

State of Washington

Joint Legislative Audit and Review Committee (JLARC)

**Status Report:**  
**Implementation of State Auditor I-900**  
**Recommendations to the Legislature**

*As required by Initiative 900*

June 23, 2011



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## Initiative 900 Requires JLARC Report

In November 2005, the people of the State of Washington approved Initiative 900. The initiative directs the State Auditor's Office (SAO) to conduct performance audits of state and local government agencies.

The initiative also includes the following direction with regard to performance audits of state government: "An annual report will be submitted by the Joint Legislative Audit and Review Committee by July 1<sup>st</sup> of each year detailing the status of the legislative implementation of the State Auditor's recommendations." This report represents JLARC's compliance with this requirement for 2011.

## Three New SAO Performance Audits with Recommendations to the Legislature Available for Legislative Consideration in the 2011 Regular Legislative Session

This is the fifth annual report that JLARC has released on the status of recommendations to the Legislature made by the State Auditor's performance audits.<sup>1</sup> From February 2010 through February 2011, the State Auditor released three new performance audit reports with specific recommendations to the Legislature which were available for the Legislature's consideration during the 2011 Regular Legislative Session. The State Auditor issued an additional four audits during that period which did not include any specific recommendations to the Legislature, and two performance reviews. JLARC held public hearings on all of the State Auditor's performance audits and reviews issued during that time period.

This JLARC report provides information on the implementation status of four specific recommendations to the Legislature included in those new performance audits. In addition, the report includes updated information on the status of 14 unresolved recommendations to the Legislature discussed in JLARC's previous annual reports on this topic. Twenty-three prior recommendations to the Legislature that have already been addressed in some manner are not included in this report.

## Summary of Implementation of SAO Recommendations to the Legislature

Table 1 summarizes implementation of the recommendations to the Legislature in the SAO's performance audits through the 2011 Legislative Session. The table uses the following reporting categories:

- **Implemented – Adopted As Presented** – Legislative action implementing an SAO recommendation in the manner that it was presented in the audit;
- **Implemented – Addressed with Different Approach** – Legislative action where the Legislature addressed the issue raised in the recommendation, but via a different approach;
- **Legislature Made Different Policy Choice** – Legislative action where the Legislature was aware of the recommendation and made a different policy choice than what the SAO recommended; **Bills Introduced on Topic But Not Adopted** – Situation where individual legislators introduced bills on the topic covered in the recommendation, but the Legislature did not adopt the recommendation;

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<sup>1</sup> Many of the recommendations in the SAO performance audits are directed to state or local government agencies rather than to the Legislature. This report does not provide information on implementation of those recommendations. For local governments, Initiative 900 directs that "an annual report will be submitted by the legislative body by July 1<sup>st</sup> of each year detailing the status of the legislative implementation of the State Auditor's recommendations."

- **Other Circumstances** – This category denotes recommendations where other relevant circumstances apply; and
- **Related or No Information** – Related information is provided when available.

Table 1 – Implementation of SAO I-900 Recommendations to the Legislature:  
Status Following the 2011 Legislative Session

Current Implementation Status	Recommendations		
	2010	2007-09	Total
Implemented:			
– Adopted as Presented	2	9	11
– Addressed with Different Approach		6	6
Legislature Made Different Policy Choice	1	3	4
Bills Introduced on Topic But Not Adopted		3	3
Other Circumstances		8	8
Related or No Information	1	8	9
<b>Total</b>	<b>4</b>	<b>37</b>	<b>41</b>

## Detail on Specific SAO Recommendations to the Legislature

What follows are details on the specific recommendations to the Legislature in the three newly issued SAO performance audits available for the Legislature’s consideration in the 2011 Legislative Session. It also includes an update on the status of recommendations to the Legislature in previously issued SAO performance audits that had not been resolved at the time of our last report on this topic. For each of these performance audits, this JLARC report provides:

- A brief summary of the subject of the performance audit;
- The text of each recommendation to the Legislature;
- The current implementation status for each recommendation;
- Identification of related legislation; and
- Where appropriate, a comment section to provide additional explanation/context about the Legislature’s actions or the categorization of implementation status.

