

SSB 5748 - H COMM AMD
By Representative on Transportation

ADOPTED 04/02/2003

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** It is essential that the legislature
4 improve the accountability and efficiency of transportation-related
5 agencies and measure transportation system performance against
6 benchmarks established in chapter 5, Laws of 2002. Taxpayers must know
7 that their tax dollars are being well spent to deliver critically
8 needed transportation projects and services. To accomplish this, the
9 legislative transportation committee will oversee a system of
10 transportation performance reviews and audits established to provide
11 oversight and accountability of transportation agencies.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 44.40 RCW
13 to read as follows:

14 The definitions in this section apply throughout this chapter.

15 (1) "Committee" means the legislative transportation committee.

16 (2) "Legislative auditor" has the meaning contained in chapter
17 44.28 RCW.

18 (3) "Performance audit" has the meaning contained in chapter 44.28
19 RCW.

20 (4) "Performance review" means an evaluation of how a state agency
21 uses its performance measures to assess the outcomes of its
22 legislatively authorized activities.

23 (5) "Program audit" has the meaning contained in chapter 44.28 RCW.

24 (6) "Transportation-related agencies" means any state agency,
25 board, or commission that receives funding primarily for
26 transportation-related purposes. At a minimum, the department of
27 transportation, the Washington state patrol, the department of
28 licensing, the transportation improvement board or its successor
29 entity, the county road administration board or its successor entity,

1 and the traffic safety commission are considered transportation-related
2 agencies.

3 NEW SECTION. **Sec. 3.** A new section is added to chapter 44.40 RCW
4 to read as follows:

5 (1) The legislative transportation committee shall review the
6 performance and outcome measures of transportation-related agencies.
7 The purpose of these reviews is to ensure that the legislature has the
8 means to adequately and accurately assess the performance and outcomes
9 of those agencies and departments. Where two or more agencies have
10 shared responsibility for functions or priorities of government, the
11 performance reviews may also determine whether effective interagency
12 cooperation and collaboration occurs in areas such as program
13 coordination, administrative structures, information systems, and
14 administration of grants and loans.

15 (2) In conducting these reviews, the legislative transportation
16 committee may work with the joint legislative audit and review
17 committee, the office of financial management, and other state agencies
18 as needed.

19 (3) The committee shall determine the occurrence and frequency of
20 the performance reviews. In setting the schedule and the extent of
21 performance reviews, the committee shall consider the timing and
22 results of other recent state, federal, and independent reviews and
23 audits, the seriousness of past findings, any inadequate remedial
24 action taken by an agency or department, whether an agency or
25 department lacks performance and outcome measures, and the desirability
26 to include a diverse range of agencies or programs each year.

27 NEW SECTION. **Sec. 4.** A new section is added to chapter 44.40 RCW
28 to read as follows:

29 The performance reviews by the committee may include, but are not
30 limited to:

31 (1) A determination of whether the performance and outcome measures
32 are consistent with legislative mandates, strategic plans, mission
33 statements, and goals and objectives, and whether the legislature has
34 established clear mandates, strategic plans, mission statements, and
35 goals and objectives that lend themselves to performance and outcome
36 measurement;

1 (2) An examination of how agency management uses the measures to
2 manage resources in an efficient and effective manner;

3 (3) An assessment of how performance benchmarks are established for
4 the purpose of assessing overall performance compared to external
5 standards and benchmarks;

6 (4) An examination of how an analysis of the measurement data is
7 used to make planning and operational improvements;

8 (5) A determination of how performance and outcome measures are
9 used in the budget planning, development, and allotment processes and
10 the extent to which the agency is in compliance with its
11 responsibilities under RCW 43.88.090;

12 (6) A review of how performance data are reported to and used by
13 the legislature both in policy development and resource allocation;

14 (7) An assessment of whether the performance measure data are
15 reliable and collected in a uniform and timely manner;

16 (8) A determination of whether targeted funding investments and
17 established priorities of government actually produce the intended and
18 expected services and benefits; and

19 (9) Recommendations as necessary or appropriate.

20 NEW SECTION. **Sec. 5.** A new section is added to chapter 44.40 RCW
21 to read as follows:

22 (1) After reviewing the performance or outcome measures and
23 benchmarks of a transportation-related agency or department, or at any
24 time it so determines, the committee shall determine if a full
25 performance or program audit of an agency or department, or a specific
26 program within the agency or department, is appropriate. The
27 committee, or its executive committee, may request the joint
28 legislative audit and review committee to conduct performance or
29 program audits, or it may retain a private consultant to do so. The
30 committee shall pay for all costs associated with audits requested and
31 pursued by them.

