

STATE OF WASHINGTON

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Legislative Auditor

Ruta Fanning

Joint Legislative Audit & Review Committee
1300 Quince Street SE
PO Box 40910
Olympia, WA 98504-0910
(360) 786-5171
(360) 786-5180 Fax

Website: www.jlarc.leg.wa.gov

AGENDA

October 20, 2010
9:00 a.m. – 12:00 p.m.
John A. Cherberg Building
Senate Hearing Room 4
Olympia, Washington

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

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| 9:00 – 9:05 | *1. Approval of July 21, 2010, and September 22, 2010, JLARC Meeting Minutes |
| 9:05 – 9:45 | 2. Review of Motion Picture Competitiveness Program—Preliminary Report |
| 9:45 – 10:35 | 3. Transparency in Higher Education Data—Preliminary Report |
| 10:35 – 11:05 | 4. State Activities Supporting Recreational Boating In Washington—Preliminary Report |
| 11:05 – 11:25 | *5. Developmental Disabilities Employment and Day Services—Proposed Final Report |
| 11:25 – 11:45 | *6. Office of Regulatory Assistance Sunset Review—Proposed Final Report |
| 11:45 – 12:00 | 7. Washington State's Risk Management Practices—Proposed Scope and Objectives |

* 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 July 21, 2010, and September 22, 2010, JLARC meetings.
2. **Review of Motion Picture Competitiveness Program—Preliminary Report:** Second Substitute Senate Bill 6558 (2006) established a motion picture competitiveness program to provide incentives for motion picture production in the state. Specifically, the bill provides taxpayers with a business and occupation tax credit after they donate to an approved non-profit corporation that would operate the program. The non-profit corporation will use the donations from taxpayers to provide funding assistance to motion picture production companies. JLARC evaluated the implementation of the program, state revenue impacts, employment and other economic impacts, and compared Washington's incentives to those provided by other states and British Columbia. The report concludes Washington is maintaining its position in the film industry and recommends that the tax preference be continued and re-examined at a later date. Additionally, if the Legislature desires information on the revenue and economic impacts of the tax credit it should require more stringent reporting and clarify what entity is responsible for maintaining the information.
3. **Transparency in Higher Education Data—Preliminary Report:** In 2009 legislation, the Legislature asked JLARC to explore the feasibility of establishing a transparent link between revenues, expenditures, and performance outcomes. This study identifies available information on revenues, expenditures and performance; gaps in linking that information; and potential solutions for bridging those gaps. It also discusses methods for understanding how revenues, expenditures and performance influence one another. The study concludes with a description of Washington's experience with performance agreements and a summary of evaluations of performance agreements completed in four other states.
4. **State Activities Supporting Recreational Boating in Washington—Preliminary Report:** The 2009-2011 Biennial Operating Budget directed the Joint Legislative Audit and Review Committee (JLARC) to conduct a study of state recreational boating activities in Washington with a focus on funding and organization and to examine approaches other states have taken to funding and organizing their recreational boating activities. This review identifies the amount of recreational boating-related revenues, and expenditures that supported state recreational-boating activities in the 2007-09 Biennium. The report identifies Washington has more state recreational boating activities and revenue sources than other states. Also, Washington's organizational structure is less centralized but has more interagency coordination than many other states.
5. **Developmental Disabilities Employment and Day Services—Proposed Final Report:** The 2009-11 Operating Budget (ESHB 1244) directed JLARC to examine the DSHS Division of Developmental Disabilities employment and day services administered by the counties. JLARC found that both DSHS and the counties that administer employment and day services have processes that address accountability and oversight. However, accountability and oversight of contracts and the data entry process for payments could be improved. The report includes five recommendations for the Division. The Legislature also directed JLARC to research best practices for outcome-based contracts. Based on the research conducted, JLARC did not find best practices for developmental disability outcome-based contracts. There are only a few states that have begun to use outcome-based contracts in this setting, and since this approach is new, best practices have not yet been established.
6. **Office of Regulatory Assistance Sunset Review—Proposed Final Report:** The Office of Regulatory Assistance (ORA) is to provide a range of assistance and coordination to those seeking environmental permits or business licenses. The Sunset statutes direct that, absent specific action by the Legislature, ORA will cease to exist on June 30, 2011. These statutes require JLARC to review the activities of ORA. JLARC's sunset analysis recommends that the Legislature continue the operations of ORA and suggests a different method of evaluating ORA's ongoing performance. The Office of the Governor, ORA, and OFM concur with JLARC's recommendations, noting that OFM and ORA will offer legislation to eliminate the ORA sunset provision.
7. **Washington State's Risk Management Practices—Proposed Scope and Objectives:** The 2009-11 Operating Budget (ESHB 1244) requires JLARC to review the effect of risk management practices on state conduct and tort payouts (i.e., payouts arising from lawsuits against the state for causing injury). JLARC will review the statewide requirements for and the practice of post-incident reviews, including statutorily established Loss Prevention Reviews. The study will also identify more general statewide risk management requirements.