

# SENATE BILL REPORT

## SB 6362

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As of February 9, 2010

**Title:** An act relating to government accountability.

**Brief Description:** Concerning government accountability.

**Sponsors:** Senators Zarelli, Hewitt, Parlette and Stevens.

**Brief History:**

**Committee Activity:** Government Operations & Elections: 1/25/10, 2/04/10 [DPS-WM].  
Ways & Means: 2/08/10.

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

**Majority Report:** That Substitute Senate Bill No. 6362 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; Roach, Ranking Minority Member; Benton, Pridemore and Swecker.

**Staff:** Edward Redmond (786-7471)

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Steve Jones (786-7440)

**Background:** The Joint Legislative Audit and Review Committee (JLARC) was established in 1996 to make state government operations more effective, efficient, and accountable. JLARC employs the State Auditor and conducts performance audits, program evaluations, sunset reviews, and other analyses to meet its objectives. The State Auditor audits public accounts in state agencies and local governments. In addition, the State Auditor may conduct performance audits or performance verifications if authorized to do so in the operating budget or in the JLARC work plan.

In 2005 the Legislature passed ESHB 1064, Improving Government Performance and Accountability. The bill created the Citizen Advisory Board (Board) to improve efficiency, effectiveness, and accountability in state government. The Board works synchronously with the State Auditor in the administration of performance audits.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The Performance Audits of Government Act (PAGA) was approved by state voters in the November 2005 general election. PAGA authorized the State Auditor to conduct independent, comprehensive performance audits of state and local governments. All agencies, accounts, and programs, as well as the judicial and legislative branches of government are subject to such performance audits.

**Summary of Bill (Recommended Substitute):** Ten government priorities are identified by the Legislature to verify that state agencies and activities are performing at their highest efficiency. The ten priorities include improving:

- student achievement in K-12;
- quality and respect for the public workforce;
- value of state college or university education;
- health of state citizens;
- security of the state's vulnerable children and adults;
- the economic vitality of businesses and individuals;
- statewide mobility of people, goods, information, and energy;
- safety of people and property;
- quality of the state's natural resources; and
- cultural and recreational opportunities throughout the state.

JLARC is required to annually select one of the ten categories above and determine the relative priority of all programs and activities within that category. The State Auditor will select one to four programs categorized as the highest priority for a performance audit to determine if they are operating at maximum efficiency. The State Auditor will additionally select one or more programs categorized as the lowest priority for an activity assessment to determine their continued viability. Prior to commencing the performance audits and activity assessments, the State Auditor must present its work plan to JLARC in an open public meeting. The public meeting will provide opportunity for comments from the Governor's office, affected agencies, and the public.

The State Auditor must release the report to the public, the Governor, and the appropriate legislative committees by December 1 of the year the performance audit or activity assessment is undertaken. JLARC must submit proposed legislation to implement the findings of the audit. The appropriate legislative committee in each house is required to conduct a public hearing during session on such submitted legislation.

The government prioritization and efficiency program will be financed through a 30 percent allotment of funds assessed against the Performance Audits of Government Account. The State Auditor is required to reimburse JLARC for reasonable costs incurred during the auditing process.

**EFFECT OF CHANGES MADE BY GOVERNMENT OPERATIONS & ELECTIONS COMMITTEE (Recommended Substitute):** Transfers responsibility of selecting the highest priorities to audit and the lowest priorities to assess from JLARC to the State Auditor. Requires the State Auditor to present its work plan at an open public meeting for evaluation and recommendations prior to commencing audits. Specifies that the State Auditor must reimburse JLARC for reasonable costs incurred during the review process.

**Appropriation:** None.

**Fiscal Note:** Available on Original Bill.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed except for Section 9, which takes effect on January 1, 2011 (after Section 8 expires).

**Staff Summary of Public Testimony on Original Bill (Government Operations & Elections):** PRO: This bill is a more focused effort to ensure government efficiency and accountability. The bill brings teeth to the government auditing process by allowing JLARC to propose legislation to implement the findings of the audit. There are many good points about the bill and it has the support of the State Auditor's office.

**Persons Testifying (Government Operations & Elections):** PRO: Senator Zarelli, prime sponsor; Brian Sonntag, State Auditor; Rowland Thompson, Allied Daily Newspapers.

**Staff Summary of Public Testimony on Recommended Substitute (Ways & Means):** PRO: This legislation brings together, and coordinates, the performance audit functions of the State Auditor and the Joint Legislative Audit and Review Committee. The result of this legislation will be a bipartisan effort to improve the results and impacts of performance audits. Another product of this bill will be the enactment of effective legislation to implement the findings of the performance audits.

**Persons Testifying (Ways & Means):** PRO: Senator Zarelli, prime sponsor.