

HOUSE BILL REPORT

ESHB 1517

As Reported by House Committee On:
State Government
Appropriations

Title: An act relating to quality improvement.

Brief Description: Establishing quality management programs.

Sponsors: 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: 1/18/02, 1/24/02 [DP2S];
Appropriations: 2/5/02, 2/9/02 [DP3S].

Brief Summary of Third Substitute Bill

- Requires each state agency and both houses of the Legislature, and encourages the Supreme Court and local governments, to develop and implement quality management programs to improve quality, efficiency, and effectiveness through business process redesign, employee involvement, and other quality management techniques.

HOUSE COMMITTEE ON STATE GOVERNMENT

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass. Signed by 7 members: Representatives Romero, Chair; Miloscia, Vice Chair; McMorris, Ranking Minority Member; McDermott, Schindler, Schmidt and Upthegrove.

Staff: Marsha Reilly (786-7135).

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.

Summary of Second Substitute 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, including associated departments, divisions, boards, commissions, and institutions of higher education, must develop and implement a quality management program by June 30, 2003, to improve the quality, efficiency, and effectiveness of the public services it provides using business process redesign, employee involvement, and other quality management techniques. Agencies are to engage front line employees in the program and provide employees with training necessary for successful implementation. Each program shall:

- 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, including improved outcomes for public service and efficiency, on a regular 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 to the Governor; state agencies under elected executive officials other than the Governor report program results to the appropriate executive official.

Beginning in 2005 and at least once every three years thereafter, state agencies or their subdivisions, or both, must apply for the Governor's Washington State Quality Award

Program, or equivalent. Every subdivision of a state agency with 3,000 or more full-time equivalent employees must complete an application once in each four-year period.

Both houses of the Legislature must develop and implement quality improvement programs by June 30, 2004. Results are reported to the leadership of each major political party caucus within its house.

The Supreme Court is encouraged to develop and implement a quality improvement program for the judicial branch of government by June 30, 2004, 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.

Second Substitute Bill Compared to Engrossed Substitute Bill:

State agencies are to initiate quality management programs within available funds. Every subdivision of a state agency with 3,000 or more full-time equivalent employees must apply for the Governor's Washington State Quality Award Program every four years. The null and void clause was removed.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: It is the responsibility of government to define goals and values of the agencies we oversee. Continuous process improvement is needed. It defines, for our state, quality improvement. Quality management is important and is already being done.

(With concerns) If the programs currently in place can be adapted to fit the requirements that are outlined in the bill, we are supportive.

Testimony Against: None.

Testified: Edie Harding, The Evergreen State College; and George Durrie, Eastern Washington University.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The third substitute bill be substituted therefor and the third substitute bill do pass. Signed by 25 members: Representatives Sommers, Chair; Doumit, 1st Vice Chair; Fromhold, 2nd Vice Chair; Sehlin; Alexander; Boldt; Buck; Clements; Cody; Cox; Dunshee; Grant; Kagi; Kenney; Kessler; Linville; Lisk; Mastin; McIntire; Pearson; Pflug; Ruderman; Schual-Berke; Talcott and Tokuda.

Staff: Patricia Linehan (786-7178).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On State Government:

Every state executive agency must develop and implement a quality management program by June 30, 2003, with the exception of the Office of the Insurance Commissioner, the Department of Natural Resources, and four year institutions of higher education. The exempt agencies and institutions must develop and implement a complete quality management program by June 30, 2006. Those same agencies and institutions must apply for the Governor's Washington State Quality Award Program, or equivalent, beginning in 2008 and at least once every three years thereafter.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This is a very good government bill and it will improve the efficiency of government. There will be quality management audits for all state agencies, funded from within the agencies' available funds.

Testimony Against: None

Testified: Representative Mark Miloscia, Prime Sponsor.