

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

July 2020



Table of Contents

Implementation Status of the SAO Recommendations to the Legislature.....	2
APPENDIX.....	3
Detail on Specific SAO Recommendations to the Legislature.....	3
Previously Unresolved 2018 Recommendations.....	4
Charter School Accountability and Opportunities for Collaboration	4
Aligning Healthcare Professional Fees with Licensing Costs.....	5
Evaluating School Responses to Notifications of Student Criminal Offenses.....	6
Ensuring Notification to Schools and Districts of Student Criminal Offenses	8
Previously Unresolved 2017 Recommendations.....	9
Leading Practices for the State's Secondary Career & Technical Education Programs.....	9
Correctional Industries: Planning, pricing and market share.....	10
Previously Unresolved 2016 Recommendations.....	11
Medical Discipline.....	11
Administrative Appeals.....	12

Initiative 900 requires State Auditor’s Office (SAO) to conduct performance audits

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

Recent SAO audits included no new recommendations to the Legislature

The State Auditor released ten new performance audit reports in 2019, with no recommendations to the Legislature. The Joint Legislative Audit and Review Committee (JLARC) held a public hearing for each audit.

2019 SAO performance audits

1. Contract Assurances for Vendor-Hosted State Information Technology Applications
2. Safe Data Disposal: State Reduces the Risk of Disclosing Confidential Information
3. Continuing Opportunities to Improve State Information Technology Security – 2018
4. Assessing Extended Family Exemptions for Individual Providers
5. Reforming Bail Practices in Washington
6. Opportunities to Improve School Safety Planning
7. Opportunities to Better Identify and Serve K-12 Students Experiencing Homelessness
8. Opportunities to Improve Washington’s Preparedness Efforts in Emergency Management
9. Schools Can Influence Student Eating Habits Through Lunch Scheduling Practices
10. Medicaid Fluoride Cost Savings

Initiative 900 requires JLARC to report the status of SAO’s recommendations to the Legislature

By July 1 of each year, JLARC must report the status of SAO’s recommendations to the Legislature. JLARC does not report on SAO’s recommendations to state or local governments.

JLARC staff review the status of SAO’s recommendations after each legislative session. The review includes:

- New recommendations (i.e., those made in the calendar year before the legislative session).
- Unresolved recommendations from previous years. JLARC staff follow up on recommendations for a total of four years, unless legislative or other action is taken that resolves the issue.

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 staff could not identify sufficient and appropriate evidence to make definitive conclusions about why recommendations have not been implemented to date. In some cases, the information included in the JLARC staff summary comments provides context for the Legislature’s actions.

This report demonstrates JLARC’s compliance with the status reporting requirement for 2019.

Implementation Status of the SAO Recommendations to the Legislature

The SAO made no new recommendations to the Legislature in 2019. The appendix includes the status of nine recommendations that were unresolved coming into the 2020 legislative session. Previously resolved recommendations were addressed in status reports in prior years. Definitions of the reporting categories used in the table are below.

SAO Recommendations to the Legislature	Total	Implemented			Not Implemented		Other
		<i>Adopted as presented</i>	<i>Addressed with different approach</i>	<i>Partially Implemented</i>	<i>Bills introduced but not adopted</i>	<i>Related or no information</i>	
No new in 2019							
Unresolved from 2016, 2017, or 2018	9	1		2	1	5	
Previously resolved from 2016, 2017, and 2018	14	5	7				2
Grand total	23	6	7	2	1	5	2

Reporting categories used by JLARC

Implemented

- **Adopted as presented:** Legislation was passed to implement an SAO recommendation in the manner presented by the audit.
- **Addressed with different approach:** Legislation that passed takes a different approach to address the issue raised in the recommendation.
- **Partially implemented:** Legislation implemented some, but not all, portions of a recommendation.

Not Implemented

- **Bills introduced on topic but not adopted:** Bills were introduced, but not adopted, related to the recommendation topic.
- **Related or no information:** "Related information" means that no policy change was passed in legislation, but other related legislative discussion took place (e.g., work sessions). "No information" means there was no evidence of bills, work sessions, or any other formal legislative activity related to the recommendation.

Other

- **Legislature made different policy choice:** Legislation was passed with a policy choice that differed from the SAO recommendation.
- **Other circumstances:** Other circumstances have taken place that may impact the applicability of the recommendation (e.g., change to federal law, administrative rule, or executive branch program).

