

# HOUSE BILL REPORT

## SHB 1517

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### As Passed House:

March 13, 2001

**Title:** An act relating to quality improvement.

**Brief Description:** Establishing quality management programs.

**Sponsors:** By House Committee on State Government (originally sponsored by Representatives Miloscia, Anderson, Dunshee, Jarrett, Hunt, Keiser, Lambert, Ruderman, Rockefeller, Fromhold, Schindler, Boldt, Kenney, Simpson, Barlean, Tokuda and Dickerson).

### Brief History:

#### Committee Activity:

State Government: 2/21/01, 2/26/01 [DPS].

#### Floor Activity:

Passed House: 3/13/01, 95-0.

### Brief Summary of Substitute Bill

- Requires every state executive agency to develop and implement a quality management program to improve the quality, efficiency, and effectiveness of the public services it provides using business process redesign, employee involvement, and other quality management techniques.
- Requires both houses of the Legislature to develop and implement a similar quality management program.
- Encourages the supreme court to develop and implement a similar quality management program for the judicial branch of state government.
- Encourages each local government to develop and implement a similar quality management program.

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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 McMorris, Republican Co-Chair; Romero,

Democratic Co-Chair; Miloscia, Democratic Vice Chair; Schindler, Republican Vice Chair; Haigh, Lambert, McDermott and D. Schmidt.

**Staff:** Steve Lundin (786-7127).

**Background:**

The Governor issued Executive Order 97-03 in 1997 requiring all agencies to develop and implement programs to improve the quality, efficiency, and effectiveness of public services they provide using quality improvement, business process redesign, employee involvement, and other quality improvement techniques. Quality improvement plans were required to be submitted to the Governor by no later than July 1, 1997. Each agency is required to make quarterly reports on its programs.

The Governor's Council on Service Improvement and Performance was established to advise the Governor on quality improvements. Membership on the council includes representatives from business, labor, media, and higher education communities, along with members of the Governor's executive cabinet.

The State Budgeting, Accounting, and Reporting System was amended in 1996 to establish a system of performance based budgeting. Each state agency is required to: (1) define its mission and establish measurable goals for achieving desirable results for those receiving its services and for taxpayers; (2) develop clear strategies and time lines to achieve its goals; (3) establish program objectives consistent with its mission and goals expressed in a practicable, outcome-based, objective, and measurable form unless an exception is granted by the Office of Financial Management; (4) provide for continuous self-assessment of each program and activity, using these mission, goals, objectives, and measurements; (5) directly link its budget proposal with its mission statement and program goals and objectives; (6) integrate its performance measures to allow objective determination of a programs success in achieving its goals; and (7) include a schedule to integrate agency strategic plans and performance measures into agency budget requests over the 2001-2003 biennium.

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**Summary of Bill:**

Many of the provisions of Executive Order 97-03, relating to quality improvement programs, are placed into statute. Efforts taken under this statutory program are to be integrated with quality management programs undertaken under an executive order or other authority.

Every state executive agency must develop and implement a quality management program to improve the quality, efficiency, and effectiveness of the public services it provides using business process redesign, employee involvement, and other quality management

techniques. Each plan shall:

- Designate a person who is responsible for improving quality systems and work processes in the agency;
- Identify immediate-term and near-term opportunities to improve services and reduce costs;
- Identify goals and use strategic business planning and performance measures to establish priorities and measure progress toward meeting them, including performance measures assessing consumer satisfaction and agency progress toward accomplishing outcomes specified in its budget;
- Report the results of its quality management program on a quarterly basis;
- Evaluate the results of its quality, service, and management improvement programs and assess program effects; and
- Develop a plan for quality improvement that documents efforts that have been made.

State executive agencies under the supervision of the Governor report program results regularly to any subagency group that the Governor has created to monitor management improvement results. State executive agencies under elected executive officials other than the Governor report program results to this executive official regularly.

Each state executive agency must develop and implement a complete quality management program by June 30, 2002.

Starting in 2004 and at least once every three years thereafter, state executive agencies shall submit successful and high quality management programs to the Governor's Washington State Quality Award Program or equivalent program for potential recognition.

Both houses of the Legislature must develop and implement similar high quality improvement programs by June 30, 2003, but the results are to be reported to the leadership of each major political party caucus in its house.

The supreme court is encouraged to develop and implement similar high quality improvement programs for the judicial branch of government by June 30, 2003, but the results are to be reported to the chief justice. The programs may be implemented directly by the court or may be delegated to the Administrator for the Courts.

Local governments are encouraged to develop and implement quality management programs.

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**Appropriation:** None.

**Fiscal Note:** Preliminary fiscal note available.

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

**Testimony For:** We need efficiency now rather than raising taxes or cutting programs. All major corporations have quality management programs. We currently have uneven quality management programs.

**Testimony Against:** None.

**Testified:** Representative Miloscia, prime sponsor; Jamie Havara, Department of Transportation; and Duke Schaub, Associated General Contractors of Washington.