



State of Washington

Joint Legislative Audit and Review Committee

Status report

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

As required by Initiative 900

JUNE 2025



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## Table of contents

Summary.....	1
Initiative 900 requires the State Auditor’s Office (SAO) to conduct performance audits .....	1
Implementation status of the SAO recommendations to the Legislature.....	3
Recommendation status details .....	4
2024 Recommendations .....	4
Previously Unresolved 2022 Recommendations.....	7
Previously Unresolved 2021 Recommendations.....	8

## Summary

### Initiative 900 requires the 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.

In 2024, The Joint Legislative Audit and Review Committee (JLARC) held [public hearings](#) covering 14 new SAO performance audits.

- Two reports made recommendations to the Legislature. They are indicated with asterisks in the table below.
- The Legislature introduced a bill based on SAO recommendations to executive agencies in another report (#13 in the table below).

SAO performance audits	Report links
1. Lead Testing for Children Enrolled in Medicaid	<a href="#">Report link</a>
2. Assessing the Effectiveness of Washington's Water Use Efficiency Regulations*	<a href="#">Report link</a>
3. Aquatic Land Lease Rates: Assessing Process Consistency	<a href="#">Report link</a>
4. Growth Management Act: County and City Compliance with the State's 120-day Permitting Requirement	<a href="#">Report link</a>
5. Civil Asset Forfeiture: Strengthening Transparency and Protections for Property Owners*	<a href="#">Report link</a>
6. I-1163 2024: Following up on Selected Issues from Previous Audits	<a href="#">Report link</a>
7. Strategies to Improve Recruitment and Retention for Special Education Staff	<a href="#">Report link</a>
8. One Washington: Opportunities to Strengthen Plans for Producing Reliable Financial Statements	<a href="#">Report link</a>
9. Running Start and College in the High School: Assessing Dual Credit Transferability	<a href="#">Report link</a>
10. Opportunities to Improve IT Security at Local Governments - FY 2024	<a href="#">Report link</a>
11. Opportunities to Improve State Information Security - FY 2024	<a href="#">Report link</a>
12. Evaluating Washington State Oversight of the Cannabis Industry: Follow-up issues	<a href="#">Report link</a>
13. Examining Washington's Concurrent Medicaid Enrollments	<a href="#">Report link</a>
14. Housing Finance Commission: Tenant Purchase Options under the Low-Income Housing Tax Credit program	<a href="#">Report link</a>

## **Initiative 900 requires JLARC to report the status of legislative implementation of SAO's recommendations**

By July 1 of each year, JLARC must report the status of SAO's recommendations to the Legislature.

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 2025.

# Implementation status of the SAO recommendations to the Legislature

The table below summarizes the status of the SAO's recommendations to the Legislature.

- **New:** SAO made three new recommendations to the Legislature in 2024.
- **Unresolved:** Three recommendations were unresolved coming into the 2025 legislative session.
- **Previously resolved:** These recommendations were addressed in status reports in prior years.

Definitions of the reporting categories follow the table.

		Implemented	Not Implemented		Other	
SAO Recommendations to the Legislature	Total	Adopted as presented	Bill introduced but not adopted	No formal action taken	Made different policy choice	Other circumstances
New in 2024	3			2	1	
Unresolved from 2021, 2022, or 2023	3		1	1	1	
Previously resolved from 2021, 2022, or 2023						
Total	6		1	3	2	

## Reporting categories used by JLARC

### Implemented

- **Adopted as presented:** The Legislature passed legislation to implement a recommendation in the manner presented by the audit.

### Not Implemented

- **Bill introduced but not adopted:** Bills related to the recommendation topic were introduced, but not adopted.
- **No formal action taken:** No bills were introduced, and no legislation passed. In some cases, the Legislature may have held work sessions or discussions on the topic.

### Other

- **Made different policy choice:** The Legislature passed legislation with a policy choice that differed from the recommendation.
- **Other circumstances:** Other circumstances have occurred that may affect the applicability of the recommendation (e.g., change to federal law, administrative rule, or executive branch program).

