

# HOUSE BILL REPORT

## HB 2756

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As Reported By House Committee On:  
Appropriations

**Title:** An act relating to a pilot project within the department of corrections and the department of information services to reduce financial and operational barriers to efficient service delivery.

**Brief Description:** Enacting the Blueprint for Change.

**Sponsors:** Representatives Mastin, Silver, Peery, Long, Dunshee, Linville, Dyer, L. Thomas, Schoesler, Talcott, Cooke, Brough, Roland, Pruitt, Rayburn, Moak, Lisk, R. Meyers, H. Myers, Jones, Karahalios, Springer and Quall; by request of Commission on Efficiency and Accountability in State Government.

**Brief History:**

Reported by House Committee on:  
Appropriations, March 3, 1994, DPS.

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 21 members: Representatives Sommers, Chair; Valle, Vice Chair; Silver, Ranking Minority Member; Carlson, Assistant Ranking Minority Member; Ballasiotes; Basich; Dellwo; Dorn; G. Fisher; Foreman; Jacobsen; Lemmon; Leonard; Linville; H. Myers; Peery; Rust; Sehlin; Stevens; Talcott and Wang.

**Minority Report:** Do not pass. Signed by 5 members: Representatives Cooke; Dunshee; Sheahan; Wineberry and Wolfe.

**Staff:** Victor Moore (786-7143).

**Background:** State agencies currently operate under a variety of budget and operational constraints, including the budget and accounting act, procurement laws, the state personnel system, and restrictions on using private contractors. There is a question as to whether agencies that operate without these requirements can provide services more efficiently and at less cost.

**Summary of Substitute Bill:** A three-year pilot project which waives a variety of current operating constraints is established. The agencies which will participate in the pilot are the Department of Corrections and the Department of Information Services.

The waivers include exemptions from:

- a) Allotment plan requirements under the Budget and Accounting Act (RCW 43.88);
- b) Object and subobject-level detail in budget development, once alternative performance outcomes-based tracking systems have been developed;
- c) FTE and position/classification controls in the budget;
- d) Limitations on entering into personal services contracts;
- e) State-wide requirements for procurement; and
- f) Provisions relating to civil service statutes and rules applicable to other state employees to the extent employer and employee groups agree on the waivers.

Agencies will be able to retain, beyond the fiscal biennium, up to 50 percent of savings resulting from documented and verified operating efficiencies. The savings will be placed in a non-appropriated fund for use by the agency in the ensuing biennium.

The Office of Financial Management shall prepare a study of the costs and benefits of the waivers and incentives used by the pilot agencies, which shall be delivered to the Legislature no later than December 1, 1997.

The Efficiency Commission may review and evaluate other incentive programs, including those in-state, out-of-state, and in the private sector.

The Efficiency Commission shall evaluate requests by the pilot agencies for additional waivers during the pilot period and request further modifications from the Legislature.

Existing laws are amended to the extent necessary to allow for the waivers.

**Substitute Bill Compared to Original Bill:** Provisions relating to purchasing services by contract are eliminated. The ability to waive civil service statutes and rules

applicable to other state employees is modified to require agreement between employer and employee groups and approved by the director of the Department of Personnel.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect July 1, 1994.

**Testimony For:** There is a sense of urgency by voters for better service delivery and effective, quality-driven government. There should be rewards and incentives for efficiencies by employees. Employees should be involved in the decision-making processes. Employees want red tape removed and want to play a partnership role with management. There needs to be room for mistakes when embarking on a new pilot project. We need to be able to take a creative approach.

**Testimony Against:** The Department of Corrections has a record of poor management/employee relations. Department of Corrections employees did not volunteer for the pilot project.

**Witnesses:** Dennis Okamoto, Efficiency Commission; Clare Donohue, Department of Information Services; Doreen Geiger, Department of Corrections (pro on original bill); Eugene St. John, Washington Public Employees Association (con on original bill); and Gary Moore, Washington Federation of State Employees (pro on striking amendment).