APPENDIX

RECOMMENDATION STATUS DETAILS

How to read these reports

	Recommendation year - 2017 Recommendations		
SAO audit title	Correctional Industries: Planning, pricing and market share		
Release date	Released 5/4/2017		
Details from SAO's audit	<p>About the Audit</p> <p>The Correctional Industries (CI) program offers inmates a chance to gain skills that make it more likely they will find jobs after release. This performance audit analyzed the practices of the CI program and found that applying leading practices would help CI more effectively plan for and manage successful industries and set competitive prices that achieve sufficient profit for reinvestment.</p> <p>SAO Recommendation to the Legislature</p> <p>SAO recommends that the Legislature should clarify RCW 72.09 to explain how CI should measure compliance with unfair competition restrictions for its Class 2 industries.</p>		
JLARC staff status review	<p>JLARC staff status review and summary comments</p> <table border="1" style="width: 100%; border-collapse: collapse; background-color: #e0e0e0;"> <tr> <td style="width: 20%; padding: 5px;">Implementation Status:</td> <td style="padding: 5px;">Not Implemented (Bill introduced but not adopted) SSB 5838 was introduced in 2019 and re-introduced in 2020.</td> </tr> </table>	Implementation Status:	Not Implemented (Bill introduced but not adopted) SSB 5838 was introduced in 2019 and re-introduced in 2020.
Implementation Status:	Not Implemented (Bill introduced but not adopted) SSB 5838 was introduced in 2019 and re-introduced in 2020.		
JLARC staff summary of legislative action	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; padding: 5px;">Comments:</td> <td style="padding: 5px;">SSB 5838 would have reformed the CI Advisory Committee to a decision-making committee. It also would have given the committee the authority to set the unfair competition rate every two years and to consider a variety of factors when making the decision (e.g., gross business income, number of businesses reporting income for each CI industry).</td> </tr> </table>	Comments:	SSB 5838 would have reformed the CI Advisory Committee to a decision-making committee. It also would have given the committee the authority to set the unfair competition rate every two years and to consider a variety of factors when making the decision (e.g., gross business income, number of businesses reporting income for each CI industry).
Comments:	SSB 5838 would have reformed the CI Advisory Committee to a decision-making committee. It also would have given the committee the authority to set the unfair competition rate every two years and to consider a variety of factors when making the decision (e.g., gross business income, number of businesses reporting income for each CI industry).		

Previously Unresolved 2018 Recommendations

2018 Recommendations

Charter School Accountability and Opportunities for Collaboration

Released 11/26/2018

About the Audit

This performance audit examines whether charter schools have the foundations in place to help ensure they are accountable to the public, as well as the extent to which charter schools and traditional schools work together. The audit found mixed results. The report makes recommendations to the Legislature, charter school authorizers, and charter schools.

SAO Recommendation to the Legislature

To address the organizational risk imposed on the Charter School Commission and charter school authorizers, SAO recommends that the Legislature consider amending language in RCW 28A.710.050 (3) to require approval of admissions policies and weighted enrollment preferences by the charter school's authorizer.

JLARC staff status review and summary comments

Implementation Status: Not Implemented (Related or no information)

Comments: No legislative action has been taken related to this recommendation.

Aligning Healthcare Professional Fees with Licensing Costs

Released 11/26/2018

About the Audit

This performance audit investigates if the Department of Health aligns the fees it charges to healthcare professions with the costs of licensing. The audit found the majority of the professions' costs were appropriate, although some healthcare professions were charged for some services that did not clearly benefit them. The report makes recommendations to the Legislature and the Department of Health.

SAO Recommendation to the Legislature

To address the issues with professions' reserves being used to pay for other professions' costs, SAO recommends the Legislature consider appropriating at the profession level instead of the account level to prevent one profession from spending another's reserves.

JLARC staff status review and summary comments

Implementation Status:	Not Implemented (Related or no information)
-------------------------------	--

Comments:	No legislative action has been taken related to this recommendation.
------------------	--

Evaluating School Responses to Notifications of Student Criminal Offenses

Released 11/5/2018

About the Audit

This is the second audit reviewing notifications to schools and districts of student criminal offenses. This performance audit investigates what happens to notifications after principals and district officials receive them. The audit found that districts can improve and clarify their policies to provide more robust guidance to principals. The report makes recommendations to the Legislature, Washington State School Directors' Association, Office of the Superintendent of Public Instruction (OSPI), and school districts.