## Additional legislative action noted in this report

The Legislature considered a bill that addressed two SAO recommendations directed to state agencies about concurrent Medicaid enrollment. Detail is on page 4.

# Recommendation status details

## 2024 Recommendations

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### Examining Washington's Concurrent Medicaid Enrollments

Released 10/28/2024 | [Link to SAO report](#)

#### About the Audit: SAO Summary

This audit asked:

- To what extent did Washington pay premiums to managed care organizations (MCOs) for clients concurrently enrolled in another state's Medicaid program?
- What additional steps could the Health Care Authority (HCA) and the Department of Social and Health Services (DSHS) take to ensure MCOs are not paid for enrollees who no longer live in Washington?

#### SAO Recommendations to Agencies

1. Continue collaboration between HCA and DSHS to streamline processes and work together to ensure that DSHS notifies HCA when clients enrolled in SNAP or other programs, who are also enrolled in income based (MAGI) Medicaid, move out of state.
2. Request needed clarity from the Social Security Administration (SSA) and the Centers for Medicare and Medicaid Services (CMS) about when and how state Medicaid agencies can determine SSI clients are no longer eligible for the state's Medicaid program due to out of state residency.
  - a. Once that guidance has been clarified, update and provide consistent procedures to all caseworkers.

#### JLARC Staff Status Review and Summary Comments

In the 2025 session, the Legislature considered a bill that would have implemented the two SAO recommendations in this report. The recommendations were directed to state agencies, not the Legislature.

<b>Implementation Status Recommendation #1:</b>	<b>Not implemented</b> – Bills introduced but not adopted
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<b>Comments:</b>	<a href="#">SSB 5258</a> directed HCA and DSHS to notify individuals who are dually enrolled.
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<b>Implementation Status Recommendation #2:</b>	<b>Not implemented</b> – Bills introduced but not adopted
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<b>Comments:</b>	<a href="#">SSB 5258</a> directed HCA to work with SSA and CMS to receive guidance and clarification and required HCA and DSHS to update their procedures accordingly.
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## Civil Asset Forfeiture: Strengthening Transparency and Protections for Property Owners

Released 4/11/2024 | [Link to SAO report](#)

### About the Audit: SAO Summary

This audit examined eight police agencies to better understand civil asset forfeiture activity in Washington. It looked at what police have seized for forfeiture, from whom, and how they use the proceeds. The audit also looked at state requirements around forfeitures. Finally, it considered leading practices, seeking ways to address concerns around due process for people involved in these forfeitures.

### SAO Recommendation to the Legislature

The SAO recommends that the Legislature convene a workgroup to consider potential improvements to the civil asset forfeiture process in Washington. Topics for the workgroup to examine include:

- Conflict of interest apparent in civil asset forfeiture decisions.
- Potential financial incentive in pursuing forfeitures.
- Current lack of transparency about civil asset forfeiture activity.
- Ways to increase safeguards for property owners facing civil asset forfeiture.

### JLARC Staff Status Review and Summary Comments

<b>Implementation Status Recommendation #1:</b>	<b>Other</b> – Made different policy choice
<b>Comments:</b>	The Legislature did not convene a workgroup. However, it passed <a href="#">E2SHB 1440</a> , which addresses some of the topic areas listed for consideration in the recommendation.



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## Assessing the Effectiveness of Washington’s Water Use Efficiency Regulations

Released 12/19/2023 | [Link to SAO report](#)

### About the Audit: SAO Summary

This audit assessed the effectiveness of Washington’s water use efficiency regulations as administered by DOH. It also explored opportunities to improve the results.

### SAO Recommendation to the Legislature

1. Grant the Department of Health (DOH) authority to establish a system size floor for the regulation of water loss, below which municipal water systems would be exempt.
2. Revise the statutes addressed by the Municipal Water Law (RCW 90.03, RCW 90.54 and RCW 70A) to grant the Department of Ecology oversight of all conservation planning and implementation associated with the water use efficiency portion of the law (RCW 70A.125.170).

