

---

**State Government, Elections &  
Information Technology Committee**

---

**HB 1323**

**Brief Description:** Concerning loss prevention reviews by state agencies.

**Sponsors:** Representatives Wylie, Harris, Nealey, McBride, Stanford and Muri; by request of Department of Enterprise Services.

**Brief Summary of Bill**

- Changes authority to appoint Loss Prevention Review Teams.
- Reduces Review Team size to three members.
- Authorizes rulemaking and specifies reporting requirements.

**Hearing Date:** 1/31/17

**Staff:** Megan Palchak (786-7105).

**Background:**

The Office of Risk Management within the Department of Enterprise Services (DES) operates the risk management safety and loss control program to reduce liability and property losses. Loss prevention review teams (Teams) are appointed by the director of DES when:

- the death of a person, serious injury to a person, or other substantial loss is alleged or suspected to be caused at least in part by the actions of a state agency, if the incident merits review; or
- any other substantial loss occurs as a result of agency policies, litigation, defense practices, or other management practices.

Teams must consist of no more than five persons and may include independent consultants, contractors, or state employees, but shall not include any person employed by the agency involved in the loss or risk. Teams issue final reports to the Director of DES, who upon receipt, makes the report public.

---

*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.*

**Summary of Bill:**

State agencies in consultation with the DES shall appoint a review team unless an investigation by another state or federal agency is already underway. The DES may direct a state agency to conduct a loss prevention review. The director is authorized to develop rules for state agency review teams. Nothing about review team appointment is intended to limit the scope of a legislative inquiry into, or review of, an incident that is the subject of a loss prevention review. Nothing about reviews affects hospital licensing and regulations.

Review team membership is restricted to three persons. Any persons directly involved in the loss or risk under review shall not be a review team member.

State agency review team reports must be submitted to the DES director, and made public after review. Reports must include: (1) team findings, (2) an analysis regarding the causes and contributing factors regarding the loss, (3) future risk, and (4) methods to address and mitigate risks identified, which may include changes to policies or procedures and legislative recommendations. Agency responses to review reports are not required.

"State agency" is defined as every state agency, office, officer, board, commission, institution, and institution of higher education, including all state universities, regional universities, the Evergreen State College, and community and technical colleges.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.