CERTIFICATION OF ENROLLMENT

**ENGROSSED SUBSTITUTE SENATE BILL 5405**

Chapter 310, Laws of 2021

(partial veto)

67th Legislature

2021 Regular Session

JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE—RACIAL EQUITY ANALYSES

EFFECTIVE DATE: July 25, 2021

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| Passed by the Senate March 5, 2021Yeas 47 Nays 2DENNY HECK**President of the Senate**Passed by the House April 7, 2021Yeas 56 Nays 41LAURIE JINKINS**Speaker of the House of Representatives** | CERTIFICATEI, Brad Hendrickson, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5405** as passed by the Senate and the House of Representatives on the dates hereon set forth.BRAD HENDRICKSONSecretary |
| Approved May 13, 2021 11:57 AM with the exception of section 2, which is vetoed. | May 13, 2021 |
| JAY INSLEE**Governor of the State of Washington** | **Secretary of State** **State of Washington** |

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**ENGROSSED SUBSTITUTE SENATE BILL 5405**

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Passed Legislature - 2021 Regular Session

**State of Washington 67th Legislature 2021 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Hasegawa, Conway, Liias, Nguyen, Saldaña, and Wilson, C.)

AN ACT Relating to racial equity analysis for the joint legislative audit and review committee work; amending RCW 44.28.005; adding a new section to chapter 44.28 RCW; creating a new section; and providing an expiration date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  A new section is added to chapter 44.28 RCW to read as follows:

The joint committee shall incorporate a racial equity analysis into performance audits, sunset reviews, and other audits or reports conducted by the joint committee. The joint committee shall note in its audits, reviews, and reports if a racial equity analysis is not necessary or appropriate. The joint committee may work with the office of equity, the governor's office of Indian affairs, the LGBTQ commission, the Washington state women's commission, and the ethnic commissions to design the racial equity analysis required under this section.

NEW SECTION. **Sec.**  (1) The joint legislative audit and review committee must complete a racial equity analysis by December 31, 2021, on the impact of the restrictions on in-person K-12 education put in place since the state of emergency declared on February 29, 2020, for all counties in Washington due to COVID-19.

(2) This section expires July 1, 2022.

**Sec.**  RCW 44.28.005 and 1996 c 288 s 2 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Legislative auditor" means the executive officer of the joint legislative audit and review committee.

(2) "Economy and efficiency audits" means performance audits that establish: (a) Whether a state agency or unit of local government receiving state funds is acquiring, protecting, and using its resources such as personnel, property, and space economically and efficiently; (b) the causes of inefficiencies or uneconomical practices; and (c) whether the state agency or local government has complied with significant laws and rules in acquiring, protecting, and using its resources.

(3) "Ethnic commissions" means the Washington state commission on African American affairs established in chapter 43.113 RCW, the Washington state commission on Asian Pacific American affairs established in chapter 43.117 RCW, and the Washington state commission on Hispanic affairs established in chapter 43.115 RCW.

(4) "Final compliance report" means a written document, as approved by the joint committee, that states the specific actions a state agency or unit of local government receiving state funds has taken to implement recommendations contained in the final performance audit report and the preliminary compliance report. Any recommendations, including proposed legislation and changes in the agency's rules and practices or the local government's practices, based on testimony received, must be included in the final compliance report.

((~~(4)~~)) (5) "Final performance audit report" means a written document adopted by the joint legislative audit and review committee that contains the findings and proposed recommendations made in the preliminary performance audit report, the final recommendations adopted by the joint committee, any comments to the preliminary performance audit report by the joint committee, and any comments to the preliminary performance audit report by the state agency or local government that was audited.

((~~(5)~~)) (6) "Joint committee" means the joint legislative audit and review committee.

((~~(6)~~)) (7) "Local government" means a city, town, county, special purpose district, political subdivision, municipal corporation, or quasi-municipal corporation, including a public corporation created by such an entity.

((~~(7)~~)) (8) "Performance audit" means an objective and systematic assessment of a state agency or any of its programs, functions, or activities, or a unit of local government receiving state funds, by an independent evaluator in order to help public officials improve efficiency, effectiveness, and accountability. Performance audits include economy and efficiency audits and program audits. A performance audit of a local government may only be made to determine whether the local government is using state funds for their intended purpose in an efficient and effective manner.

((~~(8)~~)) (9) "Performance measures" are a composite of key indicators of a program's or activity's inputs, outputs, outcomes, productivity, timeliness, and/or quality. They are means of evaluating policies and programs by measuring results against agreed upon program goals or standards.

((~~(9)~~)) (10) "Preliminary compliance report" means a written document that states the specific actions a state agency or unit of local government receiving state funds has taken to implement any recommendations contained in the final performance audit report.

((~~(10)~~)) (11) "Preliminary performance audit report" means a written document prepared for review and comment by the joint legislative audit and review committee after the completion of a performance audit. The preliminary performance audit report must contain the audit findings and any proposed recommendations to improve the efficiency, effectiveness, or accountability of the state agency or local government audited.

((~~(11)~~)) (12) "Program audits" means performance audits that determine: (a) The extent to which desired outcomes or results are being achieved; (b) the causes for not achieving intended outcomes or results; and (c) compliance with significant laws and rules applicable to the program.

((~~(12)~~)) (13) "State agency" or "agency" means a state agency, department, office, officer, board, commission, bureau, division, institution, or institution of higher education. "State agency" includes all elective offices in the executive branch of state government.

**--- END ---**

Passed by the Senate March 5, 2021.

Passed by the House April 7, 2021.

Approved by the Governor May 13, 2021, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 13, 2021.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 2, Engrossed Substitute Senate Bill No. 5405 entitled:

"AN ACT Relating to racial equity analysis for the joint legislative audit and review committee work."

Section 2 directs the Joint Legislative Audit and Review Committee (JLARC) to complete a racial equity analysis on the impact of the restrictions on in-person K-12 education put in place since the COVID-19 state of emergency was declared on February 29, 2020, for all counties in Washington. Racial equity in education is a longstanding issue that was made worse by the COVID pandemic. Beyond the necessary school restrictions imposed, COVID impacts on education also included, but are not limited to, public health, economic disruption, teacher safety and loss of child care. I believe a broader review of racial inequities in K-12 is needed, and I will ask the Washington Student Achievement Council to conduct this review.

For these reasons I have vetoed Section 2 of Engrossed Substitute Senate Bill No. 5405.

With the exception of Section 2, Engrossed Substitute Senate Bill No. 5405 is approved."