

# HOUSE BILL REPORT

## ESHB 1372

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As Passed Legislature

**Title:** An act relating to accountability in state government.

**Brief Description:** Creating the government accountability task force.

**Sponsors:** By House Committee on State Government (originally sponsored by 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);  
Passed House, March 17, 1993, 89-9;  
Amended by Senate;  
Conference Committee Report Adopted;  
Passed Legislature, April 25, 1993, 98-0.

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### 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).

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### 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).

**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 Bill:** 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-based objectives for each major program in their budgets. The Office of Financial Management (OFM) will develop a plan for using these objectives in evaluating agency performance. OFM will develop and maintain a system of internal controls and internal audits. The LBC may establish a biennial work plan that identifies agencies programs that need to be evaluated.

The state auditor is given the authority to conduct performance audits of state agency programs only as authorized in the Biennial Budget Act.

This act is null and void if funding is not provided in the Omnibus Appropriations Act.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed. However, the act is null and void if not funded in the budget.

**Testimony For:** (State Government) 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 (SPI), Employment Security, and higher education institutions. It is hoped that OFM will accept the work that has already been done by these agencies.

(Appropriations) None.

**Testimony Against:** (State Government) 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.

(Appropriations) None.

**Witnesses:** (State Government) 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).

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