Each section ends with reporting on any additional legislative activity during the 2010 interim and the 2011 Legislative Session, such as public hearings, work sessions, and related budget activity. The audit reports are grouped by year and listed in the order in which the State Auditor released them.

Initiative 900 also states that “justification must be provided for recommendations not implemented.” Since no individual or entity can singularly speak to the reason for legislative action or inaction, JLARC’s auditors could not identify sufficient and appropriate evidence to make definitive conclusions about why recommendations have not been implemented to date. However, the information provided in the comment sections does, in some cases, provide a context for the Legislature’s actions.

# Newly Issued 2010 Recommendations

## Department of Fish and Wildlife Delayed-Release Chinook Salmon Released April 9, 2010

### About the audit:

This audit reviewed the Department of Fish and Wildlife's delayed-release Chinook salmon activity. The audit concluded the Department does not meet the statutory goal to release 3 million delayed-release salmon annually, due to several factors. The audit also found that the statutory goal is not an effective or efficient strategy for restoring the Puget Sound Chinook salmon recreational fishery and that the Department has not fully used its monitoring data to support policy discussions and decision-making by the sport fishing oversight committee, the Fish and Wildlife Commission, or the Legislature. The audit includes two recommendations to the Legislature.

### SAO Recommendation to the Legislature:

The Legislature should replace the statutory provision requiring the Department to release 3 million delayed-release Chinook annually with outcome-oriented goals that align with the Hatchery Scientific Review Group's recommendations.

#### Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- Related or no information

### 2011 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
HB 1698	✓	✓	✓	✓	✓
SB 5291	✓	✓			

### Comments:

In addition to implementing a recommendation from this SAO performance audit, the legislation also implements a JLARC recommendation on marine fish management from a 2003 study (Report 03-12).

### Additional Legislative Action:

- JLARC held an I-900 public hearing on April 21, 2010.

## Newly Issued 2010 Recommendations

### Department of Fish and Wildlife Delayed-Release Chinook Salmon

Released April 9, 2010

#### SAO Recommendation to the Legislature:

The Legislature also should require the Department to report regularly on its progress toward meeting the revised goals.

#### Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- Related or no information

#### 2011 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
HB 1698	✓	✓	✓	✓	✓
SB 5291	✓	✓			

#### Comments:

The legislation includes annual reporting to the Fish and Wildlife Commission and biennial reporting to the Legislature.

#### Additional Legislative Action:

- JLARC held an I-900 public hearing on April 21, 2010.



## Newly Issued 2010 Recommendations

### Mid-Columbia Public Utility Districts

Released May 19, 2010

#### About the audit:

This audit focused on three mid-Columbia public utility districts (PUDs) that own and operate hydroelectric facilities on the Columbia River. They are Chelan County PUD, Douglas County PUD, and Grant County PUD. The audit objectives covered the nine elements of a performance audit included in I-900 as well as five specific objectives related to providing citizens useful and accurate financial, performance and policy information; achieving effective and efficient planning, designing, and construction management; efficiently soliciting, procuring and managing contracts; effectively managing administrative operations; and efficiently managing operational expenses. An overarching recommendation from the audit includes one recommendation to the Legislature.

#### SAO Recommendation to the Legislature:

We recommend the Legislature consider increasing the threshold for Chapter 54.04.070(2) RCW. Specifically: (2) *Any work ordered by a district commission, the estimated cost of which is in excess of twenty-five thousand dollars, exclusive of sales tax, shall be by contract. However, a district commission may have its own regularly employed personnel perform work which is an accepted industry practice under prudent utility management without a contract. For purposes of this section, "prudent utility management" means performing work with regularly employed personnel utilizing material of a worth not exceeding one hundred fifty thousand dollars in value without a contract. This limit on the value of material being utilized in work being performed by regularly employed personnel shall not include the value of individual items of equipment purchased or acquired and used as one unit of a project.* (Emphasis added in SAO report)

#### Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- Related or no information

#### 2011 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

#### Comments:

In 2008, the Legislature raised the maximum estimated cost of work done by PUDs without contracting from \$10,000 to \$25,000, and the maximum cost of material used in that work from \$50,000 to \$150,000. (See C. 216, L. 2008, ESSB 6560, revising RCW 54.04.070.) The audit recommends that the Legislature further increase those amounts.

