

# HOUSE BILL REPORT

## HB 1323

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**As Reported by House Committee On:**  
State Government, Elections & Information Technology

**Title:** An act relating to loss prevention reviews by state agencies.

**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 History:**

**Committee Activity:**

State Government, Elections & Information Technology: 1/31/17, 2/14/17 [DPS].

**Brief Summary of Substitute Bill**

- Changes authority to appoint loss prevention review teams (Review Teams).
- Removes the five-person cap on the size of Review Teams.
- Authorizes rulemaking and specifies reporting requirements.

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### HOUSE COMMITTEE ON STATE GOVERNMENT, ELECTIONS & INFORMATION TECHNOLOGY

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Hudgins, Chair; Dolan, Vice Chair; Koster, Ranking Minority Member; Volz, Assistant Ranking Minority Member; Appleton, Gregerson, Irwin, Kraft and Pellicciotti.

**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 (Review Teams) are appointed by the Director of the DES when:

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*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.*

- 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.

Review teams must consist of at least three and 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. Review teams issue final reports to the Director of the DES who, upon receipt, makes the report public.

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### **Summary of Substitute 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. State agencies are not required to appoint a Review Team if the affected agency is already conducting a review pursuant to federal or state agency requirements. Reviews conducted per federal and state requirements must contain required elements of a loss prevention review and comply with requirements specified under RCW 43.19.783.

The Director of the DES 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.

The five-person cap on the size of Review Teams is removed. 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) Review 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.

### **Substitute Bill Compared to Original Bill:**

The substitute bill adds that state agencies are not required to appoint a Review Team if the affected agency is already conducting a review pursuant to federal or state agency requirements. Reviews conducted per federal and state requirements must contain required elements of a loss prevention review and comply with requirements specified under RCW 43.19.783.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) This bill leverages in house expertise and averts duplication of efforts, while increasing efficiency, accountability, and transparency.

(Opposed) None.

**Persons Testifying:** Representative Wylie, prime sponsor; and Jason Siems, Washington Department of Enterprise Services.

**Persons Signed In To Testify But Not Testifying:** None.