How economical are each school district's administrative operations, administrative costs, administrative salaries, and administrative staffing levels? If not economical, what is the impact on costs and resources?
- How efficient are each school district's administrative operations? If not efficient, what is the impact on cost and available resources?

The audit includes three recommendations to the Legislature, one of which was already resolved and the remaining two of which are included below.

SAO Recommendation to the Legislature:

A review is necessary at the state level to determine if the process to approve funds for planning, design, and construction is too lengthy and could be shortened. This would reduce the need and time for housing students in portables statewide.

Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- No information

2009 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation.					

2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation.					

Previously Unresolved 2008 Recommendations

School Districts' Administration and Support Services

Released September 30, 2008

Comments:

The Joint Legislative Task Force on School Construction Funding, which was created through the 2007-09 Capital Budget (ESHB 1092), was required to review: statutory provisions regarding the funding of school construction projects; eligibility requirements and distribution formulas for the state's school construction assistance grant program; flexibility needed in the system to address diverse district and geographic needs including, but not limited to, the construction needs unique to high growth areas, as well as the needs of school districts that have experienced consecutive school levy failures; and potential revenue sources and alternative funding mechanisms for school construction. Although the task force has not directly addressed the SAO recommendation on the length of the funding approval process, it has addressed a number of funding issues. In addition, the task force received testimony regarding the State Auditor's performance audit, "Opportunities for the State to Help School Districts Minimize the Costs and Interest Paid on Bond Debt," issued in August 2009.

The SAO audit does not refer to the Joint Legislative Task Force on School Construction Funding.

Previously Unresolved 2008 Recommendations

School Districts' Administration and Support Services

Released September 30, 2008

SAO Recommendation to the Legislature:

To more accurately capture program cost, the Legislature should authorize the optional use of enterprise funds to account for the school districts' business-like activities.

Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- No information

2009 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

Additional 2010 Legislative Action:

- The Senate Economic Development, Trade & Innovation Committee held a work session on 12/3/09: Review of School Districts' Strategic Planning in Response to State Auditor's Performance Audit.
- As required by the 2009-11 Capital Budget (ESHB 1216), the Office of Superintendent of Public Instruction issued a report to the Legislature on the "School District Capital Construction Reimbursement Claim Process."
- The 2010 Supplemental Operating Budget (ESSB 6444) requires the Superintendent of Public Instruction to share best practices with school districts regarding strategies for increasing efficiencies and economies of scale in school district noninstructional operations through shared service arrangements, school district cooperatives, and other practices.
- ESSB 6604 of 2010, which was enacted, reduces the school district requirements for providing student learning plans.
- HB 2868 of 2010, which was not enacted, would have revised school district bidding procedures for purchases and public works projects.
- HB 2885 of 2010, which was not enacted, would have eased numerous school district requirements.
- SHB 3039, ESHB 3182, and SB 6519 of 2010, which were not enacted, would have eased school requirements relating to truancy.

Previously Unresolved 2008 Recommendations

School Districts' Administration and Support Services

Released September 30, 2008

- SSB 6494 of 2010, which was not enacted, would have required the Department of Health and the State Board of Health to revise their rules pertaining to primary and secondary school facilities to eliminate rules that are obsolete or not specifically funded or implemented.

Previously Unresolved 2008 Recommendations

Use of Impact Fees in Federal Way, Olympia, Maple Valley, Redmond, and Vancouver Released October 14, 2008

About the audit:

This audit was designed to determine 1) the method each city uses to calculate impact fees based on the direction in state law; 2) how each city demonstrates that these fees are appropriate; and 3) how effectively each city uses impact fees to pay for public facilities that a) correspond to the demand for public facilities from new development, and b) benefit new development proportionate to its share of the financing of new or expanded facilities; and are consistent with a comprehensive plan or a capital element of a comprehensive land use plan that has been adopted in accordance with state law. The audit includes two recommendations to the Legislature.

SAO Recommendation to the Legislature:

The Legislature should amend RCW 82.02.090 to better define capital facilities and alleviate ambiguity.

Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- No information

2009 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation.					

2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation.					

Previously Unresolved 2008 Recommendations

Use of Impact Fees in Federal Way, Olympia, Maple Valley, Redmond, and Vancouver Released October 14, 2008

SAO Recommendation to the Legislature:

The Legislature should consider modifying RCW 82.02.070 to better define “separate interest-bearing accounts.”

Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- No information

2009 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

Additional 2010 Legislative Action:

- HB 1080, which was introduced in 2009 and enacted in 2010, allows impact fees to be used for all fire protection facilities, even in jurisdictions that are part of a fire district. A Senate companion (SB 6445 of 2010) was not enacted.
- SHB 2224, which was considered in both 2009 and 2010 but was not enacted, included an exemption from a portion of impact fees for residences with fire sprinkler systems.
- SHB 2566 of 2010, which was not enacted, would have created an exemption from impact fees for low-income housing.
- ESHB 3067 of 2010, which was not enacted, would have established a process for paying impact fees through covenants.
- HB 3088 of 2010, which was not enacted, would have established a moratorium on impact fees.
- SB 5548, which was considered in both 2009 and 2010 but was not enacted, would have required project improvements, including public transportation infrastructure improvements, to be credited against the imposition of impact fees.

Previously Unresolved 2007 Recommendations

**Department of Health:
Health Professions Quality Assurance (HPQA)
Released August 21, 2007**

About the audit:

In May 2006, the Governor asked the State Auditor's Office to review the state's processes for regulating health professionals and to recommend ways to improve the licensing and discipline of health care providers to protect patients. The Governor also asked the State Auditor to recommend ways to conduct national criminal background checks on health care license applicants and on existing practitioners. This audit includes seven recommendations to the Legislature, five of which were already resolved and the remaining two of which are included below.

SAO Recommendation to the Legislature:

The Legislature should amend the Written Operating Agreement statute between HPQA and the boards and commissions to include negotiated performance-based provisions. The amendment should include: (1) a requirement that the written agreements are reviewed annually and revised as needed to continually drive performance to protect the public's interests; (2) set an effective date as a deadline for these agreements to be revised and to become operational; (3) require the results of the key performance measures (as appropriate to protect confidentiality) be posted on the Web sites of HPQA and each board and commission.

Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- No information

2008 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
HB 2906	✓				
SHB 2907	✓	✓			
SSB 6458	✓	✓	✓		
SSB 6506	✓	✓			

2009 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation.					

2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation.					

Previously Unresolved 2007 Recommendations

Department of Health: Health Professions Quality Assurance (HPQA) Released August 21, 2007

Comments:

Three of the 2008 bills proposed changes to the Written Operating Agreement statute, but those changes did not mirror exactly the changes recommended by the SAO audit. The fourth, HB 2906, and the original version of SB 6506 created a new State Medical Board for Safety and Quality. These two bills included a section regarding establishment and annual review of performance measures. None of these bills passed the Legislature.

As additional information, 4SHB 1103 of 2008, which the Legislature enacted, directs the Medical Quality Assurance Commission and the Nursing Care Quality Assurance Commission to conduct pilot projects to evaluate the effect of granting these commissions additional authority over budget development, spending, and staffing. The pilot projects include development of performance-based expectations, including identification of key performance measures. The Secretary of Health and the Commissions must report to the Legislature and the Governor on the results of these pilot projects by December 2013.

SAO Recommendation to the Legislature:

For all registered professions, the Legislature should review and modify as needed existing laws that allow individuals to be credentialed with no educational or experience requirements.

Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- No information

2008 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

2009 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

Previously Unresolved 2007 Recommendations

Department of Health: Health Professions Quality Assurance (HPQA) Released August 21, 2007

Additional 2010 Legislative Action:

- SHB 2430 of 2010, which was enacted, creates the new profession of cardiovascular invasive specialist.
- ESHB 2876 of 2010, which was enacted, requires adoption of new rules on chronic, noncancer pain management.
- SB 6227 of 2010, which was enacted, permits opticianry students to practice under the supervision of a licensed dispensing optician, optometrist, or ophthalmologist. A House companion (HB 2462) was also introduced, but it was not enacted.
- SB 6297 of 2010, which was enacted, places the regulation of speech-language pathology assistants under the Board of Hearing and Speech. A House companion (HB 2803) was also introduced, but not enacted.
- The 2010 Supplemental Operating Budget (ESSB 6444) provides funding for Nursing Care Quality Assurance Commission programs related to discipline, impaired practitioner programs, and expedited credentialing. However, the Governor vetoed this provision.
- ESSB 6582 of 2010, which was enacted, requires the Nursing Care Quality Assurance Commission to permit alternate paths for nursing assistant certification. A House companion (HB 2766) was also introduced, but not enacted.
- SB 6627 of 2010, which was enacted, authorizes pharmacists to accept prescriptions written by a licensed advanced registered nurse practitioner in any province of Canada or state of the United States that shares a common border with the state of Washington. A House companion (HB 2757) was also introduced, but not enacted.
- SSB 6884 of 2010, which was enacted, defines juvenile probation officers and juvenile court employees who provide evidence-based programs approved by DSHS' Juvenile Rehabilitation Administration as agency-affiliated counselors.
- HB 2391 of 2010, which was not enacted, would have required certain providers to complete a pain management education program.
- HB 2400 and SB 6811 of 2010, which were not enacted, would have placed the regulation of naturopathy under an independent board.
- HB 2543 of 2010, which was not enacted, would have changed procedures of the Medical Quality Assurance Commission relating to complainants.
- HB 2544 of 2010, which was not enacted, would have required informed consent before the administration of any drug to which a patient has a known allergy.
- HB 2761 of 2010, which was not enacted, would have by expanded the types of facilities where dental hygienists could work without dental supervision.
- HB 2888 of 2010, which was not enacted, would have required pharmacy technicians to complete continuing education requirements established in rule by the Board of Pharmacy.