#### Additional Legislative Action:

- JLARC held an I-900 public hearing on June 16, 2010.

## Newly Issued 2010 Recommendations

### Department of Licensing Master License Service

Released December 20, 2010

#### About the audit:

This audit of the Master License Service program at the Department of Licensing was conducted to answer two primary questions: 1) is the program achieving the goals established in state law related to the provision of a convenient, accessible, and timely one-stop business licensing system and an elimination of obsolete and duplicative licensing requirements, and 2) could services to businesses be improved if more state agencies and local governments participated in the program? The audit includes one recommendation to the Legislature.

#### SAO Recommendation to the Legislature:

We recommend state lawmakers revise the current MLS state law to authorize MLS to process new corporate registrations and renewals on behalf of the Office of the Secretary of State. Currently, MLS performs this administrative function for renewals but not for new registrations.

#### Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- Related or no information

#### 2011 Related Legislation:

Bill #	Bill Introduced	Out of Fiscal Committee	Out of House of Origin	Passed Legislature	Signed by Governor
SHB 2017	✓	✓	✓	✓	✓
SB 5911	✓	✓			
ESHB 1087	✓	✓	✓	✓	✓

#### Comments:

- SHB 2017 of 2011, which was enacted, transfers the administration and all powers, duties, and functions related to the Master License Service program from the Department of Licensing to the Department of Revenue (DOR). The bill indicates that the Secretary of State (SOS) and the director of Revenue may enter into agreements designating DOR as the secretary's "agent for issuing all or a portion of the legal entity renewals within the jurisdiction of the SOS." It does not mention new registrations.
- SB 5911, which was not enacted, would have transferred the administration and all powers, duties, and functions related to the Master License Service program from the Department of Licensing to the Department of Revenue (DOR).
- ESHB 1087, which was enacted, includes an appropriation to implement SHB 2017.
- The Secretary of State's office, in its formal response to the SAO audit, indicated that "incorporation or the formation of a limited liability company is not the same thing as applying for a license." The Secretary's response expressed concerns about treating incorporations in the same manner as sole proprietorships.

## Newly Issued 2010 Recommendations

### Department of Licensing Master License Service Released December 20, 2010

#### **Additional Legislative Action:**

- JLARC held an I-900 public hearing on January 5, 2011.

## Previously Unresolved 2009 Recommendations

### Three Public Hospital Districts: Valley Medical Center, Evergreen Healthcare, Stevens Hospital Released November 12, 2009

#### About the audit:

This audit focused on the three largest public hospital districts in the state: King County Public Hospital District 1 (Valley Medical Center); King County Public Hospital District 2 (Evergreen Healthcare); and Snohomish County Public Hospital District 2 (Stevens Hospital). The audit objective was to determine whether opportunities for improvement existed in the following areas of hospital operations for the three districts: transparency and citizen outreach; process and procedures used in negotiating and determining CEO compensation and severance; nursing and administrative staffing levels; procurement and inventory management related to medical supplies; and construction reporting and monitoring. The audit includes one directive to the Legislature.

#### SAO Recommendation to the Legislature:

The Legislature should amend state law to explicitly limit gifts and compensation to physicians from vendor representatives.

#### Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- Related or no information

#### 2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

#### 2011 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

#### Comments:

The federal Patient Protection and Affordable Care Act, which became law on March 30, 2010, includes reporting on payments or other transfers of value to hospitals, doctors, and other practitioners from manufacturers of drugs, devices, biological products or medical supplies covered by Medicare or Medicaid. (42 U.S.C. §1320a-7i).

## Previously Unresolved 2009 Recommendations

### Eight Counties' Building Permit and Inspection Fees: Clark, Klickitat, Pacific, Pend Oreille, Skamania, Walla Walla, Whatcom, Yakima Released December 29, 2009

#### **About the audit:**

As required by legislation enacted in 2009 (SB 5120), this audit focused on the reasonableness of building and inspection fees imposed by eight counties in the state. The audit includes one directive to the Legislature.

#### **SAO Recommendation to the Legislature:**

The Legislature should develop legislation that:

- Allows for thresholds of working capital from surplus building permit revenues;
- Defines building permit processing activities and allowable expenses; and
- Specifically allows for appropriate indirect costs for all permit types.