First SAO Recommendation to the Legislature

SAO recommends that the Legislature:

1. Address the apparent conflict between RCW 9A.44.138, RCW 13.04.155 and RCW 28A.225.330(6) regarding notification for Level I sex offenders by amending one or more of the statutes.
2. Revise RCW 28A.320.128 as needed to align with the other statutes.

Second SAO Recommendation to the Legislature

SAO recommends that the Legislature direct the work group to address the following issues:

- a) Establish clear instructions that courts, state agencies and sheriffs must include with each notification, to inform principals of their statutory requirements to provide information to teachers and subsequent schools. This addresses the needs of new principals and principals who rarely receive notifications for consistent guidance.
- b) Determine the best way to include information about student criminal offenses received from courts or law enforcement agencies in the state's record retention schedules. This addresses the need for consistent guidance for records specialists.
- c) Consider limiting the transfer of information between schools to active diversion agreements, adjudications and convictions, to limit the number of notifications that must be communicated to teachers and subsequent schools. Once a student has completed the terms of a diversion agreement, principals would not need to notify subsequent schools.
- d) Establish mechanisms to inform principals when students have successfully completed diversion agreements.
- e) Consider limiting required notification to all of a student's teachers to only those offenses the work group determines are relevant to teachers' ability to maintain a safe and supportive learning environment, to limit the number of notifications that must be communicated to teachers.

JLARC staff status review and summary comments – first recommendation

Implementation Status:	Implemented (Adopted as presented) 2SHB 1191 takes effect on June 11, 2020
-------------------------------	--

Comments:	2SHB 1191 amends the relevant statutes to address conflicts regarding notification for Level 1 sex offenders.
------------------	---

JLARC staff status review and summary comments – second recommendation

Implementation Status:	Implemented (Partially implemented) 2SHB 1191 takes effect on June 11, 2020
-------------------------------	---

Comments:	SSHB 1191 implements parts of the recommendation (c-e). It does not implement sections a and b of the recommendation.
------------------	---

Ensuring Notification to Schools and Districts of Student Criminal Offenses

Released 5/7/2018

About the Audit

This performance audit investigates the notification process to schools and districts regarding students who have committed crimes. Information about these students comes from several places, including courts, law enforcement, and state agencies. The audit identified areas of improvement in communication between the government entities and the schools and school districts. The report makes recommendations to the Legislature, OSPI, the Administrative Office of the Courts, Corrections, Juvenile Rehabilitation, and education associations.

SAO Recommendation to the Legislature

SAO recommends the Legislature formalize the work group of stakeholders that began meeting during the audit to provide stakeholders time to resolve the remaining issues identified in the audit – which transcend any one entity – and come to agreement on proposed statutory changes.

Issues to be addressed by the work group should include:

- a. Establish a process to ensure courts, Corrections, Juvenile Rehabilitation and sheriffs have access to accurate district, school and enrollment information as necessary.
- b. Assign a single point of contact at each school district to receive all notifications, along with back-ups in case the primary contact is absent.
- c. Assemble a proposal and a budget to develop and maintain an automated notification system.
- d. Continue to improve guidance, training and monitoring.
- e. Consider potential statutory changes to:
 - o Limit notification requirements upon conviction, adjudication or diversion agreements to offenses that pose a public safety risk or might impact services provided to students.
 - o Require courts to notify designated contacts at districts, rather than school principals.
 - o Eliminate notifications for individuals that have received high school diplomas or the equivalent and individuals in partial confinement, as well as notifications to private schools when it is known the juvenile will not be attending that school.

JLARC staff status review and summary comments

Implementation Status:	Implemented (Partially implemented) 2SHB 1191 takes effect on June 11, 2020
Comments:	2SHB 1191 addresses issues b, d, and e of the recommendation. It does not address issues a and c.

