

HOUSE BILL REPORT

ESSB 5226

As Reported By House Committee On:
State Government

Title: An act relating to management and evaluation of state programs.

Brief Description: Providing for additional evaluation of state programs.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Skratek, Haugen, Talmadge, Winsley, M. Rasmussen and Quigley).

Brief History:

Reported by House Committee on:
State Government, March 31, 1993, DPA.

HOUSE COMMITTEE ON STATE GOVERNMENT

Majority Report: Do pass as amended. Signed by 9 members: Representatives Anderson, Chair; Veloria, Vice Chair; Reams, Ranking Minority Member; Vance, Assistant Ranking Minority Member; Campbell; Conway; Dyer; King; and Pruitt.

Staff: Bonnie Austin (786-7135).

Background: Several state entities are responsible for conducting evaluations of state agencies and programs. The Legislative Budget Committee (LBC) conducts performance audits of state programs and agencies and makes recommendations to the Legislature to improve government effectiveness and efficiency. The Office of Financial Management (OFM) provides budget planning and fiscal administration for executive branch agencies. The Efficiency and Accountability Commission conducts operational and organizational reviews of state agencies and programs. The state auditor conducts financial audits of state agencies. The state auditor is currently prohibited from conducting performance audits.

Summary of Amended Bill: By July 1, 1994, agencies are required to establish missions and measurable goals for achieving desirable results or outcomes for their customers. By January 1, 1995, agencies will submit these to the appropriate legislative standing committees for review. As part of their budget preparation process, agencies must

develop outcome-based program objectives for the biennium and for a six-year planning cycle.

The Office of Financial Management (OFM) is required to develop a system of internal controls and internal audits as fiscal safeguards and to promote operational efficiency. Each agency is responsible for maintaining these internal controls, which will be used by the state auditor in conducting financial examinations.

The state auditor may conduct performance audits only as expressly authorized in the State Biennial Budget Act. Where information relating to agency management or performance is discovered incidental to a financial audit, the state auditor may report to the Legislature under certain circumstances.

The Legislative Budget Committee (LBC) will establish a biennial work plan for conducting agency program evaluations. The plan may include proposals to employ contract evaluators for this purpose. The work plans will be sent to the appropriate legislative fiscal and policy committees.

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 OFM; the superintendent of public instruction; and the chair of the Higher Education Coordinating Board. The LBC will staff the task force. The task force is required to: (1) develop a plan for performance audits of state agencies; (2) develop a statewide performance-based evaluation system; and (3) make recommendations regarding a plan for a statewide reporting process on program accountability. The task force will expire on December 31, 1995.

Amended Bill Compared to Engrossed Substitute Bill: The requirement that state agencies establish goals, objectives, and success measures is deleted. Instead, agencies are to establish missions and measurable goals by January 1, 1994, and to report on these by January 1, 1995. Agencies are also required to establish outcome-based program objectives for the biennium and for a six-year planning cycle. The Government Accountability Task Force is established. Other technical changes and reference corrections are made.

Fiscal Note: Available.

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

Testimony For: State government is a multi-billion dollar organization that has no strategic plan. This bill is designed to begin the strategic planning process. The voters are demanding accountability in state government.

Testimony Against: None.

Witnesses: Senator Sylvia Skratek, prime sponsor (pro); and Brian Sonntag, State Auditor (pro).