#### **Implementation status:**

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- Related or no information

#### **2010 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

#### **2011 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

# Previously Unresolved 2008 Recommendations

## Open Public Records Practices at 30 Government Entities Released May 19, 2008

### About the audit:

This audit was designed to answer the following question: How effective were 10 selected cities, 10 selected counties, and 10 selected state agencies at responding to 10 public record requests in a prompt and cooperative manner? An overarching recommendation from the audit includes one directive to the Legislature.

### SAO Recommendation to the Legislature:

The Legislature should provide funding to the Attorney General's Office to establish and maintain a public records training curriculum.

#### Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- Related or no information

### 2009 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

### 2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

### 2011 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

### Comments:

In 2005, the state's Attorney General established the position of Open Government Ombudsman within the Attorney General's Office. The Ombudsman assists the public and state and local agencies with open-government questions, training, policy, and litigation. Training is primarily the duty of agencies subject to the Public Records Act.

Neither the Attorney General's office nor the Governor requested additional funding for public records training in the 2011-13 Biennial Budget.

## Previously Unresolved 2009 Recommendations

### School Districts' Administration and Support Services

Released September 30, 2008

#### **About the audit:**

This audit was designed to answer the following questions at the 10 largest school districts in Washington:

- How economical are each school district's administrative operations, administrative costs, administrative salaries, and administrative staffing levels? If not economical, what is the impact on costs and resources?
- How efficient are each school district's administrative operations? If not efficient, what is the impact on cost and available resources?

The audit includes three recommendations to the Legislature, one of which was already resolved and the remaining two of which are included below.

#### **SAO Recommendation to the Legislature:**

A review is necessary at the state level to determine if the process to approve funds for planning, design, and construction is too lengthy and could be shortened. This would reduce the need and time for housing students in portables statewide.

#### **Implementation status:**

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- Related or no information

#### **2009 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

#### **2010 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

#### **2011 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

#### **Comments:**

At the Legislature's direction, JLARC issued a report in January 2010 entitled "K-12 Pilot Facility Inventory, Condition and Use System (Report 10-2)," that analyzes the feasibility of collecting data about K-12 buildings, including portables. It also provides cost options to the Legislature to fund a data system for collecting information about K-12 buildings. The Legislature appropriated \$250,000 to the Office of the Superintendent of Public Instruction (OSPI) to fund one of the JLARC cost options in the 2010 Supplemental Budget (ESHB 2836). In February 2011, OSPI reported to the Levy & Local Effort Assistance Technical Working Group that pilot testing of the School Facilities Inventory and Condition System is scheduled to begin in May 2011, and that once it is fully implemented, the Legislature will

## Previously Unresolved 2008 Recommendations

### School Districts' Administration and Support Services Released September 30, 2008

“have increased ability to assess the inventory and condition of K-12 facilities, to target resources, and for capital planning.”



## Previously Unresolved 2009 Recommendations

### School Districts' Administration and Support Services

Released September 30, 2008

#### SAO Recommendation to the Legislature:

To more accurately capture program cost, the Legislature should authorize the optional use of enterprise funds to account for the school districts' business-like activities.

#### Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- Related or no information

#### 2009 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation					

#### 2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation					

#### 2011 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation					

## Previously Unresolved 2008 Recommendations

### Use of Impact Fees in Federal Way, Olympia, Maple Valley, Redmond, and Vancouver Released October 14, 2008

#### **About the audit:**

This audit was designed to determine 1) the method each city uses to calculate impact fees based on the direction in state law; 2) how each city demonstrates that these fees are appropriate; and 3) how effectively each city uses impact fees to pay for public facilities that a) correspond to the demand for public facilities from new development, and b) benefit new development proportionate to its share of the financing of new or expanded facilities; and are consistent with a comprehensive plan or a capital element of a comprehensive land use plan that has been adopted in accordance with state law. The audit includes two recommendations to the Legislature.

#### **SAO Recommendation to the Legislature:**

The Legislature should amend RCW 82.02.090 to better define capital facilities and alleviate ambiguity.