32 (2) In addition to the definitions in this chapter of what a
33 performance or program audit is comprised of, the audits sought by the
34 committee may also assess activity areas. Audits of this nature would
35 be designed to augment the information collected under a performance or
36 program audit and would at a minimum, include identifying the entities

1 and agencies involved in or connected to a specific activity, and
2 assessing and determining the impact the activity has on each entity
3 and agency involved.

4 NEW SECTION. **Sec. 6.** A new section is added to chapter 44.40 RCW
5 to read as follows:

6 In conducting performance or program audits, the legislative
7 auditor with the joint legislative audit and review committee, or the
8 private consultant retained by the committee, shall determine in
9 writing the scope of an audit requested by the committee or its
10 executive committee. The committee, or its executive committee, must
11 approve the final scope of the audit. In determining the scope, the
12 legislative auditor and the committee, or its executive committee,
13 shall consider inclusion of the following elements:

14 (1) Identification of potential cost savings in the agency, its
15 programs, and its services;

16 (2) Identification and recognition of best practices;

17 (3) Identification of funding to the agency, to programs, and to
18 services that can be eliminated or reduced;

19 (4) Identification of programs and services that can be eliminated,
20 reduced, or transferred to the private sector;

21 (5) Analysis of gaps and overlaps in programs and services and
22 recommendations for improving, dropping, blending, or separating
23 functions to correct gaps or overlaps;

24 (6) Analysis and recommendations for pooling information technology
25 systems;

26 (7) Analysis of the roles and functions of the agency, its
27 programs, and its services and their compliance with statutory
28 authority and recommendations for eliminating or changing those roles
29 and functions and ensuring compliance with statutory authority;

30 (8) Recommendations for eliminating or changing statutes, rules,
31 and policy directives as may be necessary to ensure that the agency
32 carry out reasonably and properly those functions expressly vested in
33 the department by statute; and

34 (9) Verification of the reliability and validity of department
35 performance data, self-assessments, and performance measurement systems
36 as required under RCW 43.88.090.

1 NEW SECTION. **Sec. 7.** A new section is added to chapter 44.40 RCW
2 to read as follows:

3 (1) When conducting a full performance audit of an agency or
4 department, or a specific program within an agency or department, or
5 multiple agencies, in accordance with section 5 of this act, the
6 legislative auditor or private consultant, as determined by the
7 committee, shall solicit input from appropriate industry
8 representatives or experts.

9 (2) The completed audit report must include but not be limited to
10 the following: (a) Make recommendations regarding the continuation,
11 abolition, consolidation, or reorganization of each affected agency,
12 department, or program; (b) identify opportunities to develop
13 government partnerships, and eliminate program redundancies that will
14 result in increased quality, effectiveness, and efficiency of state
15 agencies.

16 (3) Completed performance audits must be presented to the committee
17 or its executive committee. Published performance audits must be made
18 available to the public through the legislative transportation
19 committee's web site and through customary public communications.
20 Final reports must also be transmitted to the appropriate policy and
21 fiscal standing committees of the legislature, the office of financial
22 management, and the affected agencies and entities.

23 NEW SECTION. **Sec. 8.** The committee shall take steps to ensure
24 that the department of transportation is the first agency subject to
25 the performance review and audit process established in this act.

26 NEW SECTION. **Sec. 9.** This act is necessary for the immediate
27 preservation of the public peace, health, or safety, or support of the
28 state government and its existing public institutions, and takes effect
29 immediately."

30 Correct the title.

EFFECT: The Legislative Transportation Committee (LTC) is
required to review the performance and outcome measures of

transportation-related agencies. The schedule and frequency of the reviews is to be determined by the LTC. The Department of Transportation must be the first agency subject to the review process.

Criteria is established for the performance reviews to be conducted by the LTC, and include such things as examining how agency management uses the performance measures to manage resources, assessing how benchmarks are established, determining how the measures are used to make budget decisions, etc.

Based on the outcome of the performance reviews, the LTC may retain a consultant or request the Joint Legislative Audit and Review Committee (JLARC) to conduct performance or program audits of an agency, a specific program, or an activity area. The LTC will pay for all costs associated with the requested audits.

The scope of the audit must be approved by the LTC. The LTC and the entity retained to do the audit must consider inclusion of specific audit elements that are established in the bill and include such things as identifying potential cost savings in the agency or program, identifying funding that could be eliminated, identifying programs or services that could be eliminated, etc.

Completed audit reports must be submitted to the LTC or its executive committee, and must include, at a minimum, recommendations on: (a) The continuation, abolition, consolidation, or reorganization of each affected agency or program; and (b) opportunities to develop government partnerships, and eliminate redundant programs.

This act takes effect immediately.

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