Previously Unresolved 2017 Recommendations

2017 Recommendations

Leading Practices for the State's Secondary Career & Technical Education Programs

Released 12/19/2017

About the Audit

This performance audit investigates the coordination of agencies involved in career and technical education programs (CTE) and recommends clarifying statutes and improving coordination, oversight, and cooperation across Washington's career and technical education system. The audit found that CTE courses offered in Washington's public schools with the highest enrollment could more strongly align with high wage, high demand occupational areas. The report makes recommendations to the Legislature, OSPI, the Workforce Training and Education Coordinating Board, and the State Board for Community and Technical Colleges.

SAO Recommendation to the Legislature

SAO recommends that the Legislature revise Chapter 28A.700 RCW to:

- a) Define the term "skills gap" as used in RCW 28A.700.010(2)(a), which requires districts to demonstrate how their CTE plans help address the skills gap. Clarifying this term would potentially affect how and the extent by which high demand occupation drives CTE programming. This new definition should apply consistently across agencies.
- b) Define the term "high wage" as used in the definition of CTE (RCW 28A.700.010(5)), which in part defines CTE as "a plan or program of courses that enable options for students to obtain high wage employment preparation." This new definition should apply consistently across agencies.
- c) Require districts to submit evidence of high local labor demand for existing CTE programs when OSPI reapproves them every 5 years.

JLARC staff status review and summary comments

Implementation Status: Not Implemented (Related or no information)

Comments: No legislative action has been taken related to this recommendation.

Correctional Industries: Planning, pricing and market share

Released 5/4/2017

About the Audit

The Correctional Industries (CI) program offers inmates a chance to gain skills that make it more likely they will find jobs after release. This performance audit analyzed the practices of the CI program and found that applying leading practices would help CI more effectively plan for and manage successful industries and set competitive prices that achieve sufficient profit for reinvestment.

SAO Recommendation to the Legislature

SAO recommends that the Legislature should clarify RCW 72.09 to explain how CI should measure compliance with unfair competition restrictions for its Class 2 industries.

JLARC staff status review and summary comments

Implementation Status:	Not Implemented (Bill introduced but not adopted) SSB 5838 was introduced in 2019 and re-introduced in 2020.
Comments:	SSB 5838 would have reformed the CI Advisory Committee to a decision-making committee. It also would have given the committee the authority to set the unfair competition rate every two years and to consider a variety of factors when making the decision (e.g., gross business income, number of businesses reporting income for each CI industry).

Previously Unresolved 2016 Recommendations

2016 Recommendations

Medical Discipline

Released 11/7/2016

About the Audit

In Washington, medical doctors and physician assistants (PAs) are licensed and regulated by the Medical Quality Assurance Commission (MQAC), while osteopathic doctors and PAs are licensed and regulated by the Board of Osteopathic Medicine and Surgery (BOMS). This performance audit examined:

- The process by which MQAC and BOMS assess and investigate complaints.
- How they communicate with the people who have filed complaints, those accused of misconduct, and the general public.
- How they ensure sanctions are completed.

SAO identified areas of improvement for both boards, including three recommendations to the Legislature for statutory changes. The Legislature has implemented two of the recommendations.

SAO Recommendation to the Legislature

SAO recommends that the Legislature modify the Uniform Disciplinary Act so all healthcare professionals must post information in a prominent location about where to file complaints.

JLARC staff status review and summary comments

Implementation Status:	Not Implemented (Related or no information)
-------------------------------	--

Comments:	No legislative action has been taken related to this recommendation.
------------------	--

Administrative Appeals

Released 5/11/2016

About the Audit

More than 100,000 administrative appeals are conducted by 28 Washington state agencies every year. Administrative appeals processes are working as intended in Washington, and the state agencies SAO evaluated are managing appeals effectively. However, processes differ among agencies and can be intimidating for some participants. SAO recommends that the Legislature amend parts of the Administrative Procedure Act.

SAO Recommendation to the Legislature

SAO recommends that the Legislature should add a new section to either Part II or Part IV of Chapter RCW 34.05 regarding the role of informal guidance by clarifying:

- a) In what circumstances hearing officers may apply informal guidance in developing administrative decisions.
- b) Whether managers may require hearing officers to apply informal guidance.
- c) If hearing officers may apply informal guidance, clarify whether the hearing officers may apply written guidance, unwritten guidance, or both.

JLARC staff status review and summary comments

Implementation Status:	Not Implemented (Related or no information)
-------------------------------	--

Comments:	No legislative action has been taken related to this recommendation.
------------------	--