Previously Unresolved 2007 Recommendations

Department of Health: Health Professions Quality Assurance (HPQA) Released August 21, 2007

- HB 2989 and SB 6708 of 2010, which were not enacted, would have expanded the types of practitioners under whose order and direction a respiratory care practitioner may practice.
- ESHB 3072 and SB 6773 of 2010, which were not enacted, would have allowed occupational therapists to provide wound care under certain circumstances. (Note: These bills were not companions.)
- SB 6305 of 2010, which was not enacted, would have tasked the Medical Quality Assurance Commission with developing an evidence-based prescriber education program.

Previously Unresolved 2007 Recommendations

Educational Service Districts (ESDs)

Released September 18, 2007

About the audit:

This audit addresses the following topics with regard to Educational Service Districts: operations costs; the contracting process and monitoring of contracts; and compliance of operations with statutory authority. The audit also compares Washington ESDs with similar organizations in other states, and examines best practices for providing cost-effective services and programs to school districts. This audit includes four recommendations to the Legislature, two of which were already resolved and the remaining two of which are included below.

SAO Recommendation to the Legislature:

The Legislature should remove ESD Superintendents' responsibility from the regulatory functions of RCW 28A.310.260 in relation to member school district staff code of conduct violations.

Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- No information

2008 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

2009 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

Previously Unresolved 2007 Recommendations

Educational Service Districts (ESDs)

Released September 18, 2007

SAO Recommendation to the Legislature:

Washington policy-makers should undertake an evaluation or performance audit of the state's special education delivery system in an effort to increase efficiency and use existing infrastructure.

Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- No information

2008 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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Previous legislative mandates for studies on special education.

2009 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

Comments:

The Legislature received studies in this subject area, for example, the K-12 Special Education performance audit conducted by JLARC in 2001 (Report 01-11) and the Special Education Excess Cost Accounting and Reporting Requirements study conducted by JLARC in 2006 (Report 06-3).

Additional 2010 Legislative Action:

- An early version of the 2010 Supplemental Operating Budget, which was adopted by the House Ways & Means Committee but was not included in the enacted budget, required the Joint Legislative Audit and Review Committee to conduct a review of the special education safety net focusing on: 1) a review of the administrative and procedural changes to the safety net award process since its inception, and the impact of those changes on program implementation; 2) an analysis of safety net spending over time, including an analysis of the primary factors explaining changes in safety net expenditures over time; and, 2) a comparison of Washington's safety net program with programs with a similar purpose in other states, including an analysis of eligibility thresholds, application procedures and timelines, and auditing practices.

Previously Unresolved 2007 Recommendations

Washington State Department of Transportation (WSDOT): Managing and Reducing Congestion in Puget Sound Released October 10, 2007

About the audit:

This audit examines 1) the effectiveness of WSDOT's current highway investments and infrastructure utilizations given current and projected highway user volume over the next five years; and 2) the financial and non-financial costs of any recommended improvements over the next five years. The audit evaluates how current highway investments and infrastructure and possible highway investments and infrastructure can: minimize congestion for the greatest possible majority of highway users; maximize vehicle throughput; and maximize highway user throughput. This audit includes four recommendations to the Legislature, three of which were already resolved and the remaining one of which is included below.

SAO Recommendation to the Legislature:

The Legislature should empower a single body – either WSDOT or a new regional transportation entity for the Puget Sound Region – to allow for a more integrated approach to planning for congestion reduction.

Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- No information

2008 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
HB 3311	✓				
ESSB 6771	✓	✓	✓		
SB 6772	✓				

2009 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
HB 2037	✓				
SB 6064	✓				

2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

Comments:

The Legislature explored this concept with legislation in both 2008 and 2009, as it has in previous sessions. None of these bills passed the Legislature.