#### **Implementation status:**

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- Related or no information

#### **2009 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation					

#### **2010 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation					

#### **2011 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
SSB 5131	✓	✓			

#### **Comments:**

SSB 5131, which was not enacted, would have expanded certain public facilities eligible to be credited against the imposition of impact fees to include transit, bicycle, and pedestrian facilities.

#### **Additional Legislative Action:**

- During the 2010 interim, the House Local Government & Housing Committee held a work session on 12/10/10 that included a presentation on “City Budgets: Obligations, Practices, and Revenues.”

## Previously Unresolved 2009 Recommendations

### Use of Impact Fees in Federal Way, Olympia, Maple Valley, Redmond, and Vancouver Released October 14, 2008

This included a discussion on city challenges in meeting their obligations when accepting new growth.

- HB 1240 of 2011, which was not enacted, would have established a moratorium on the imposition of impact fees.
- SHB 1295 of 2011, which was enacted, includes an exemption from a portion of impact fees for residences with fire sprinkler systems. A Senate companion (SSB5206 of 2011) was not enacted.
- EHB1398 and SB 5524 of 2011, which were not enacted, would have created an exemption from impact fees for low-income housing.
- EHB 1702 and SB 5607 of 2011, which were not enacted, would have established a process for paying impact fees through covenants.
- ESHB 1478 of 2011, which was enacted, extends the timeframe local governments are required to expend or encumber impact fees from six to ten years of receipt, unless there exists an extraordinary and compelling reason for fees to be held longer than ten years. A Senate companion (SB 5360 of 2011) was not enacted.
- SB 5496 of 2011, which was not enacted, would have exempted mobile home parks and manufactured housing communities from the definition of “development activity” that can be charged impact fees.

**Previously Unresolved 2008 Recommendations**

**Use of Impact Fees in Federal Way, Olympia,  
Maple Valley, Redmond, and Vancouver**  
Released October 14, 2008

**SAO Recommendation to the Legislature:**

The Legislature should consider modifying RCW 82.02.070 to better define “separate interest-bearing accounts.”

**Implementation status:**

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- Related or no information

**2009 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

**2010 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

**2011 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

**Additional 2011 Legislative Action:**

- ESHB 1478, which was enacted, extends the timeframe local governments are required to expend or encumber impact fees from six to ten years of receipt, unless there exists an extraordinary and compelling reason for fees to be held longer than ten years. A Senate companion (SB 5360 of 2011) was not enacted.

# Previously Unresolved 2007 Recommendations

**Department of Health:  
Health Professions Quality Assurance (HPQA)  
Released August 21, 2007**

## About the audit:

In May 2006, the Governor asked the State Auditor's Office to review the state's processes for regulating health professionals and to recommend ways to improve the licensing and discipline of health care providers to protect patients. The Governor also asked the State Auditor to recommend ways to conduct national criminal background checks on health care license applicants and on existing practitioners. This audit includes seven recommendations to the Legislature, five of which were already resolved and the remaining two of which are included below.

### SAO Recommendation to the Legislature:

The Legislature should amend the Written Operating Agreement statute between HPQA and the boards and commissions to include negotiated performance-based provisions. The amendment should include: (1) a requirement that the written agreements are reviewed annually and revised as needed to continually drive performance to protect the public's interests; (2) set an effective date as a deadline for these agreements to be revised and to become operational; (3) require the results of the key performance measures (as appropriate to protect confidentiality) be posted on the Web sites of HPQA and each board and commission.

#### Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- Related or no information

### 2008 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
HB 2906	✓				
SHB 2907	✓	✓			
SSB 6458	✓	✓	✓		
SSB 6506	✓	✓			

### 2009 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

### 2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

## Previously Unresolved 2007 Recommendations

### Department of Health: Health Professions Quality Assurance (HPQA) Released August 21, 2007

#### 2011 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

#### Comments:

Three of the 2008 bills proposed changes to the Written Operating Agreement statute, but those changes did not mirror exactly the changes recommended by the SAO audit. The fourth, HB 2906, and the original version of SB 6506 created a new State Medical Board for Safety and Quality. These two bills included a section regarding establishment and annual review of performance measures. None of these bills passed the Legislature.

