

STATE OF WASHINGTON

JOINT LEGISLATIVE AUDIT AND REVIEW
COMMITTEE (JLARC)



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AGENDA

May 19, 2010
10:00 a.m. – 12:00 p.m.
John A. Cherberg Building
Senate Hearing Room 4
Olympia, Washington

10:00 – 10:15 **OTHER COMMITTEE BUSINESS**

► Brief descriptions of agenda items are on the reverse side.

10:15 – 10:20 *1. Approval of April 21, 2010, JLARC Meeting Minutes

10:20– 11:10 2. [School District Cost and Size Study—Preliminary Report](#)

11:10 – 11:30 *3. [Information-Sharing and Medicaid Reinstatement for Individuals Released from Confinement—Proposed Final Report](#)

11:30 – 12:00 *4. Selection of Priorities of Government Results Area for SAO Future Audit (Section 909, 2010 Supplemental Budget)

* Action Item

Please note: All listed times are estimates only and the Committee reserves the right to move agenda items as needed

1. **Approval of Meeting Minutes:** Approval of minutes from the April 21, 2010, JLARC meeting.
2. **School District Cost and Size Study—Preliminary Report:** The 2009-11 Operating Budget directed JLARC to conduct a study of the relationship between the cost of school districts and their enrollment size. JLARC analysis finds that the highest expenditures per pupil occur in 85 districts with fewer than 1,000 students, however not all small school districts have high expenditures. This pattern is true for total district expenditures and for major activities such as teaching, administration, facility operation and transportation. The analysis also shows that districts with the highest per pupil expenditures only represent 2.5 percent of school district expenditures statewide. High expenditures per pupil are largely the result of the statutory formula for distributing state educational funding: districts receiving the highest funding per pupil also spend the highest amounts per pupil. In addition, the report notes school districts placed under state financial oversight have used a variety of methods to balance their budgets. Finally, though there has been extensive research on school and school district size, the research does not identify an optimal size.
3. **Information-Sharing and Medicaid Reinstatement for Individuals Released from Confinement—Proposed Final Report:** The 2009-11 Operating Budget directed JLARC to review the status of implementation of four specific bills related to: 1) increasing information-sharing between the criminal justice and behavioral health systems (E2SSB 6358 (2004) and E2SSB 5763 (2005)); and 2) facilitating reinstatement of Medicaid coverage for adults with a mental illness, and juveniles, upon their release from correctional or therapeutic confinement (E2SHB 1290 (2005) and 2SHB 1088 (2007)). For each of these two topics, this JLARC study identifies the relevant provisions from these laws, reports on the status of their implementation, and offers recommendations to further their implementation and to examine the outcomes of these efforts.
4. **Selection of Priorities of Government Results Area for State Auditor's Office (SAO) Future Audit (Section 909, 2010 Supplemental Budget):** Section 909 of the 2010 Supplemental Operating Budget—"Core Functions of Government"—directs:
 - JLARC members to select one results area of the Priorities of Government (POG) and determine the relative priority of each activity within that area by August 2010.
 - The State Auditor's Office (SAO) to select at least one but no more than four of the highest priority activities identified by JLARC and conduct a performance audit.
 - The SAO to conduct an "activity assessment" of at least one of the lowest priority activities.
 - That performance audits and activity assessments must be completed by SAO by June 2011.

Proposed JLARC process for selecting a POG Results Area and prioritizing activities:

- First step: Committee members select a POG results area at May 19 JLARC meeting.
- Second step: JLARC staff will organize the activities within the selected POG results area for committee members to prioritize them at the June 16 JLARC meeting.
- Third step: Transmit the prioritized activities list to State Auditor's Office.