### JLARC Staff Status Review and Summary Comments

<b>Implementation Status Recommendation #1:</b>	<b>Not implemented</b> – No formal action taken
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<b>Comments:</b>	No action was taken during the 2025 Legislative Session.
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<b>Implementation Status Recommendation #2:</b>	<b>Not implemented</b> – No formal action taken
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<b>Comments:</b>	No action was taken during the 2025 Legislative Session.
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## Previously Unresolved 2022 Recommendations

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### Prescription Monitoring Program: Evaluating System Processes and Program Oversight

Released 10/7/2022 | [Link to SAO report](#)

#### About the Audit: SAO Summary

The Department of Health's (DOH) Prescription Monitoring Program (PMP) began operating more than 10 years ago. Its goals include improving patient care, reducing the abuse of controlled substances, and helping medical professionals reduce overprescribing. This performance audit identified detailed steps that will help DOH improve the effectiveness of this program.

#### SAO Recommendation to the Legislature

To allow greater oversight of the PMP by independent state auditors, as described on pages 31-35 of the audit, the SAO recommended the Legislature amend state law so that independent state auditors, including the Office of the Washington State Auditor and the Joint Legislative Audit and Review Committee can have the authority to access identifiable PMP data.

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#### JLARC Staff Status Review and Summary Comments

<b>Implementation Status</b> <b>Recommendation #1:</b>	<b>Not implemented</b> – No formal action taken
<b>Comments:</b>	No action was taken during the 2025 Legislative Session.

## Previously Unresolved 2021 Recommendations

### K-12 Student Behavioral Health in Washington: Opportunities to improve access to needed supports and services

Released 6/22/2021 | [Link to SAO report](#)

#### About the Audit: SAO Summary

This performance audit evaluates how the public K-12 school districts are addressing student behavioral health prevention and early intervention, and the larger state system in place to coordinate and support these services.

#### SAO Recommendation to the Legislature

To provide greater state-level coordination and promote equitable access to students across the state, as described on pages 25-27 of the audit, the SAO recommends the Legislature:

1. Designate either the Health Care Authority (HCA) or the Office of Superintendent of Public Instruction (OSPI) as the lead state agency tasked with ensuring student access to the continuum of behavioral health services in school settings.

This legislation should reference existing laws and requirements to prevent any duplication, overlap, or fragmentation of duties related to student behavioral health services. It should also include language to ensure school districts and educational service districts comply with all requirements.

2. Allocate funding to the lead state agency with requirements to:
  - o Establish and maintain an advisory council with representatives from HCA, OSPI, educational service districts, school districts, and other key partners such as managed care organizations and community providers. The council's responsibilities should include:
    - Establishing strategic direction and goals for programming around the full continuum of services funded under this legislation.
    - Developing outcome and performance measures and reporting them to the Legislature annually.
    - Providing guidance to school districts and service districts on how funds can be used.
  - o Provide flexible funding to educational service districts and school districts that will help them develop comprehensive behavioral health services to address the needs of their students, either directly in schools or through community partnerships.
  - o Provide upfront funding to educational service districts and school districts seeking to become Medicaid behavioral health providers, as described on page 35 of the audit.

#### JLARC Staff Status Review and Summary Comments

##### Implementation Status Recommendation #1:

**Not implemented** – Bills introduced but not adopted

##### Comments:

[HB 1547/SB 5126](#) directed OSPI, in collaboration with local education agencies, AESD, and other state agencies, to develop a framework for coordinated student support related to behavioral health.

##### Implementation Status Recommendation #2:

**Other** – Made different policy choice

**Comments:**

Although no lead agency was designated, the 2025-27 operating budget ([ESSB 5167](#)) includes appropriations for OSPI and educational service districts relevant to student behavioral health supports.