As additional information, 4SHB 1103 of 2008, which the Legislature enacted, directs the Medical Quality Assurance Commission and the Nursing Care Quality Assurance Commission to conduct pilot projects to evaluate the effect of granting these commissions additional authority over budget development, spending, and staffing. The pilot projects include development of performance-based expectations, including identification of key performance measures. The Secretary of Health and the Commissions must report to the Legislature and the Governor on the results of these pilot projects by December 2013.

## Previously Unresolved 2007 Recommendations

### Department of Health: Health Professions Quality Assurance (HPQA) Released August 21, 2007

#### SAO Recommendation to the Legislature:

For all registered professions, the Legislature should review and modify as needed existing laws that allow individuals to be credentialed with no educational or experience requirements.

#### Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- Related or no information

#### 2008 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

#### 2009 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

#### 2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

#### 2011 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

#### Additional 2011 Legislative Action:

No bills were introduced specific to the language of SAO's recommendation, but the following are bills related to requirements for the registered, certified, and licensed health professions.

- HB 1353 of 2011, which was enacted, requires the completion of continuing education requirements for pharmacy technicians.
- HB 1939 of 2011, which was enacted, includes counselors employed by federally recognized Indian tribes located within the state as an agency-affiliated counselor for the purposes of qualifying for a credential.
- SSB 5018 of 2011, which was enacted, requires specialized training for an occupational therapist to practice wound care and debridement. A House companion (SHB 1076) was also introduced, but not enacted.

## Previously Unresolved 2007 Recommendations

### Department of Health: Health Professions Quality Assurance (HPQA) Released August 21, 2007

- ESSB 5020 of 2011, which was enacted, requires a person representing himself or herself as a social worker to meet minimum qualifications. A House companion (HB 1043) was also introduced, but not enacted.
- H 1310 of 2011, which was not enacted, establishes a new licensed profession, dental therapist, with minimum education and supervision requirements and passage of an examination.
- SHB 1576 of 2011, which was not enacted, establishes requirements for practicing as a dental anesthesia assistant including specified training courses, and supervision. The commission may adopt rules for certification renewal including continuing education requirements. A Senate companion (SSB 5620) was also introduced, but not enacted.
- HB 2009 of 2011, which was not enacted, requires supervision of medical assistants and the secretary of health to establish the minimum requirements.
- SB 5480 of 2011, which was enacted, requires submission of certain information such as board certification or other relevant data to be determined when renewing a license as a physician or physician assistant.
- SHB 1595 of 2011, which was enacted, allows certain foreign medical school graduates to be licensed without completing two years of post-graduate medical training.
- HB 1181 of 2011, which was enacted, requires the board of naturopathy to determine minimum education and experience requirements as well as a continuing competency program to become a licensed naturopath. A Senate companion (SB 5037) was also introduced, but not enacted.
- ESSB 5307, which was enacted, allows for military training or experience to satisfy training and experience requirements to become a licensed denturist, dispensing optician, ocularist, physical therapist, respiratory care practitioner; and to satisfy the related qualifications for an osteopathic physicians' assistant, pharmacy assistant, physician assistant, emergency medical care and transportation services, radiologic technologist, nursing assistant, health care assistant, surgical technologist, and dental professional. A House companion (SHB 1417) was also introduced, but not enacted.



## Previously Unresolved 2007 Recommendations

### Educational Service Districts (ESDs)

Released September 18, 2007

#### **About the audit:**

This audit addresses the following topics with regard to Educational Service Districts: operations costs, the contracting process and monitoring of contracts, and compliance of operations with statutory authority. The audit also compares Washington ESDs with similar organizations in other states, and examines best practices for providing cost-effective services and programs to school districts. This audit includes four recommendations to the Legislature, two of which were already resolved and the remaining two of which are included below.

#### **SAO Recommendation to the Legislature:**

The Legislature should remove ESD Superintendents' responsibility from the regulatory functions of RCW 28A.310.260 in relation to member school district staff code of conduct violations.

