

SENATE BILL REPORT

SHB 2441

As Reported By Senate Committee On:
State & Local Government, February 23, 2000

Title: An act relating to government accountability through the state sunset review process.

Brief Description: Increasing government accountability through the state sunset review process.

Sponsors: House Committee on State Government (originally sponsored by Representatives Wensman, Ogden, Rockefeller, McMorris, Alexander, Regala, Mielke, Doumit, Thomas, Kessler, Hatfield, O'Brien, Lisk, McDonald, Carlson, Conway, Mulliken, Koster, Woods, Talcott, Huff, Radcliff, Wolfe, Ruderman, Edmonds, Pflug, Parlette, Esser, Hurst and Benson; by request of Joint Legislative Audit & Review Committee).

Brief History:

Committee Activity: State & Local Government: 2/21/2000, 2/23/2000 [DPA].

SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

Majority Report: Do pass as amended.

Signed by Senators Patterson, Chair; Gardner, Vice Chair; Hale, Kline and McCaslin.

Staff: Diane Smith (786-7410)

Background: The Legislature may schedule a program or agency to be terminated under the sunset review process. The Joint Legislative Audit and Review Committee (JLARC) must conduct a program and fiscal review of the program or entity scheduled for termination and prepare a preliminary report of its review by June 30 of the year prior to the termination date. The factors JLARC must use when conducting the review are specified by statute and vary depending on whether the entity being terminated is a regulatory entity. After JLARC completes the preliminary report, the Office of Financial Management (OFM) may then conduct its own review by September 30 of the same year. JLARC must transmit a copy of the final report to the Legislature, the Governor, the affected agency, and the State Library.

Subsequent to receipt of the final report, the appropriate standing committees of the House and Senate must hold hearings to consider the final report and any related data. Following the hearing, the committees may propose legislation reestablishing, modifying, or transferring the functions of the program or agency.

If an agency is terminated under the sunset process, it continues its existence until June 30 of the next succeeding year.

The sunset review process expires on June 30, 2000.

Summary of Amended Bill: The entities that may be subject to the sunset review process are expanded. The sunset review process can be applied to any "entity" which includes state offices, boards, commissions, units or sub-units, and agencies. "Entity" also includes programs and activities involving less than the full responsibility of a state agency and parts of the Revised Code of Washington.

Unless provided otherwise, the sunset review process must take at least seven years. An entity scheduled for sunset termination must develop performance measures and data collection plans subject to the review and comment by JLARC. The entity bears the burden of demonstrating the extent to which performance results have been achieved.

JLARC may complete its review of the entity at any time during the calendar year prior to the entity's termination. The entity and OFM have 60 days to respond to the JLARC review. If OFM issues a response to JLARC review, the response must be included in JLARC's final report, along with any response by the affected entity. The factors that JLARC must consider when reviewing an entity are changed, and no longer vary depending on whether the entity is a regulatory entity. The new factors JLARC must consider include the extent to which the entity is meeting its performance measures and the possible impact of the termination or modification of the entity.

The requirement that the standing committees of the Legislature hold hearings after the final report is completed is eliminated.

The termination date for the sunset review process is extended until June 30, 2015.

Amended Bill Compared to Substitute Bill: The striking amendment gives the entity and OFM 60 days instead of 30 days to respond to the JLARC review.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: The Legislature can help JLARC by clarifying the expectations for entity performance. The seven-year time period has been shown to be a more fair and realistic time frame for measurement of an entity's performance. JLARC has done an excellent job. The 30-day time period for OFM review is too short.

Testimony Against: None.

Testified: Fred Hellberg, Governor's Office (pro).