Previously Unresolved 2007 Recommendations

Washington State Department of Transportation (WSDOT): Managing and Reducing Congestion in Puget Sound Released October 10, 2007

Additional 2010 Legislative Action:

- The Joint Transportation Committee held a meeting on 7/7/09: Tolling Operations Costs Expert Review Panel.
- The Joint Transportation Committee held a meeting on 7/30/09: Tolling Operations Costs Expert Review Panel.
- The Joint Transportation Committee held a meeting on 9/9/09: Tolling Operations Costs Expert Review Panel.
- The Joint Transportation Committee held a meeting on 12/2/09: Tolling Operations Costs Expert Review Panel.
- The House Transportation Committee held a work session on 12/3/09: Toll Operations Update.
- The Senate Transportation Committee held a work session on 12/3/09: Department of Transportation Tolling Program.
- The House Transportation Committee held a work session on 1/20/10: 2009 State Route 520 Legislative Work Group Report.
- The Senate Transportation Committee held a work session on 1/21/10: Statewide Tolling Program Update.
- The House Transportation Committee held a work session on 1/25/10: Washington State Department of Transportation Tolling Studies.
- The Joint Transportation Committee held a meeting on 5/11/10: SR 520 Update and Update on SR 520 Toll Collection System RFP.
- The 2010 Supplemental Transportation Budget (ESSB 6381) includes the following requirements for WSDOT related to tolling: consider transitioning to all electronic tolling on the Tacoma Narrows bridge toll facility and discontinuing a cash toll option; review, and revise where appropriate, current signage and ingress/egress locations on the state route number 167 high occupancy toll lanes pilot project; prepare a comprehensive tolling study of the Interstate 5 express lanes to determine the feasibility of administering tolls within the corridor; and work with the Washington State Transportation Commission, the Oregon State Department of Transportation, and the Oregon State Transportation Commission to analyze and review potential options for a bi-state, toll setting framework. WSDOT must also scope unfunded state highway projects consistent with achieving statutory transportation system policy goals of economic vitality, preservation, safety, mobility, environment, and stewardship. The budget requires the Transportation Commission to work with WSDOT's Economic Partnerships (Program K) in conducting a best practices review of non-toll, public-private partnerships. And the Joint Transportation Committee must conduct a study to establish a statewide blueprint for public transportation that will serve to guide state investments in public transportation.
- ESSB 6392 of 2010, which was enacted, allows the use of the proceeds from the State Route 520 bridge toll-backed bonds to be spent on any aspect of the SR 520 bridge replacement and high occupancy vehicle program. A House companion (SHB 2929) was also introduced, but not enacted.

Previously Unresolved 2007 Recommendations

Washington State Department of Transportation (WSDOT): Managing and Reducing Congestion in Puget Sound Released October 10, 2007

- ESSB 6499 of 2010, which was enacted, allows for the detection and issuance of photo tolls, and shifts responsibility for toll infractions from the Washington State Patrol and the court system to WSDOT. A House companion (SHB 2897) was also introduced, but not enacted.
- SHB 2941 of 2010, which was not enacted, would have authorized tolling in express toll lanes on I-405 between Interstate 5 and the city of Bellevue. WSDOT would also have been required to conduct a traffic and revenue analysis of a 40-mile continuous express toll lane system that includes SR 167 and I-405 to develop a financing plan to fund improvements in the corridor for the Governor and the Legislature by January 2011.
- SB 6505 of 2010, which was not enacted, related to the authorization, administration, and collection of tolls on the State Route 99 Alaskan Way viaduct corridor.
- SB 6506 of 2010, which was not enacted, related to the authorization, administration, and collection of tolls on Interstate 90 and State Route 520 floating bridge corridor.

Previously Unresolved 2007 Recommendations

Washington State Department of Transportation (WSDOT): Administration and Overhead Released November 15, 2007

About the audit:

This audit focuses on six operational areas within the Department of Transportation: 1) human resources; 2) expenditure accounting; 3) payroll; 4) cash receipts; 5) internal audit; and 6) ONE-DOT. ONE-DOT discusses more fully integrating the business functions of the ferry system into those of the Department. This audit includes two recommendations to the Legislature.

SAO Recommendation to the Legislature:

The Legislature should change the current payroll structure to include 26 annual pay periods and should eliminate midperiod personnel changes by allowing changes only at the beginning of a pay period.

Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- No information

2008 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation.					

2009 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation.					

2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation.					

Previously Unresolved 2007 Recommendations

**Washington State Department of Transportation (WSDOT):
Administration and Overhead
Released November 15, 2007**

SAO Recommendation to the Legislature:

The Legislature should change WSDOT's internal audit reporting structure.

Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- No information

2008 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

2009 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation.

Comments:

In the main text of the audit, this recommendation is directed to WSDOT. However, in Appendix D, the audit report identifies this as a recommendation for legislative action. In response to this recommendation, WSDOT and the Office of Financial Management indicated that they will convene a work group to explore alternate reporting structures, with completion by June 2008. However, as of July 2009, the work group has not completed this effort. And the group's end product will not be a report, but a potential revision of Chapter 20.40 (Internal Auditing Policies) of the State Administrative and Accounting Manual.