

# SENATE BILL REPORT

## E2SHB 2222

---

As Reported By Senate Committee On:  
Ways & Means, February 26, 1996

**Title:** An act relating to legislative oversight of state and local government programs.

**Brief Description:** Strengthening legislative oversight of government programs.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Backlund, Huff, Foreman, B. Thomas, Smith, Horn, Hymes, Honeyford, Fuhrman, Lambert, Thompson and McMahan).

**Brief History:**

**Committee Activity:** Ways & Means: 2/20/96, 2/26/96 [DPA].

---

### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass as amended.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Cantu, Drew, Finkbeiner, Fraser, Hargrove, Hochstatter, Kohl, Long, McDonald, Pelz, Quigley, Sheldon, Snyder, Spanel, Strannigan, West and Winsley.

**Staff:** Stan Pynch (786-7512)

**Background:** The Legislative Budget Committee (LBC) is composed of eight members of the Senate and eight members of the House of Representatives. No more than four members from each house may be from the same political party.

The LBC is authorized to conduct performance audits of state agencies, as well as management surveys and program reviews of state agencies, school districts and other units of local governments receiving state funds. In addition, the LBC conducts program and fiscal reviews of state agencies and programs under the sunset review process. The audits, surveys, reviews, and evaluations are intended to improve the economy, efficiency, and effectiveness of state agencies. The LBC is to ascertain whether an agency is faithfully, efficiently, and effectively administering its legislative purpose and to determine conformity with legislative intent. LBC examinations may also include: (a) consideration of whether or not the agency is economical in providing a needed public service; (b) consideration of potential modifications or elimination in order to improve efficiency; (c) identification of duplication in services; and (d) consideration of whether program goals and objectives have been accomplished.

The LBC may establish a biennial work plan that identifies state agency programs for which formal evaluation appears necessary as part of the program evaluation process. The LBC may employ public and private contract evaluators to conduct program evaluations.

The LBC hires the Legislative Auditor to act as the executive director of the committee and sets the Legislative Auditor's salary. The LBC hires and sets the salary for the other staff.

The State Auditor is authorized to conduct performance verifications when expressly authorized by the Legislature in the operating budget. The State Auditor may allocate no more than de minimus resources to performance audits except when expressly authorized in the operating budget. The auditor is also empowered to: (a) determine whether agencies, in making expenditures, have complied with the laws affecting that agency; (b) report to the Legislature on facts relating to the management and performance of state programs when such facts are discovered incidental to financial audits; (c) take exception to specific expenditures of any agency; and (d) give information to the Legislature on any subject relating to the financial affairs of the state.

**Summary of Amended Bill:** The Legislative Budget Committee (LBC) is renamed the Joint Legislative Audit and Review Committee.

**Amended Bill Compared to Substitute Bill:** The original bill, which renamed the LBC, added two citizen members, redefined performance audits, and added numerous administrative requirements and processes was not considered.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The public wants greater accountability. Provisions in the bill regarding audit standards and external review of audit processes will address those public concerns. The compliance hearings required in the bill will add clout to the performance audits.

**Testimony Against:** None.

**Testified:** Representative Backlund, original prime sponsor (pro).