#### **Implementation status:**

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- Related or no information

#### **2008 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation					

#### **2009 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation					

#### **2010 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation					

#### **2011 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation					

## Previously Unresolved 2007 Recommendations

### Educational Service Districts (ESDs)

Released September 18, 2007

#### SAO Recommendation to the Legislature:

Washington policy-makers should undertake an evaluation or performance audit of the state's special education delivery system in an effort to increase efficiency and use existing infrastructure.

#### Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- Related or no information

#### 2008 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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Previous legislative mandates for studies on special education.

#### 2009 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

#### 2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

#### 2011 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

#### Comments:

The Legislature received studies in this subject area, for example, the K-12 Special Education performance audit conducted by JLARC in 2001 (Report 01-11) and the Special Education Excess Cost Accounting and Reporting Requirements study conducted by JLARC in 2006 (Report 06-3). No new direction for evaluation or audit has been provided during the 2011 Session.

## Previously Unresolved 2007 Recommendations

### Washington State Department of Transportation (WSDOT): Managing and Reducing Congestion in Puget Sound Released October 10, 2007

#### About the audit:

This audit examines: 1) the effectiveness of WSDOT's current highway investments and infrastructure utilizations given current and projected highway user volume over the next five years; and 2) the financial and non-financial costs of any recommended improvements over the next five years. The audit evaluates how current highway investments and infrastructure and possible highway investments and infrastructure can: minimize congestion for the greatest possible majority of highway users; maximize vehicle throughput; and maximize highway user throughput. This audit includes four recommendations to the Legislature, three of which were already resolved and the remaining one of which is included below.

#### SAO Recommendation to the Legislature:

The Legislature should empower a single body – either WSDOT or a new regional transportation entity for the Puget Sound Region – to allow for a more integrated approach to planning for congestion reduction.

#### Implementation status:

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- Related or no information

#### 2008 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
HB 3311	✓				
ESSB 6771	✓	✓	✓		
SB 6772	✓				

#### 2009 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
HB 2037	✓				
SB 6064	✓				

#### 2010 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

#### 2011 Related Legislation:

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

## Previously Unresolved 2007 Recommendations

### Washington State Department of Transportation (WSDOT): Managing and Reducing Congestion in Puget Sound Released October 10, 2007

#### **Comments:**

The Legislature explored this concept with legislation in both 2008 and 2009, as it has in previous sessions. None of these bills passed the Legislature.

## Previously Unresolved 2007 Recommendations

### Washington State Department of Transportation (WSDOT): Administration and Overhead Released November 15, 2007

#### **About the audit:**

This audit focuses on six operational areas within the Department of Transportation: 1) human resources; 2) expenditure accounting; 3) payroll; 4) cash receipts; 5) internal audit; and 6) ONE-DOT. ONE-DOT discusses more fully integrating the business functions of the ferry system into those of the Department. This audit includes two recommendations to the Legislature.

#### **SAO Recommendation to the Legislature:**

The Legislature should change the current payroll structure to include 26 annual pay periods and should eliminate mid-period personnel changes by allowing changes only at the beginning of a pay period.

#### **Implementation status:**

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- Related or no information

#### **2008 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation					

#### **2009 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation					

#### **2010 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation					

#### **2011 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
No related legislation					

**Previously Unresolved 2007 Recommendations**

**Washington State Department of Transportation (WSDOT):  
Administration and Overhead  
Released November 15, 2007**

**SAO Recommendation to the Legislature:**

The Legislature should change WSDOT's internal audit reporting structure.

**Implementation status:**

- Adopted as presented
- Addressed with different approach
- Made different policy choice
- Bills introduced on topic but not adopted
- Other circumstances
- Related or no information

**2008 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

**2009 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

**2010 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

**2011 Related Legislation:**

Bill #	Bill Introduced	Out of Policy Committee	Out of House of Origin	Passed Legislature	Signed by Governor
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No related legislation

**Comments:**

In the main text of the audit, this recommendation is directed to WSDOT. However, in Appendix D, the audit report identifies this as a recommendation for legislative action. In response to this recommendation, WSDOT and the Office of Financial Management indicated that they will convene a work group to explore alternate internal audit reporting structures statewide, as part of updating Chapter 20.40 (Internal Auditing Policies) of the State Administrative and Accounting Manual. As of May 2011, the work group has not completed this effort and WSDOT has not changed its reporting structure.