

HOUSE BILL REPORT

SHB 1488

As Passed House:

February 13, 2004

Title: An act relating to quality improvement.

Brief Description: Requiring quality management programs for state agencies.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Miloscia, Armstrong, Pettigrew, Morris, Linville, Schual-Berke, Conway, Romero, Chase, Eickmeyer, Haigh, Hunt, Moeller, Anderson, McCoy, Lovick, Upthegrove, Berkey, Morrell, Lantz, Wood and Kenney).

Brief History:

Committee Activity:

State Government: 2/18/03, 2/21/03 [DP];

Appropriations: 2/3/04, 2/5/04 [DPS].

Floor Activity:

Passed House: 4/13/04, 79-17.

Brief Summary of Substitute Bill

- Requires every state agency to develop and implement a Quality Management Program (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 Washington Supreme Court and local governments to develop and implement similar quality management programs.

HOUSE COMMITTEE ON STATE GOVERNMENT

Majority Report: Do pass. Signed by 9 members: Representatives Haigh, Chair; Miloscia, Vice Chair; Armstrong, Ranking Minority Member; Shabro, Assistant Ranking Minority Member; Hunt, McDermott, Nixon, Tom and Wallace.

Staff: Marsha Reilly (786-7135).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 16 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Boldt, Cody, Conway, Dunshee, Grant, Hunter, Kagi, Kenney, Kessler, Linville, McIntire, Miloscia, Ruderman and Schual-Berke.

Minority Report: Do not pass. Signed by 11 members: Representatives Sehlin, Ranking Minority Member; Pearson, Assistant Ranking Minority Member; Alexander, Anderson, Buck, Chandler, Clements, Cox, McDonald, Sump and Talcott.

Staff: Holly Lynde (786-7153).

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 its public services using quality improvement, business process redesign, employee involvement, and other quality improvement techniques. Agency quality improvement plans were submitted to the Governor in July of 1997. Each agency is required to make a quarterly report on the Program and its progress.

Summary of Substitute Bill:

Many of the provisions of Executive Order 97-03 relating to the Program 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.

Each state agency, within available funds, is instructed to develop and implement a Program to improve the quality, efficiency, and effectiveness of the public services it provides. The Program must identify immediate-term and near-term opportunities to improve services and reduce costs; identify goals and measure progress toward meeting them; evaluate and report the results of the Program on a regular basis; and develop a plan for quality improvement.

State agencies whose chief executive is appointed by the Governor must report the Program results to the Governor on a regular basis, and state agencies whose chief executive is an elected official must report results to that elected official on a regular basis.

The Office of Insurance Commissioner, Department of Natural Resources, and four-year institutions of higher education must develop and implement a Program by June 30, 2006. All other state agencies must develop and implement the Program by June 30, 2004.

At least once every three years state agencies must apply for the Washington State Quality Award, or an equivalent outside quality assessment.

The Senate and House of Representatives must each develop a Program and report the results of the Program to leadership of each major political party caucus. The Supreme Court is encouraged to develop a Program and report the results of it to the chief justice. Local governments are encouraged to implement a Program.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: (State Government) This same bill, implementing quality management, has passed out of the House of Representatives the last five years. Quality management is in use by about 70 percent of Fortune 500 companies. The higher education community always returns high fiscal notes. Under the bill, higher education is given a phased-in schedule.

(With concerns) The concept is good although some language could be improved. Employees will not be involved unless the program is credible. The Governor supports the concept and intent of the bill but expresses concerns with the requirement that all agencies apply every three years for an external quality assessment. Applying for a quality award is labor intensive. The self-assessment process currently in place is a more cost effective approach to improving management systems.

Testimony For: (Appropriations) This bill has passed out of this committee twice before and off the House floor five times. It basically sets in statute the Governor's Executive Order 97-03, with a followup assessment. It is modeled on the Malcolm Baldrige Award criteria, which are considered the best practices for management improvement in both the public and private sectors.

Testimony Against: (State Government) None.

Testimony Against: (Appropriations) None.

Persons Testifying: (State Government) (In support) Representative Miloscia, prime sponsor.

(With concerns) Loren Michael Freeman, Citizen Advocate; and Mary Campbell, Office of the Governor.
Persons Testifying: (Appropriations) Representative Miloscia, prime sponsor.

Persons Signed In To Testify But Not Testifying:

Persons Signed In To Testify But Not Testifying: (Appropriations) None.