

HOUSE BILL REPORT

HB 1372

As Reported By House Committee On:
State Government
Appropriations

Title: An act relating to accountability in state government.

Brief Description: Creating the government accountability task force.

Sponsors: Representatives Pruitt, R. Fisher, Mielke, Sheldon, Dorn, Long, Veloria, Roland, Romero, Shin, R. Meyers, Finkbeiner, Jones, Dunshee, Jacobsen, Riley, Holm, Mastin, Kessler, Linville, Springer, Wolfe, Franklin, Kremen, Johanson, Karahalios, Flemming, Tate, L. Johnson, J. Kohl, Dellwo, G. Cole and Anderson; by request of State Auditor.

Brief History:

Reported by House Committee on:
State Government, March 2, 1993, DPS;
Appropriations, March 6, 1993, DPS(SG-A APP).

HOUSE COMMITTEE ON STATE GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Anderson, Chair; Veloria, Vice Chair; Reams, Ranking Minority Member; Vance, Assistant Ranking Minority Member; Campbell; Conway; Dyer; and Pruitt.

Minority Report: Do not pass. Signed by 1 member: Representative King.

Staff: Bonnie Austin (786-7135).

Background: Various state government entities perform reviews of state agency programs and practices. Some of these include the Efficiency Commission, the Legislative Budget Committee (LBC), and the state auditor. Each of these entities has its own requirements regarding the types of reviews performed and the agencies or programs reviewed. Generally, the Efficiency Commission conducts operational and organizational reviews, the LBC conducts performance audits and sunset reviews, and the state auditor conducts financial reviews. The state auditor is currently prohibited from conducting performance audits.

Summary of Substitute Bill: The Government Accountability Task Force is created to advise the Legislature on establishing a comprehensive, integrated program accountability system for state government. The 13 task force members include: Four members appointed by the governor; four legislators; the state auditor; the chair of the LBC; the director of the Office of Financial Management (OFM); the superintendent of public instruction (SPI); and the chair of the Higher Education Coordinating Board. LBC will staff the task force.

The task force is required to: (1) immediately direct operational reviews of state agency programs; (2) develop a plan for performance audits of state agencies to be submitted to the Legislature by January 1994; (3) recommend accountability strategies by January 1995; (4) develop a statewide reporting process by January 1997; and (5) develop a statewide program performance-based evaluation system. The task force will expire on June 30, 1998.

By January 1, 1994, the governor will develop a vision and benchmarks for state government performance in key functional areas of state government. Functional areas include general government, health and human services, community and economic development, the environment and natural resources, transportation, K-12 education, and higher education. By July 1, 1994, each state agency will define its mission and establish measurable goals for achieving desirable results. As part of their budget preparation process, agencies must develop measurable, outcome-base for each major program in their budgets.

The state auditor is given the authority to conduct performance audits and operational reviews of state agency programs as directed by the Government Accountability Task Force.

Substitute Bill Compared to Original Bill: LBC will staff the task force, instead of OFM. Instead of "strategic planning," the governor will develop a "vision and benchmarks" for state government performance. Agencies will develop "missions, goals, and objectives" rather than "goals and targets." The section that required the Legislature to specify goals and desired outcomes in appropriations bills is deleted. Agencies are not required to develop new missions or goals.

Fiscal Note: Available.

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

Testimony For: Voters want accountability in state government. Agencies should set goals and be result-oriented. The Legislative Budget Committee focuses on specific programs and only reviews narrow slices of state government. This proposal takes a broader approach. The current accountability system involves micro-management. This approach is outcome-oriented. Other states have saved millions, even billions with performance audits. Business is demanding more accountability in the delivery of state services. Although isolated groups have done this, it is time for a more systematic approach. Some agencies have already conducted this type of planning, such as the departments of Ecology, Labor and Industries, Superintendent of Public Instruction, Employment Security, and higher education institutions. It is hoped that OFM will accept the work that has already been done by these agencies.

Testimony Against: This is just more paperwork. This is micro-management. Agencies already have mission statements. Budgeting is a biennial process. Agencies cannot plan for six-year cycles. State agency planning can not be compared to K-12 planning, because SPI has a single category of clients in a controlled environment. It is unclear what this language means. Give the state auditor the money and let him get the job done. The Higher Education Coordinating board has already done this for higher education. We already have financial reviews. The boards of trustees and the regents provide another level of accountability. Research grant proposals require performance reviews. In a telephone survey of the campuses, the common thread was that this bill would just add another layer.

Witnesses: Brian Sonntag, State Auditor (pro); Julia Porter, Association of Washington Business (pro); Vallie Jo Fry, State Board Community and Technical Colleges (con); John Pettit, University of Washington, Council of Presidents (con); Bill Allison, University of Washington, Council of Presidents (con); and Mark Brown, Association of Washington Business (concerned).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on State Government be substituted therefor and the substitute bill as amended by Committee on Appropriations do pass. Signed by 23 members: Representatives Locke, Chair; Valle, Vice Chair; Appelwick; Ballasiotes; Basich; Cooke; Dellwo; Dorn; Dunshee; G. Fisher; Jacobsen; Lemmon; Linville; Peery; Rust; Sehlin; Sheahan; Sommers; Stevens; Talcott; Wang; Wineberry; and Wolfe.

Minority Report: Do not pass. Signed by 2 members:
Representatives Silver, Ranking Minority Member and Carlson,
Assistant Ranking Minority Member.

Staff: Beth Redfield (786-7130).

**Summary of Recommendation of Committee on Appropriations
Compared to Recommendation of Committee on State Government:**

All sections of the bill are deleted, except the section striking the prohibition of performance audits by the state auditor in the Budget and Accounting Act and the section striking that same prohibition in the Legislative Budget Committee statute.

Fiscal Note: Available.

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

Testimony For: None.

Testimony Against: None.

Witnesses: Linda Sheler, State Auditor's Office (supports); Terry Teale, Council of Presidents (opposes); and Sandy Wall, State Board of Community and Technical Colleges (opposes).